CITY OF COOLIDGE, GEORGIA

FINANCIAL STATEMENTS

FOR YEAR ENDED

DECEMBER 31, 2014

CITY OF COOLIDGE, GEORGIA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the City of Coolidge, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated, May 12, 2015, 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* in considering the City of Coolidge, Georgia's internal control over financial reporting and compliance.

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

Simmons, Mills + Simmons P.C.

May 12, 2015

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Net Position
December 31, 2014

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash investments	$ 677,466	$ 77,905	$ 755,371
Time deposits	-	-	-
Restricted cash	-	25,277	25,277
Receivables (net of allowance for doubtful accounts):			
Taxes	29,843	-	29,843
Accounts	8,238	16,934	25,172
Intergovernmental receivable	35,606	-	35,606
Internal balances	89,329	(89,329)	-
Prepaid items	4,394	1,295	5,689
Other assets	-	1,000	1,000
Capital assets:			
Land	92,284	8,613	100,897
Buildings	488,408	71,039	559,447
Equipment	249,836	98,972	348,808
Infrastructure	1,224,812	3,743,525	4,968,337
Accumulated depreciation	(455,599)	(2,471,910)	(2,927,509)
Total assets	2,444,617	1,483,321	3,927,938
Liabilities:			
Accounts payable	21,330	2,847	24,177
Accrued liabilities	9,071	879	9,950
Intergovernmental payable	5,288	-	5,288
Unearned revenue	20,912	7,700	28,612
Compensated absences-current portion	1,464	-	1,464
Notes payable-current portion	-	16,970	16,970
Liabilities payable from restricted assets:			
Accounts payable	-	-	-
Customer deposits	-	24,956	24,956
Noncurrent liabilities:			
Compensated absences	-	-	-
Notes payable	-	134,339	134,339
Total liabilities	58,065	187,691	245,756
Net position:			
Net investment in capital assets	1,599,741	1,298,930	2,898,671
Restricted for:			
Special revenue fund-Hotel/Motel Tax	13,887	-	13,887
Capital projects	229,958	-	229,958
Unrestricted	542,966	(3,300)	539,666
Total net position	$ 2,386,552	$ 1,295,630	$ 3,682,182

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Activities
Year Ended December 31, 2014

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	$ 140,401	$ 6,277	$ -	$ 69,421
Public safety	189,003	102,247	-	-
Public works	179,086	74,969	-	38
Cultural and recreational	2,581	-	2,100	23,610
Housing and development	191,353	-	193,369	-
Interest on long-term debt	626	-	-	-
Total governmental activities	703,050	183,493	195,469	93,069
Business-type activities:				
Water & Sewer	267,569	185,826	-	6,597
Total business-type activities	267,569	185,826	-	6,597
Total government	$ 970,619	$ 369,319	$ 195,469	$ 99,666
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 position				
Net position - beginning				
Net position - ending				

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Activities
Year Ended December 31, 2014

Net (Expenses) Revenues and changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (64,703)	$ -	$ (64,703)
(86,756)	-	(86,756)
(104,079)	-	(104,079)
23,129	-	23,129
2,016	-	2,016
(626)	-	(626)
(231,019)	-	(231,019)
-	(75,146)	(75,146)
-	(75,146)	(75,146)
$ (231,019)	$ (75,146)	$ (306,165)
$ 142,506	$ -	$ 142,506
45,373	-	45,373
99,727	-	99,727
2,107	47	2,154
-	-	-
3,202	-	3,202
-	-	-
292,915	47	292,962
61,896	(75,099)	(13,203)
2,324,656	1,370,729	3,695,385
$ 2,386,552	$ 1,295,630	$ 3,682,182

