CITY OF COOLIDGE, GEORGIA

FINANCIAL STATEMENTS

FOR YEAR ENDED

DECEMBER 31, 2011

CITY OF COOLIDGE, GEORGIA
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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the City Council
City of Coolidge, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the City of Coolidge, Georgia as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Coolidge, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund and the aggregate remaining fund information of the City of Coolidge, Georgia as of December 31, 2011, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The City of Coolidge, Georgia has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 3, 2012, on our consideration of the City of Coolidge, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Coolidge, Georgia's financial statements as a whole. The combining non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Simmons, Mills & Simmons P.C.
Thomasville, Georgia

Simmons, Mills & Simmons P.C.

May 3, 2012

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Net Assets
December 31, 2011

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash investments	$ 378,449	$ 26,224	$ 404,673
Time deposits	238,303	-	238,303
Restricted cash	-	62,343	62,343
Receivables (net of allowance for doubtful accounts):			
Taxes	16,655	-	16,655
Accounts	6,041	10,085	16,126
Miscellaneous	-	-	-
Intergovernmental receivable	13,744	-	13,744
Internal balances	21,109	(21,109)	-
Prepaid items	4,332	1,131	5,463
Other assets	-	1,000	1,000
Capital assets:			
Land	88,034	8,613	96,647
Buildings	416,137	71,039	487,176
Equipment	232,780	103,372	336,152
Infrastructure	621,639	3,714,110	4,335,749
Construction in progress	64,119	-	64,119
Accumulated depreciation	(301,836)	(2,062,912)	(2,364,748)
Loan issue cost, net of accumulated amortization	-	3,966	3,966
Total assets	1,799,506	1,917,862	3,717,368
Liabilities:			
Accounts payable	11,416	2,264	13,680
Accrued liabilities	5,420	496	5,916
Intergovernmental payable	5,496	-	5,496
Deferred revenues	4,005	7,700	11,705
Compensated absences-current portion	1,590	725	2,315
Notes payable-current portion	-	16,970	16,970
Liabilities payable from restricted assets:			
Accounts payable	-	-	-
Customer deposits	-	19,899	19,899
Revenue bonds payable-current portion	-	7,000	7,000
Noncurrent liabilities:			
Compensated absences	-	-	-
Notes payable	-	185,248	185,248
Revenue bonds payable	-	140,000	140,000
Total liabilities	27,927	380,302	408,229
Net assets:			
Invested in capital assets, net of related debt	1,120,873	1,485,004	2,605,877
Restricted for:			
Special revenue fund-Hotel/Motel Tax	8,281	-	8,281
Capital projects	127,998	-	127,998
Unrestricted	514,427	52,556	566,983
Total net assets	$ 1,771,579	$ 1,537,560	$ 3,309,139

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Activities
Year Ended December 31, 2011

Program Activities	Expenses	Program Revenues: Fees, Fines and Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General government	$ 152,233	$ 6,448	$ -	$ 39,235
Public safety	168,590	53,349	-	-
Public works	138,699	65,615	-	20,114
Cultural and recreational	2,037	-	2,040	60
Housing and development	64,928	-	66,467	-
Interest on long-term debt	-	-	-	-
Total governmental activities	526,487	125,412	68,507	59,409
Business-type activities:				
Water & Sewer	280,395	158,260	-	-
Total business-type activities	280,395	158,260	-	-
Total government	$ 806,882	$ 283,672	$ 68,507	$ 59,409

General revenues:
Taxes:
Property taxes
Sales taxes
Other taxes
Investment earnings
Gain on sale/retirement of capital assets
Miscellaneous
Transfers
Total general revenues and transfers
Change in net assets
Net assets - beginning
Net assets - ending

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Activities
Year Ended December 31, 2011

	Net (Expenses) Revenues and changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
	$ (106,550)	$ -	$ (106,550)
	(115,241)	-	(115,241)
	(52,970)	-	(52,970)
	63	-	63
	1,539	-	1,539
	-	-	-
	(273,159)	-	(273,159)
	-	(122,135)	(122,135)
	-	(122,135)	(122,135)
	$ (273,159)	$ (122,135)	$ (395,294)
	$ 157,634	$ -	$ 157,634
	48,667	-	48,667
	85,252	-	85,252
	4,923	393	5,316
	28,083	-	28,083
	183	-	183
	(1,616)	1,616	-
	323,126	2,009	325,135
	49,967	(120,126)	(70,159)
	1,721,612	1,657,686	3,379,298
	$ 1,771,579	$ 1,537,560	$ 3,309,139

CITY OF COOLIDGE, GEORGIA
Balance Sheet
Governmental Funds
December 31, 2011

	General Fund	SPLOST 2006 Fund	CHIP Grant Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash	$ 236,617	$ 69,730	$ -	$ 72,102	$ 378,449
Time deposits	238,303	-	-	-	238,303
Receivables (net where applicable of allowance for doubtful accounts):					
Taxes	16,655	-	-	-	16,655
Accounts	6,041	-	-	-	6,041
Interfund receivables	21,109	-	-	-	21,109
Intergovernmental receivables	8,233	5,111	-	400	13,744
Prepaid items	4,332	-	-	-	4,332
Total assets	$ 531,290	$ 74,841	$ -	$ 72,502	$ 678,633
Liabilities and fund balances:					
Liabilities:					
Accounts payable	$ 4,357	$ -	$ -	$ 7,059	$ 11,416
Accrued liabilities	5,420	-	-	-	5,420
Interfund payables	-	-	-	-	-
Intergovernmental payables	5,496	-	-	-	5,496
Deferred revenues	11,750	-	-	4,005	15,755
Total liabilities	27,023	-	-	11,064	38,087
Fund balances:					
Nonspendable:					
Prepaid items	4,332	-	-	-	4,332
Restricted for:					
Construction of capital assets	-	74,841	-	53,157	127,998
Promotion of tourism	-	-	-	8,281	8,281
Assigned to:					
Projected budgetary deficit	8,480	-	-	-	8,480
Unassigned	491,455	-	-	-	491,455
Total fund balances	504,267	74,841	-	61,438	640,546
Total liabilities and fund balances	$ 531,290	$ 74,841	$ -	$ 72,502	$ 678,633