CITY OF COOLIDGE, GEORGIA
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	SPLOST 2012 Fund	CHIP 2012 Fund	LMIG Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash	$ 426,225	$ 124,533	$ 5	$ 27,247	$ 99,456	$ 677,466
Time deposits	-	-	-	-	-	-
Restricted cash	-	-	-	-	-	-
Receivables (net where applicable of allowance for doubtful accounts):						
Taxes	29,843	-	-	-	-	29,843
Accounts	8,238	-	-	-	-	8,238
Interfund receivables	89,329	-	-	-	-	89,329
Intergovernmental receivables	4,740	12,975	17,345	-	546	35,606
Prepaid items	4,394	-	-	-	-	4,394
Total assets	$ 562,769	$ 137,508	$ 17,350	$ 27,247	$ 100,002	$ 844,876
Liabilities, deferred inflows and fund balances						
Liabilities :						
Accounts payable	$ 3,980	$ -	$ 17,350	$ -	$ -	$ 21,330
Accrued liabilities	9,071	-	-	-	-	9,071
Interfund payables	-	-	-	-	-	-
Intergovernmental payables	5,288	-	-	-	-	5,288
Unearned revenue	-	-	-	20,912	-	20,912
Total liabilities	18,339	-	17,350	20,912	-	56,601
Deferred inflows - property taxes	26,700	-	-	-	-	26,700
Fund balances:						
Nonspendable:						
Prepaid items	4,394	-	-	-	-	4,394
Interfund receivable	88,368	-	-	-	-	88,368
Restricted for:						
Construction of capital assets	-	137,508	-	6,335	86,115	229,958
Promotion of tourism	-		-		13,887	13,887
Committed for:						
CHIPS grant	-	-	-	-	-	-
Assigned to:						
Projected budgetary deficit	-	-	-	-	-	-
Unassigned	424,968	-	-	-	-	424,968
Total fund balances	517,730	137,508	-	6,335	100,002	761,575
Total liabilities, deferred inflows and fund balances	$ 562,769	$ 137,508	$ 17,350	$ 27,247	$ 100,002	$ 844,876

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 Position

Year Ended December 31, 2014

Total fund balances - total governmental funds		$ 761,575
Amounts reported for Governmental Activities in the Statement of Net Positions 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	$ 2,055,340	
Less accumulated depreciation	(455,599)	1,599,741
Unearned 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.		26,700
Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet.		
Compensated absences payable		(1,464)
Net position of governmental activities		$ 2,386,552

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, 2014

	General Fund	SPLOST 2012 Fund	CHIP 2012 Fund	LMIG Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	$ 124,506	$ -	$ -	$ -	$ -	$ 124,506
Sales and use taxes	45,373	-	-	-	-	45,373
Other taxes	99,727	-	-	-	-	99,727
Licenses and permits	6,277	-	-	-	-	6,277
Intergovernmental revenues	2,100	69,266	191,353	-	25,616	288,335
Charges for services	74,969	-	-	-	-	74,969
Interest income	2,107	93	-	38	72	2,310
Fines and forfeitures	102,247	-	-	-	-	102,247
Miscellaneous revenues	3,202	-	-	-	-	3,202
Total revenues	460,508	69,359	191,353	38	25,688	746,946
Expenditures:						
Current:						
General government	121,237	-	-	-	-	121,237
Public safety	180,688	-	-	-	-	180,688
Public works	119,709	-	-	-	-	119,709
Culture and recreation	1,854	-	-	-	-	1,854
Debt service	18,523	-	-	-	-	18,523
Capital projects	-	-	191,353	-	11,865	203,218
Total expenditures	442,011	-	191,353	-	11,865	645,229
Excess (deficiency) of revenues over expenditures	18,497	69,359	-	38	13,823	101,717
Other financing sources (uses):						
Proceeds from capital asset disposition	-	-	-	-	-	-
Inception of long-term note	-	-	-	-	-	-
Transfers in	-	-	-	1,274	-	1,274
Transfers (out)	(1,274)	-	-	-	-	(1,274)
Total other financing sources (uses)	(1,274)	-	-	1,274	-	-
Net change in fund balances	17,223	69,359	-	1,312	13,823	101,717
Fund balances - beginning	500,507	68,149	-	5,023	86,179	659,858
Fund balances - ending	$ 517,730	$ 137,508	$ -	$ 6,335	$ 100,002	$ 761,575

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 Position

Year Ended December 31, 2014

Net change in fund balances - total government funds		$ 101,717
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 Positions, 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.		-
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.		-
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Positions, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in Governmental Funds.		(76,751)
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 @ 12-31-14	$ 26,700	
Deferred taxes @ 12-31-13	8,700	18,000
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 @ 12-31-13	$ 2,497	
Liability @ 12-31-14	1,464	1,033
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		17,897
Change in net position of governmental activities		$ 61,896