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Reconciliation of the Governmental Funds Balance Sheet to the Government - Wide Statement of Net Assets
Year Ended December 31, 2011

Total fund balances - total governmental funds		$ 640,54
Amounts reported for Governmental Activities in the Statement of Net Assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet.		
Cost	$ 1,422,709	
Less accumulated depreciation	(301,836)	1,120,87
Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of the City's year end.		11,75
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.		(1,59
Net assets of governmental activities		$ 1,771,57

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2011

	General Fund	SPLOST 2006 Fund	CHIP Grant Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
General property taxes	$ 159,584	$ -	$ -	$ -	$ 159,584
Sales and use taxes	48,667	-	-	-	48,667
Other taxes	85,252	-	-	-	85,252
Licenses and permits	6,448	-	-	-	6,448
Intergovernmental revenues	2,040	39,124	64,928	21,539	127,631
Charges for services	65,615	-	-	-	65,615
Interest income	4,923	111	-	174	5,208
Fines and forfeitures	53,349	-	-	-	53,349
Miscellaneous revenues	183	-	-	-	183
Total revenues	426,061	39,235	64,928	21,713	551,937
Expenditures:					
Current:					
General government	135,588	-	-	-	135,588
Public safety	162,645	-	-	-	162,645
Public works	112,232	-	-	-	112,232
Culture and recreation	2,037	-	-	-	2,037
Debt service	-	-	-	-	-
Capital projects	-	-	64,928	64,119	129,047
Total expenditures	412,502	-	64,928	64,119	541,549
Excess (deficiency) of revenues over expenditures	13,559	39,235	-	(42,406)	10,388
Other financing sources (uses):					
Proceeds from capital asset disposition	74,000	-	-	-	74,000
Transfers in (out)	-	(1,616)	-	-	(1,616)
Total other financing sources (uses)	74,000	(1,616)	-	-	72,384
Net change in fund balances	87,559	37,619	-	(42,406)	82,772
Fund balances - beginning	416,708	37,222	-	103,844	557,774
Fund balances - ending	$ 504,267	$ 74,841	$ -	$ 61,438	$ 640,546

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets
Year Ended December 31, 2011

Net change in fund balances - total government funds		$ 82,772
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		64,119
The book value of capital assets disposed of are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement.		(45,917)
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.		(48,467)
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues in the governmental funds.		
Deferred taxes @ 12-31-11	$ 11,750	
Deferred taxes @ 12-31-10	13,700	(1,950)
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 12-31-10	1,000	
Liability @ 12-31-11	1,590	(590)
Change in net assets of governmental activities		$ 49,967

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
GAAP Basis
Year Ended December 31, 2011

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
General property taxes	$ 166,658	$ 163,368	$ 159,584	$ (3,784)
Sales and use taxes	49,000	48,600	48,667	67
Other taxes	92,285	86,177	85,252	(925)
Licenses and permits	3,150	7,020	6,448	(572)
Intergovernmental revenues	2,000	2,040	2,040	-
Charges for services	64,000	63,375	65,615	2,240
Interest income	2,125	2,345	4,923	2,578
Fines and forfeitures	68,000	69,700	53,349	(16,351)
Miscellaneous revenues	2,081	2,799	183	(2,616)
Carryover of funds	22,994	-	-	-
Total revenues	472,293	445,424	426,061	(19,363)
Expenditures:				
Current:				
General government	149,001	234,830	135,588	(99,242)
Public safety	202,300	163,968	162,645	(1,323)
Public works	118,992	118,586	112,232	(6,354)
Culture and recreation	2,000	2,040	2,037	(3)
Debt service	-	-	-	-
Total expenditures	472,293	519,424	412,502	(106,922)
Excess (deficiency) of revenues over expenditures	-	(74,000)	13,559	87,559
Other financing sources (uses):				
Proceeds from capital asset disposition	-	74,000	74,000	-
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	74,000	74,000	-
Net change in fund balances	-	-	87,559	87,559
Fund balances - beginning	416,708	416,708	416,708	-
Fund balances - ending	$ 416,708	$ 416,708	$ 504,267	$ 87,559

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Net Assets
Proprietary Funds
December 31, 2011

	Water & Sewer	Totals
Assets:		
Current assets:		
Cash and cash investments	$ 26,224	$ 26,224
Restricted cash	62,343	62,343
Receivables (net where applicable of allowance for doubtful accounts):		
Accounts	10,085	10,085
Miscellaneous	-	-
Interfund receivables	-	-
Intergovernmental receivables	-	-
Prepaid items	1,131	1,131
Other	1,000	1,000
Total current assets	100,783	100,783
Noncurrent assets:		
Capital assets:		
Land	8,613	8,613
Buildings	71,039	71,039
Infrastructure	3,714,110	3,714,110
Equipment	103,372	103,372
Construction in progress	-	-
Accumulated depreciation	(2,062,912)	(2,062,912)
Total capital assets, net of accumulated depreciation	1,834,222	1,834,222
Other assets:		
Loan issue cost	6,438	6,438
Accumulated amortization	(2,472)	(2,472)
Total other assets	3,966	3,966
Total assets	1,938,971	1,938,971
Liabilities:		
Current liabilities:		
Accounts payable	2,264	2,264
Accrued liabilities	496	496
Interfund payables	21,109	21,109
Deferred revenues	7,700	7,700
Compensated absences-current portion	725	725
Notes payable	16,970	16,970
Liabilities payable from restricted assets:		
Accounts payable	-	-
Customer deposits	19,899	19,899
Revenue bonds payable	7,000	7,000
Total current liabilities	76,163	76,163
Noncurrent liabilities:		
Compensated absences	-	-
Notes payable	185,248	185,248
Revenue bonds payable	140,000	140,000
Total noncurrent liabilities	325,248	325,248
Total liabilities	401,411	401,411
Net Assets:		
Invested in capital assets, net of related debt	1,485,004	1,485,004
Unrestricted (deficiency)	52,556	52,556
Total net assets	$ 1,537,560	$ 1,537,560

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA

Statement of Revenues, Expenses and Changes in Fund Net Assets

Proprietary Funds

Year Ended December 31, 2011

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Operating revenues:		
Charges for services - water	$ 71,243	$ 71,243
Charges for services - sewer	69,042	69,042
Miscellaneous	11,255	11,255
Total operating revenues	151,540	151,540
Operating expenses:		
Personal services	57,502	57,502
Purchased/contracted services	39,953	39,953
Supplies	32,762	32,762
Depreciation	142,147	142,147
Total operating expenses	272,364	272,364
Income (loss) from operations	(120,824)	(120,824)
Non-operating revenues (expenses):		
Interest income	393	393
Rent income	6,720	6,720
Intergovernmental revenue	-	-
Interest expense	(7,700)	(7,700)
Amortization	(331)	(331)
Total non-operating revenues (expenses)	(918)	(918)
Income (loss) before transfers	(121,742)	(121,742)
Transfers in	1,616	1,616
Change in net assets	(120,126)	(120,126)
Net assets - beginning	1,657,686	1,657,686
Net assets - ending	$ 1,537,560	$ 1,537,560

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2011

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Cash flows from operating activities:		
Cash received from customers	$ 142,040	$ 142,040
Other operating cash receipts	11,255	11,255
Cash payments to suppliers for goods and services	(77,874)	(77,874)
Cash payments to employees for services	(46,508)	(46,508)
Net cash provided (used) by operating activities	28,913	28,913
Cash flows from noncapital financing activities:		
Rent income	6,720	6,720
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	-
Intergovernmental revenue	-	-
Interest paid on bonds	(7,700)	(7,700)
Loan payments	(23,970)	(23,970)
Net cash provided (used) by capital and related financing activities	(31,670)	(31,670)
Cash flow from investing activities:		
Interest on cash and investments	392	392
Net increase (decrease) in cash and cash investments	4,355	4,355
Cash and cash investments, January 1	84,212	84,212
Cash and cash investments, December 31	$ 88,567	$ 88,567
Non-cash capital activities:		
Capital asset purchased by the SPLOST fund for the Water & Sewer fund	$ 1,616	

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2011

	Business-Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:		
Income (loss) from operations	$ (120,824)	$ (120,824)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	142,147	142,147
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,228	1,228
(Increase) decrease in interfund receivables	2,487	2,487
(Increase) decrease in intergovernmental receivable	-	-
(Increase) decrease in prepaid items	(354)	(354)
Increase (decrease) in accounts payable	(99)	(99)
Increase (decrease) in other payables	(1,296)	(1,296)
Increase (decrease) in customer deposits payable	527	527
Increase (decrease) in interfund payables	5,097	5,097
Net cash provided (used) by operating activities	$ 28,913	$ 28,913
Reconciliation of total cash and cash investments:		
Current assets - cash and cash investments	$ 26,224	$ 26,224
Restricted cash	62,343	62,343
Total cash and cash investments	$ 88,567	$ 88,567

See accompanying notes to basic financial statements

NOTES TO THE FINANCIAL STATEMENTS

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The City of Coolidge (the "City") was incorporated in 1901. The City operates under a council/mayor form of government and provides the following services: public safety (police), highways and streets, sanitation, recreation, public improvements and general and administrative services. In addition, the City operates a public utility (water & sewer system) for the incorporated and immediate surrounding areas.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled Audits of State and Local Governmental Units and by the Financial Accounting Standards Board (when applicable). As allowed in Section P80 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, the City has elected to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant accounting policies of the City are described below.

B. Financial Reporting Entity

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the City holds the corporate powers of the organization
- the City appoints a voting majority of the organization's board
- the City is applicable to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the City
- there is fiscal dependency by the organization on the City

Based on the aforementioned criteria, the City of Coolidge has no component units.

Related organizations

The following is list of related organizations for which the City of Coolidge appoints one or more of the Board of Directors:

- Southwest Georgia Regional Commission
- Thomas County Recreation Board

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

B. Financial Reporting Entity (Cont.)

Joint ventures

The City of Coolidge, in conjunction with forty-four cities or counties in the South Georgia area are members of the Southwest Georgia Regional Commission (SWGRC). Membership in an SWGRC is automatic of each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The RC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the non-public Board member from a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources (O.C.G.A. 50-8-39.1).