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, 2014

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
General property taxes	$ 131,821	$ 131,821	$ 124,506	$ (7,315)
Sales and use taxes	46,000	46,000	45,373	(627)
Other taxes	103,900	103,900	99,727	(4,173)
Licenses and permits	6,250	6,250	6,277	27
Intergovernmental revenues	2,100	2,100	2,100	-
Charges for services	73,050	73,050	74,969	1,919
Interest income	900	900	2,107	1,207
Fines and forfeitures	133,000	133,000	102,247	(30,753)
Miscellaneous revenues	100	100	3,202	3,102
Carryover of funds	-	12,900	-	(12,900)
Total revenues	497,121	510,021	460,508	(49,513)
Expenditures:				
Current:				
General government	130,352	140,752	121,237	(19,515)
Public safety	230,562	216,677	180,688	(35,989)
Public works	128,743	131,928	119,709	(12,219)
Culture and recreation	2,100	2,100	1,854	(246)
Debt service	5,364	18,564	18,523	(41)
Total expenditures	497,121	510,021	442,011	(68,010)
Excess (deficiency) of revenues over expenditures	-	-	18,497	18,497
Other financing sources (uses):				
Proceeds from capital asset disposition	-	-	-	-
Transfers in (out)	-	-	(1,274)	(1,274)
Total other financing sources (uses)	-	-	(1,274)	(1,274)
Net change in fund balances	-	-	17,223	17,223
Fund balances - beginning	500,507	500,507	500,507	-
Fund balances - ending	$ 500,507	$ 500,507	$ 517,730	$ 17,223

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Net Position
Proprietary Funds
December 31, 2014

	Water & Sewer	Totals
Assets:		
Current assets:		
Cash and cash investments	$ 77,905	$ 77,905
Restricted cash	25,277	25,277
Receivables (net where applicable of allowance for doubtful accounts):		
Accounts	16,934	16,934
Miscellaneous	-	-
Interfund receivables	-	-
Intergovernmental receivables	-	-
Prepaid items	1,295	1,295
Other	1,000	1,000
Total current assets	122,411	122,411
Noncurrent assets:		
Capital assets:		
Land	8,613	8,613
Buildings	71,039	71,039
Infrastructure	3,743,525	3,743,525
Equipment	98,972	98,972
Construction in progress	-	-
Accumulated depreciation	(2,471,910)	(2,471,910)
Total capital assets, net of accumulated depreciation	1,450,239	1,450,239
Total assets	1,572,650	1,572,650
Liabilities:		
Current liabilities:		
Accounts payable	2,847	2,847
Accrued liabilities	879	879
Interfund payables	8,326	8,326
Unearned revenue	7,700	7,700
Compensated absences-current portion		-
Notes payable	16,970	16,970
Liabilities payable from restricted assets:		
Customer deposits	24,956	24,956
Total current liabilities	61,678	61,678
Noncurrent liabilities:		
Compensated absences		-
Interfund payables	81,003	81,003
Notes payable	134,339	134,339
Total noncurrent liabilities	215,342	215,342
Total liabilities	277,020	277,020
Net Position:		
Net investment in capital assets	1,298,930	1,298,930
Unrestricted (deficiency)	(3,300)	(3,300)
Total net position	$ 1,295,630	$ 1,295,630

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
Year Ended December 31, 2014

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Operating revenues:		
Charges for services - water	$ 78,379	$ 78,379
Charges for services - sewer	82,105	82,105
Miscellaneous	18,720	18,720
Total operating revenues	179,204	179,204
Operating expenses:		
Personal services	51,549	51,549
Purchased/contracted services	28,609	28,609
Supplies	53,642	53,642
Depreciation	133,769	133,769
Total operating expenses	267,569	267,569
Income (loss) from operations	(88,365)	(88,365)
Non-operating revenues (expenses):		
Interest income	47	47
Rent income	6,622	6,622
Gain (loss) on sale of capital assets	-	-
Interest expense	-	-
Total non-operating revenues (expenses)	6,669	6,669
Income (loss) before capital contributions	(81,696)	(81,696)
Capital contributions	6,597	6,597
Change in net position	(75,099)	(75,099)
Net position - beginning	1,370,729	1,370,729
Net position - ending	$ 1,295,630	$ 1,295,630