Separately issued financial statements of the Southwest Georgia Regional Commission are available at their administrative offices located at 30 West Broad Street, Camilla, Ga. or by telephone at 229-522-3552.

C. Basis of Presentation

The government-wide financial statements (the statement of net asset and the statement of changes in net assets) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

C. Basis of Presentation (Cont.)

Fund Financial Statements:

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental funds typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund –

The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

SPLOST 2006 Fund –

The SPLOST 2006 Fund is a capital projects fund used to account for Special Purpose Local Option Sales Tax approved by the voters in 2006. This sales tax is to be used for capital outlay as allowed by the Official Code of Georgia Annotated Section 48-8-111.

Chips Grant Fund –

The Chips Grant Fund is a capital projects fund used to account for grant #06m-x-136-2-2942. The purpose of this grant is to rehab houses of certain Coolidge citizens that meet the grant's qualifications.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The City has presented the following major proprietary fund:

Water and Sewer Fund –

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the actual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

E. Budgets

All budgets, except for the enterprise funds, are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General Fund, Hotel/Motel Tax Fund and the Enterprise Funds. Amounts presented for the General Fund are as amended by the City Council. All annual appropriations lapse at fiscal year end. Project-length budgets were adopted for each capital projects fund.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

F. Cash and Investments

Cash and time deposits include amounts in demand deposits, passbook saving as well as certificates of deposits. All cash is separately held and reflected in its respective fund. Cash equivalents are short term, highly liquid investments with a maturity date of three months or less that can be converted to known amounts of cash.

The City's deposit policy limits deposit choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statutes. The state statute requires the deposits to be secured at an amount equal to the total deposits less FDIC insurance, then multiplied by 110 percent.

The City's investment policy limits investment choices to investments complying with state statutes. These investments are limited to obligations of states, obligations issued by the U.S. government, obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States, obligations of any corporation of the U.S. government, the local government investment pool established by state law and obligations of other political subdivisions of the State of Georgia.

G. Prepaid Items

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of fund balance is not available for other subsequent expenditures.

H. Inventories

Expendable supplies are recorded as expenditures at the time items are purchased. The City does not record inventories of supplies on the books. Any inventory of supplies at December 31, 2011 are considered immaterial.

I. Internal Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

J. Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both governmental and proprietary funds.

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

K. Capital Assets

Capital assets, which includes property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. General infrastructure assets acquired prior to July 1, 2003, are not reported in the basic financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003. Improvements to capital assets are capitalized. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated asses are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Interest has not been capitalized during the construction period on property, plant and equipment. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Assets are capitalized and the estimated useful lives are as follows:

	Life – Years	Threshold
Buildings	15-50	$ 15,000
Equipment	3-15	5,000
Infrastructure	20-50	150,000

L. Compensated Absences

The City's policy allows employees to accumulate earned but unused vacation benefits. All vacation and are accrued when incurred in the government-wide and proprietary fund financial statements.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the issue is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

N. Nature and Purpose of Reservations and Designations of Fund Equity

The fund equity reserves for prepaid items.

Designations of fund equity are not legally required segregations but are segregated for a specific purpose. The following designations of fund equity are used by management.

Water and Sewer Fund	
Cash – renewal and extensions	$20,299

(1) – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

O. Government-wide and Proprietary Fund Net Assets

Government-wide and proprietary fund net assets are divided into three components:

Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net assets – consist of net assets that are restricted by the City's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted – all other net assets are reported in this category.

P. Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the City Charter, the City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by City Council.

Assigned – Amounts that are designated by the City Council for a particular purpose.

Unassigned – All amounts not included in other spendable classifications.

Q. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

(2) – LEGAL COMPLIANCE – BUDGETS

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. At least four months prior to year end, the City Clerk and department heads start working on the proposed operating budget for the forthcoming fiscal year.

2. Sixty days prior to year end, the City Clerk submits to the City Council a proposed operating budget for the forthcoming fiscal year. The operating budget includes proposed expenditures and the means of financing them.

(2) – LEGAL COMPLIANCE – BUDGETS (CONT.)

3. Public hearings are conducted to obtain taxpayer comments.

4. As close to year end as possible, usually 30 days prior to year end, the budget is legally adopted by the City Council and made part of the City's minutes.

5. Any changes to the city's budget must be approved by the City Council. The City Council approves all expenditures each month, regardless of amount.

6. All appropriations lapse at year end.

7. Budget amendments, as needed, are proposed by the City Clerk and approved by the City Council.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level.

Excess of Expenditures over Appropriations

For the year ended December 31, 2011, expenditures did not exceed appropriations.

(3) – DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial credit risk (Note 1F). As of December 31, 2011, all of the City's deposits were covered by either the Federal Depository Insurance Corporation (FDIC) or collateral pledged by the financial institution or a combination of the two.

As of year-end, the carrying amount of the City's demand and time deposits was $ 705,319 and the bank balances totaled $709,932.

Investments

As of December 31, 2011 the City had no investments.