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2014

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Cash flows from operating activities:		
Cash received from customers	$ 156,743	$ 156,743
Other operating cash receipts	18,720	18,720
Cash payments to suppliers for goods and services	(84,251)	(84,251)
Cash payments to employees for services	(41,999)	(41,999)
Net cash provided (used) by operating activities	49,213	49,213
Cash flows from noncapital financing activities:		
Rent income	6,622	6,622
Increase (decrease) in interfund loan payable	961	961
Net cash provided (used) by noncapital financing activities	7,583	7,583
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	-
Proceeds from sale of capital assets	-	
Increase (decrease) in interfund loan payable	(7,365)	(7,365)
Interest paid on bonds	-	-
Loan payments	(16,970)	(16,970)
Net cash provided (used) by capital and related financing activities	(24,335)	(24,335)
Cash flow from investing activities:		
Interest on cash and investments	47	47
Net increase (decrease) in cash and cash investments	32,508	32,508
Cash and cash investments, January 1	70,674	70,674
Cash and cash investments, December 31	$ 103,182	$ 103,182
Non-cash capital activities:		
Supplies purchased by the SPLOST Fund for the Water & Sewer Fund	$ 6,597	$ 6,597

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2014

	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	$ (88,365)	$ (88,365)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	133,769	133,769
Supplies purchased by SPLOST Fund	6,597	6,597
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(5,263)	(5,263)
(Increase) decrease in intergovernmental receivable	-	-
(Increase) decrease in prepaid items	(71)	(71)
Increase (decrease) in accounts payable	766	766
Increase (decrease) in other payables	257	257
Increase (decrease) in customer deposits payable	1,523	1,523
Net cash provided (used) by operating activities	$ 49,213	$ 49,213
Reconciliation of total cash and cash investments:		
Current assets - cash and cash investments	$ 77,905	$ 77,905
Restricted cash	25,277	25,277
Total cash and cash investments	$ 103,182	$ 103,182

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 financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City does not follow subsequent private-sector guidance for its enterprise funds.

The most significant of the City's accounting policies 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 a 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 position and the statement of changes in net position) 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 2012 Fund –

The SPLOST 2012 Fund is a capital projects fund used to account for Special Purpose Local Option Sales Tax approved by the voters in 2012. This sales tax is to be used for capital outlay as allowed by the Official Code of Georgia Annotated Section 48-8-111.

CHIP 2012 Fund –

The CHIP 2012 Fund is a capital projects fund used to account for grant #2012-859. The purpose of this grant is housing rehabilitation.

LMIG Fund –

The LMIG Fund is a capital projects fund used to account for state grants and the City's match on these grants. The purpose of the grants is road resurfacing.

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 Position. 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 position 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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applied to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has one item of unavailable revenue which is reported only in the governmental funds balance sheet. This is property taxes which are reported as deferred inflows since they are recognized as receivables before the period for which the taxes are levied.

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

F. 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.

G. 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.

H. 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.

I. 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, 2014 is considered immaterial.

J. 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".

K. 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.)

L. 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 assets 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

M. Compensated Absences

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

N. 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 position. 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.

O. Nature and Purpose of Reservations of Fund Equity

The fund equity reserves for prepaid items, and long-term interfund receivables.

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

P. Government-wide and Proprietary Fund Net Position

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

Net investment in capital assets – 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 position – consist of net positions 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 positions are reported in this category.

Q. 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 pursuant to constraints imposed by formal action by the City Council by motion. The City Council also may modify or rescind the commitment.

Assigned – Amounts constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed. By motion, only the City Council can authorize an assignment of fund balances. Also, any of the fund balance reported at year-end that is included in the subsequent years' budget is reported as assigned.

Unassigned – All amounts not included in other spendable classifications.

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

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.

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.

(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 1G). As of December 31, 2014, 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 deposits was $780,648 and the bank balances totaled $780,364.

Investments

As of December 31, 2014 the City had no investments.

(4) – RECEIVABLES

The receivables as of December 31, 2014 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 2012 Fund	CHIP 2012 Fund	Hotel/Motel Tax Fund	Water & Sewer Fund	Total
Receivables:						
Taxes	$ 29,843	$ -	$ -	$ -	$ -	$ 29,843
Accounts	9,938	-	-	-	20,234	30,172
Miscellaneous	-	-	-	-	-	-
Intergovernmental	4,740	12,975	17,345	546	-	35,606
Gross receivables	44,521	12,975	17,345	546	20,234	95,621
Less: Allowance for doubtful accounts	1,700	-	-	-	3,300	5,000
Total net receivables	$ 42,821	$ 12,975	$ 17,345	$ 546	$ 16,934	$ 90,621

Property taxes are levied as of September 9th on property values assessed as of January 1st. The bills were mailed on September 25th 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 - customer deposits	$ 25,277

(6) – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014 was as follows:

	Balance Jan. 1	Additions	Deletions	Balance Dec. 31
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 92,284	$ -	$ -	$ 92,284
Construction in progress	-	-	-	-
Total capital assets, not being depreciated	92,284	-	-	92,284
Capital assets, being depreciated				
Buildings and improvements	488,408	-	-	488,408
Equipment	249,836	-	-	249,836
Infrastructure	1,224,812	-	-	1,224,812
Total capital assets, being depreciated	1,963,056	-	-	1,963,056
Less accumulated depreciation for:				
Buildings and improvements	72,980	13,255	-	86,235
Equipment	151,074	22,669	-	173,743
Infrastructure	154,794	40,827	-	195,621
Total accumulated depreciation	378,848	76,751	-	455,599
Total capital assets, being depreciated, net	1,584,208	(76,751)	-	1,507,457
Governmental activities capital assets, net	$ 1,676,492	$ (76,751)	$ -	$ 1,599,741
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	3,743,525	-	-	3,743,525
Buildings and improvements	71,039	-	-	71,039
Equipment	98,972	-	-	98,972
Total capital assets, being depreciated	3,913,536	-	-	3,913,536
Less accumulated depreciation for:				
Infrastructure	2,255,194	126,639	-	2,381,833
Buildings and improvements	31,785	2,343	-	34,128
Equipment	51,162	4,787	-	55,949
Total accumulated depreciation	2,338,141	133,769	-	2,471,910
Total capital assets, being depreciated, net	1,575,395	(133,769)	-	1,441,626
Business-type activities capital assets, net	$ 1,584,008	$ (133,769)	$ -	$ 1,450,239

(6) – CAPITAL ASSETS (CONT.)

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

Governmental activities:		
General government	$ 18,865	
Public safety	9,983	
Public works	47,294	
Culture and recreation	609	
Total depreciation expense -Governmental activities		$ 76,751
Business-type activities		
Water and sewer	$ 133,769	
Total depreciation expense - Business-type activities		$ 133,769

(7) – LONG-TERM DEBT

At December 31, 2014, the City had the following notes payable:

	Business-Type
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.	
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.	$ 151,309

Annual debt service requirements to this note payable as of December 31, 2014 follow:

Year	Principal	Interest	Total
2015	$ 16,970	$ -	$ 16,970
2016	16,970	-	16,970
2017	16,970	-	16,970
2018	16,970	-	16,970
2019	16,970	-	16,970
2020-2023	66,459	-	66,459
Total	$ 151,309	$ -	$ 151,309

(7) – LONG-TERM DEBT (CONT.)

Changes in Long-Term Debt:

The following is a summary of changes in long-term debt for the year ended December 31, 2014:

	Balance Jan. 1	Additions	Deductions	Balance Dec. 31	Due within One year
Governmental type activities:					
Compensated absences	$ 2,497	$ 2,403	$ 3,436	$ 1,464	$ 1,464
Note payable - USDA	17,897	-	17,897	-	-
Total governmental type activities	$ 20,394	$ 2,403	$ 21,333	$ 1,464	$ 1,464
Business type activities:					
Compensated absences	$ -	$ 1,138	$ 1,138	$ -	$ -
Note payable - Drinking Water State Revolving Loan Fund	168,279	-	16,970	151,309	16,970
Total business type activities	168,279	1,138	18,108	151,309	16,970
Total government	$ 188,673	$ 3,541	$ 39,441	$ 152,773	$ 18,434

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 BALANCES

Interfund balances at December 31, 2014, consisted of the following amounts.

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 89,329	$ -
Water & Sewer Fund	-	89,329
Total	$ 89,329	$ 89,329

The General Fund loaned the Water and Sewer Fund $95,733 on November 14, 2013. The Water and Sewer Fund used this money when it retired the 1987 series Water and Sewer Revenue Bonds. The Water and Sewer Fund expects to repay this interfund loan over a period of approximately 12 years. The balance on this long-term interfund balance at December 31, 2014 is $88,368. There is also a December 31, 2014 short-term interfund balance of $961.