(4) – RECEIVABLES

The receivables as of December 31, 2011 for the City's individual major funds and total non-major funds are as follows:

	Major Governmental		Non-Major Governmental	Major Business-Type	
	General Fund	SPLOST 2006 Fund	Hotel/Motel Tax Fund	Water & Sewer Fund	Total
Receivables:					
Taxes	$ 16,655	$ -	$ -	$ -	$ 16,655
Accounts	7,991	-	-	12,485	20,476
Miscellaneous	-	-	-	-	-
Intergovernmental	8,233	5,111	400	-	13,744
Gross receivables	32,879	5,111	400	12,485	50,875
Less: Allowance for doubtful accounts	1,950	-	-	2,400	4,350
Total net receivables	$ 30,929	$ 5,111	$ 400	$ 10,085	$ 46,525

Property taxes are levied as of September 28th on property values assessed as of January 1st. The bills were mailed on October 14th and are considered due upon receipt by the taxpayer; however, the actual due date is December 20th. After this date, the bill becomes delinquent and penalties and interest may be assessed.

(5) – RESTRICTED ASSETS

Restricted assets reported in the Water & Sewer fund are comprised of the following:

Cash - renewal and extension	$ 20,299
Cash - debt service	21,746
Cash - customer deposits	20,298
Total	$ 62,343

(6) – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011 was as follows:

	Balance Jan. 1	Additions	Deletions	Balance Dec. 31
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 103,034	$ -	$ 15,000	$ 88,034
Construction in progress	-	64,119	-	64,119
Total capital assets, not being depreciated	103,034	64,119	15,000	152,153
Capital assets, being depreciated				
Buildings and improvements	451,137	-	35,000	416,137
Equipment	232,780	-	-	232,780
Infrastructure	621,639	-	-	621,639
Total capital assets, being depreciated	1,305,556	-	35,000	1,270,556
Less accumulated depreciation for:				
Buildings and improvements	41,479	10,846	4,083	48,242
Equipment	143,448	16,900	-	160,348
Infrastructure	72,525	20,721	-	93,246
Total accumulated depreciation	257,452	48,467	4,083	301,836
Total capital assets, being depreciated, net	1,048,104	(48,467)	30,917	968,720
Governmental activities capital assets, net	$ 1,151,138	$ 15,652	$ 45,917	$ 1,120,873
Business-type activities:				
Capital assets, not being depreciated				
Land	$ 8,613	$ -	$ -	$ 8,613
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	8,613	-	-	8,613
Capital assets, being depreciated				
Infrastructure	3,712,494	1,616	-	3,714,110
Buildings and improvements	71,039	-	-	71,039
Equipment	103,372	-	-	103,372
Total capital assets, being depreciated	3,886,905	1,616	-	3,888,521
Less accumulated depreciation for:				
Infrastructure	1,852,640	135,245	-	1,987,885
Buildings and improvements	24,754	2,343	-	27,097
Equipment	43,372	4,558	-	47,930
Total accumulated depreciation	1,920,766	142,146	-	2,062,912
Total capital assets, being depreciated, net	1,966,139	(140,530)	-	1,825,609
Business-type activities capital assets, net	$ 1,974,752	$ (140,530)	$ -	$ 1,834,222

(6) – CAPITAL ASSETS (CONT.)

Depreciation expense was charged as direct expense to programs of the primary government as follows:

Governmental activities:		
General government	$ 16,545	
Public safety	5,945	
Public works	25,977	
Culture and recreation	-	
Total depreciation expense -Governmental activities		$ 48,467
Business-type activities		
Water and sewer	$ 142,147	
Total depreciation expense - Business-type activities		$ 142,147

(7) – LONG-TERM DEBT

At December 31, 2011, the City had the following revenue bonds payable and notes payable:

	Business-Type
Revenue bonds payable – 1987 series Water & Sewer Revenue Bonds $242,000, due in annual installments of various amounts through December 1, 2026, bearing interest at 5 percent. The purpose of these bonds was to finance the construction of the sewer system.	$147,000

Annual debt service requirements to this bond payable as of December 31, 2011 follow:

Year	Principal	Interest	Total
2012	$ 7,000	$ 7,350	$ 14,350
2013	7,000	7,000	14,000
2014	8,000	6,650	14,650
2015	8,000	6,250	14,250
2016	9,000	5,850	14,850
2017-2021	50,000	22,200	72,200
2022-2026	58,000	8,850	66,850
Total	$ 147,000	$ 64,150	$ 211,150

Note payable – Drinking Water State Revolving Loan Fund – The City signed this note for $523,105 in 2002. The purpose of this loan was to finance part of the cost of a new 200,000 gallon elevated water storage tank and new water lines. The loan bears interest at negative 10.187 percent and is payable in 80 quarterly installments of $1,937.50. The City's total debt service on this loan is $155,000. This loan was voided and a new loan issued in 2004 when the project was expanded to add a new well.

(7) – LONG-TERM DEBT (CONT.)

The new loan dated August 20, 2004 is for $321,883, due in monthly installments of $1,414.13 through 2023, bearing interest at zero percent. The total amount that the City received from the Drinking Water State Revolving Loan Fund was $821,883. The difference between the principal and total amount received, $500,000, is accounted for as a grant recognized after the total principal is drawn down from the Drinking Water State Revolving Loan Fund. $202,218

Annual debt service requirements to this note payable as of December 31, 2011 follow:

Year	Principal	Interest	Total
2012	$ 16,970	$ -	$ 16,970
2013	16,970	-	16,970
2014	16,970	-	16,970
2015	16,970	-	16,970
2016	16,970	-	16,970
2017-2021	84,850	-	84,850
2022-2023	32,518	-	32,518
Total	$ 202,218	$ -	$ 202,218

Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended December 31, 2011:

	Balance Jan. 1	Additions	Deductions	Balance Dec. 31	Due within One year
Governmental type activities:					
Compensated absences	$ 1,000	$ 4,000	$ 3,410	$ 1,590	$ 1,590
Business type activities:					
Compensated absences	$ 1,200	$ 1,200	$ 1,675	$ 725	$ 725
Revenue bonds payable	154,000	-	7,000	147,000	7,000
Note payable - Drinking Water State Revolving Loan Fund	219,188	-	16,970	202,218	16,970
Total business type activities	374,388	1,200	25,645	349,943	24,695
Total government	$ 375,388	$ 5,200	$ 29,055	$ 351,533	$ 26,285

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, normally the General Fund and the Water and Sewer Fund.

(8) – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund balances at December 31, 2011, consisted of the following amounts and represent charges for services. These remaining balances resulted from the time lag between the dates that payments between funds are made. The City expects to repay all interfund balances within one year.

Fund	Interfund Receivables	Interfund Payables
General Fund	$ 21,109	$ -
Water & Sewer Fund	-	21,109
Total	$ 21,109	$ 21,109

Transfers are substantially for the purposes of subsidizing operating functions, funding capital projects and asset acquisitions.

Transfers between funds during the year were as follows:

	Transfers From:		
	Governmental Activities		
	Major Governmental Funds	Major Business - Type Funds	
Transfer To:	SPLOST 2006 Fund	Water & Sewer Fund	Total
Water & Sewer Fund	$ 1,616	$ -	$ 1,616

(9) – FUND BALANCES

The following is a summary of the fund balances for the governmental funds at December 31, 2011:

Nonspendable:		
Prepaid items - This is prepaid insurance in the general fund	$	4,332
Restricted for construction of capital assets - This is net assets restricted by state law as follows:		
SPLOST 2006 Fund - Restricted by state law		74,841
SPLOST Road Fund - Restricted by state law		27,938
SPLOST Recreation Fund - Restricted by state law and the City of Thomasville		25,219
Restricted for promotion of tourism:		
Hotel/Motel Tax Fund - Restricted by state law		8,281
Assigned:		
Projected budgetary deficit - This is the amount in the general fund that will be used to balance the 2012 budget		8,480
Unassigned:		
This is the amount assigned in the general fund		491,455
Total fund balance	$	640,546

(10) - RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim or loss. The City is also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The funds are to pay all cost taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

(10) - RISK MANAGEMENT (CONT.)

The City has not compiled a record of the claims paid up to the applicable deductible for the prior or current fiscal year. The City is not aware of any claims which the City is liable for (up to the applicable deductible) which were outstanding and unpaid at December 31, 2011. No provisions has been made in the financial statements for the year ended December 31, 2011 for any estimate of potential unpaid claims.

The City carries a combined property, casualty, and crime coverage with the Georgia Interlocal Risk Management Agency (GIRMA).

Coverages are as follows:

Coverage description – property (Section 2A):	
Blanket buildings and personal property	$ 1,761,151
Automobile physical damage and mobile equipment	Per schedule on file with GIRMA
Coverage description – casualty (Section 2B):	
General liability	1,000,000
Law enforcement liability	1,000,000
Automobile liability	1,000,000
Employee benefits liability	1,000,000
Public officials liability	1,000,000
Coverage description – crime (Section 2C):	
Blanket Bond	500,000
Depositors forgery	500,000
Money and securities	500,000
Coverage description – environmental:	
GIRMA public entity environmental impairment liability	1,000,000
Deductible:	
General liability	1,000
Law enforcement liability	1,000
Automobile liability	1,000
Errors and omissions liability	1,000
Employee benefits liability	1,000
Buildings and personal property	1,000
Automobile physical damage	1,000
Environmental	1,000
Crime	1,000
Coverages subject to a retroactive date:	
(Unless stated otherwise in the coverage exceptions)	
Errors and omission	10/31/1994
Employee benefits liability	10/31/1994
Environmental liability	10/31/1994

Coverage is subject to all terms, conditions and internal limits as specified in the GIRMA member coverage agreement.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceeded the City's insurance coverage during the past three years.

(11) – CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The City has stated that it is not involved in any lawsuit that will have a material effect on the financial condition of the City.

(12) – COMMITMENTS

The City received a $500,000 Community Development Block Grant for street improvements and flood and drainage facilities on November 23, 2010. The City committed a cash match of $108,454 for this project. As of December 31, 2011 the City has paid $44,119 of this cash match.

(13) – ECONOMIC DEPENDENCY

The City has some economic dependency on two related corporations which pay approximately $65,778 or 45% of the real property taxes and 15.4% of the General Fund's total revenue.

(14) – HOTEL/MOTEL LODGING TAX

Pursuant to an ordinance on June 27, 2005, January 1, 2006 Thomas County began levying a 5% lodging tax in accordance with O.C.G.A. 48-13-51 and expends 50% of the hotel/motel tax collections for the purpose of promoting tourism.

Thomas County paid the City of Coolidge, Georgia $1,539 from their Hotel/Motel Tax Fund in 2011. The City did not spend any of this money in 2010 or 2011.

(15) – NEW GASB STANDARDS

In 2011, the City of Coolidge, Georgia implemented GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions". This standard is designed to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and clarifying the existing governmental fund type definitions.

SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING FUND STATEMENTS

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

A Special Revenue Fund is used to account for receipts and disbursements of moneys restricted by law or contract.

Hotel/Motel Tax Fund – To account for tax received from Thomas County, Georgia. The purpose of the tax is to provide resources to promote tourism.

CAPITAL PROJECTS FUNDS

A Capital Project fund is used to account for all receipts and disbursements of moneys for the construction or acquisition of capital facilities and infrastructure

SPLOST Road Fund – To account for special purpose sales tax received from Thomas County, Georgia. The purpose of the tax is to provide resources for road and other capital projects.

SPLOST Recreation Fund – To account for special purpose sales tax received from the City of Thomasville, Georgia. The purpose of the tax is to provide resources for improvements to existing recreational facilities.

CBGB 10 Fund – To account for a $500,000 Community Development Block Grant awarded on November 23, 2010. This grant is for street improvement and flood and drainage facilities.

CITY OF COOLIDGE, GEORGIA
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2011

	Special Revenue Fund	Capital Projects			
	Hotel/Motel Tax Fund	SPLOST Road Fund	SPLOST Recreation Fund	CDBG 10 Fund	Total Other Governmental Funds
Assets:					
Cash	$ 7,881	$ 34,997	$ 25,219	$ 4,005	$ 72,102
Intergovernmental receivables	400	-	-	-	400
Total assets	$ 8,281	$ 34,997	$ 25,219	$ 4,005	$ 72,502
Liabilities and fund balances:					
Liabilities:					
Accounts Payable	$ -	$ 7,059	$ -	$ -	$ 7,059
Deferred revenue	-	-	-	4,005	4,005
Total liabilities	-	7,059	-	4,005	11,064
Fund balances:					
Restricted for:					
Construction of capital assets	-	27,938	25,219	-	53,157
Promotion of tourism	8,281	-	-	-	8,281
Total fund balances	8,281	27,938	25,219	-	61,438
Total liabilities and fund balances	$ 8,281	$ 34,997	$ 25,219	$ 4,005	$ 72,502

CITY OF COOLIDGE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2011

	Special Revenue Fund	Capital Projects			
	Hotel/Motel Tax Fund	SPLOST Road Fund	SPLOST Recreation Fund	CDBG 10 Fund	Total Other Governmental Funds
Revenues:					
Sales and use taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenues	1,539	-	-	20,000	21,539
Interest Income	-	114	60	-	174
Total revenues	1,539	114	60	20,000	21,713
Expenditures:					
Capital projects	-	44,119	-	20,000	64,119
Total expenditures	-	44,119	-	20,000	64,119
Net change in fund balances	1,539	(44,005)	60	-	(42,406)
Fund balances - beginning	6,742	71,943	25,159	-	103,844
Fund balances - ending	$ 8,281	$ 27,938	$ 25,219	$ -	$ 61,438

OTHER SUPPLEMENTARY INFORMATION

SIMMONS, MILLS & SIMMONS P.C.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members
of the City Council
City of Coolidge, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Coolidge, Georgia, as of and for the year ended December 31, 2011, which collectively comprise the City of Coolidge, Georgia's basic financial statements and have issued our report dated May 3, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the City of Coolidge, Georgia, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City of Coolidge, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Coolidge, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Coolidge, Georgia's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a deficiency in internal control over financial reporting, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency in internal control over financial reporting 96-1. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Coolidge, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The City of Coolidge, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the City of Coolidge, Georgia's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management and the City Council and is not intended to be and should not be used by anyone other than these specified parties.

Simmons, Mills & Simmons P.C.
Thomasville, Georgia

Simmons, Mills & Simmons P.C.

May 3, 2012

CITY OF COOLIDGE, GEORGIA
Schedule of Findings and Responses
For the Year Ended December 31, 2011

Prior years findings and responses:

96-1

Condition – The City has a deficiency in its control structure due to a lack of segregation of duties.

Effect - The City Clerk performs many of the accounting functions which gives her the ability to control the financial records and reports.

Status – Our test determined that this condition still exists.

Recommendation - The Mayor and City Council should closely monitor and approve the monthly financial activity.

Views of responsible officials and planned corrective actions – The City's management concurs with the finding. The Mayor and City Council will continue to closely monitor and approve the monthly financial activity.

Current year findings and responses

None noted.

SIMMONS, MILLS & SIMMONS P.C.

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INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX

Honorable Mayor and Members
of the City Council
City of Coolidge, Georgia

We have audited the accompanying Schedules of Special Purpose Local Option Sales Tax for the City of Coolidge, Georgia for the year ended December 31, 2011. These schedules are the responsibility of the City of Coolidge's management. Our responsibility is to express an opinion on the Schedules of Special Purpose Local Option Sales Tax based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules of Special Purpose Local Option Sales Tax are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedules of Special Purpose Local Options Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedules of Special Purpose Local Option Sales Tax is prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121 on the modified accrual basis of accounting as described in Note 1 and is not intended to be a complete presentation of the City of Coolidge's revenues and expenditures

In our opinion, the Schedules of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated cost, and the current and prior year expenditures for each project of the City of Coolidge for the year ended December 31, 2011, in conformity with accounting principles generally accepted in the United States of America.

Simmons, Mills & Simmons P.C.
Thomasville, Georgia

Simmons, Mills & Simmons P.C.

May 3, 2012

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2011

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Miscellaneous road projects	$ 109,800	$ 47,080	$ 44,119	$ 91,199
			-	
Totals	$ 109,800	$ 47,080	$ 44,119	$ 91,199

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2011

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Spray Field Improvements	$ 100,000	$ 122,500	$ 120,525	$ 1,616	$ 122,141
Misc. Water & Sewer Projects	98,250	78,250	2,487	-	2,487
Totals	$ 198,250	$ 200,750	$ 123,012	$ 1,616	$ 124,628

Note: Special Purpose Local Option Sales Tax revenue received from Thomas County, Georgia for year ended December 31, 2011 was $ 39,124.

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2011

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation Projects	$ 25,000	$ -	$ -	$ -
Totals	$ 25,000	$ -	$ -	$ -

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INDEPENDENT AUDITOR'S REPORT ON SCHEDULES OF SOURCE AND APPLICATION OF FUNDS AND SCHEDULE OF PROJECT COST APPLICABLE TO COMMUNITY DEVELOPMENT BLOCK GRANTS

We have audited the accompanying Schedules of Source and Application of Funds and Schedules of Project Costs as of December 31, 2011 and for the year then ended. These financial statements are the responsibility of Coolidge, Georgia's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Our audit was made in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards,* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly the disposition and status of the Coolidge, Georgia's Community Development Grant funds at December 31, 2011 for the year then ended in conformity with applicable financial reporting provisions of governmental regulations and accounting principles generally accepted in the United States of America.

This report covers Community Development Block Grant Numbers 06m-x-136-2-2942, 07p-x-136-2-3313 and 10p-x-136-2-5302.

Simmons, Mills & Simmons P.C.
Thomasville, Georgia

Simmons, Mills & Simmons P.C.

May 3, 2012

CITY OF COOLIDGE, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
06m-x-136-2-2942
For the Period Ending December 31, 2011

Total program year 2006 funds allocated to recipient	$	121,065
Less: Total program year 2006 funds drawn by recipient		121,065
Funds still available from program year 2006 resources	$	-
Total program year 2006 funds drawn down and received by recipient in 2011	$	64,825
Cash on hand, January 1, 2011		98
Less: Funds applied and expended to program year 2006 costs		64,923
Total program year 2006 funds held by recipient	$	-

CITY OF COOLIDGE, GEORGIA
Community Development Block Grant
Project Cost Schedule
06m-x-136-2-2942
For the Period Ended December 31, 2011

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other Funds	Grand Total Expenditures To Date	Questioned Costs
Rehabilitation of private properties	H-14A-01	$ 71,028	$ 76,514	$ 850	$ 77,364	$ -
Reconstruction of private properties	H-14A-02	33,528	33,475	-	33,475	-
Administration	A-21A-00	6,053	11,076	-	11,076	-
Contingencies	C-022-00	10,456	-	-	-	-
Total		$ 121,065	$ 121,065	$ 850	$ 121,915	$ -

CITY OF COOLIDGE, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
07p-x-136-2-3313
For the Period Ending December 31, 2011

Total program year 2007 funds allocated to recipient	$ 500,000
Less: Total program year 2007 funds drawn by recipient (Through drawdown # 22)	368,668
Amount deobligated	131,332
Funds still available from program year 2007 resources	$ -
Total program year 2007 funds drawn down and received by recipient in 2011	$ -
Cash on hand, January 1, 2011	-
Less: Funds applied and expended to program year 2007 costs	-
Total program year 2007 funds held by recipient	$ -

CITY OF COOLIDGE, GEORGIA
Community Development Block Grant
Project Cost Schedule
07p-x-136-2-3313
For the Period Ended December 31, 2011

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other Funds	Grand Total Expenditures To Date	Questioned Costs
Engineering - water/sewer improvements	T-03J-00	$ 45,240	$ 45,240	$ 28,244	$ 73,484	$ -
Sewer facilities	P-03J-02	293,428	293,428	93,864	387,292	-
Administration	A-21A-00	30,000	30,000	-	30,000	-
Contingencies	C-022-00	47,110	-	-	-	-
Total		$ 415,778	$ 368,668	$ 122,108	$ 490,776	$ -

CITY OF COOLIDGE, GEORGIA
Community Development Block Grant
Source & Application of Funds Schedule
10p-x-136-2-5302
For the Period Ending December 31, 2011

Total program year 2010 funds allocated to recipient	$	500,000
Less: Total program year 2010 funds drawn by recipient		24,000
Funds still available from program year 2010 resources	$	476,000
Total program year 2010 funds drawn down and received by recipient in 2011	$	24,000
Cash on hand, January 1, 2011		-
Less: Funds applied and expended to program year 2010 costs		20,000
Total program year 2010 funds held by recipient	$	4,000

Note: The December 31, 2011 bank balance is $4,005. The City deposited $5 to open the account.

CITY OF COOLIDGE, GEORGIA
Community Development Block Grant
Project Cost Schedule
10p-x-136-2-5302
For the Period Ended December 31, 2011

Program Activity	Activity Number	Latest Approved Budget CDBG Funds	Accumulative Expenditures To Date CDBG Funds	Accumulative Expenditures To Date Other Funds	Grand Total Expenditures To Date	Questioned Costs
Street improvements	03k-01	$ 138,197	$ -	$ -	$ -	$ -
Flood & drainage facilities	03k-02	302,390	-	44,119	44,119	-
General administration	21A-00	30,000	20,000	-	20,000	-
Contingencies	022-00	29,413	-	-	-	-
Total		$ 500,000	$ 20,000	$ 44,119	$ 64,119	$ -