(9) – INTERFUND TRANSFERS

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 Business Type Funds	
	Major Governmental Funds		Nonmajor		
Transfer To:	General Fund	SPLOST 2012 Fund	Governmental Funds	Water & Sewer Fund	Total
LMIG Fund	$ 1,274	$ -	$ -	$ -	$ 1,274

(10) – FUND BALANCES

The following is a summary of the fund balances for the governmental funds at December 31, 2014:

Nonspendable:		
Prepaid items - This is prepaid insurance in the general fund	$	4,394
Interfund receivable - This is a long-term interfund receivable in the general fund		88,368
Restricted for construction of capital assets - This is net positions restricted by state laws and grant agreements as follows:		
SPLOST 2012 Fund - Restricted by state law		137,508
SPLOST 2006 Fund - Restricted by state law		56,265
SPLOST Recreation Fund - Restricted by state law and the City of Thomasville		29,850
LMIG Fund - Restricted by grant agreement		6,335
Restricted for promotion of tourism:		
Hotel/Motel - Restricted by the state law		13,887
Committed:		
None		-
Assigned:		
None		-
Unassigned:		
This is the amount assigned in the general fund		424,968
Total	$	761,575

(11) - 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.

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, 2014. No provisions has been made in the financial statements for the year ended December 31, 2014 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:	
Blanket buildings and personal property	$ 2,181,198
Automobile physical damage and mobile equipment	Per schedule on file with GIRMA
Coverage description – casualty:	
General liability	1,000,000
Law enforcement liability	1,000,000
Automobile liability	1,000,000
Employee benefits liability	1,000,000
Errors and omissions liability	1,000,000
Coverage description – crime:	
Blanket bond	500,000
Depositors forgery	500,000
Money and securities	500,000
Coverage description – environmental:	
GIRMA public entity environmental liability	1,000,000

(11) - RISK MANAGEMENT (CONT.)

Deductible:	
General liability	1,000
Law enforcement liability	1,000
Automobile liability	1,000
Employee benefits liability	1,000
Errors and omissions 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)	
Environmental liability	5/1/2003

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.

(12) – 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.

(13) – ECONOMIC DEPENDENCY

The City has some economic dependency on three corporations which pay approximately $46,725 or 40% of the real property taxes and 10% 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 $2,016 from their Hotel/Motel Tax Fund in 2014. The City did not spend any of this money in 2014 or 2013.

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 2006 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.

CITY OF COOLIDGE, GEORGIA
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2014

	Special Revenue Fund	Capital Projects		
	Hotel/Motel Tax Fund	SPLOST 2006 Fund	SPLOST Recreation Fund	Total Other Governmental Funds
Assets:				
Cash	$ 13,341	$ 56,265	$ 29,850	$ 99,456
Intergovernmental receivables	546	-	-	546
Total assets	$ 13,887	$ 56,265	$ 29,850	$ 100,002
Liabilities, deferred inflows and fund balances				
Liabilities:				
Unearned revenue	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
Deferred inflows - taxes	-	-	-	-
Fund balances:				
Restricted for:				
Construction of capital assets	-	56,265	29,850	86,115
Promotion of tourism	13,887	-	-	13,887
Total fund balances	13,887	56,265	29,850	100,002
Total liabilities, deferred inflows and fund balances	$ 13,887	$ 56,265	$ 29,850	$ 100,002

CITY OF COOLIDGE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2014

	Special Revenue Fund	Capital Projects		
	Hotel/Motel Tax Fund	SPLOST 2006 Fund	SPLOST Recreation Fund	Total Other Governmental Funds
Revenues:				
Sales and use taxes	$ -	$ -	$ -	$ -
Intergovernmental revenues	2,016	-	23,600	25,616
Interest Income	-	62	10	72
Total revenues	2,016	62	23,610	25,688
Expenditures:				
Capital projects	-	11,747	118	11,865
Total expenditures	-	11,747	118	11,865
Excess (deficiency) of revenues over expenditures	2,016	(11,685)	23,492	13,823
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total other financing sources(uses)	-	-	-	-
Net change in fund balances	2,016	(11,685)	23,492	13,823
Fund balances - beginning	11,871	67,950	6,358	86,179
Fund balances - ending	$ 13,887	$ 56,265	$ 29,850	$ 100,002

OTHER SUPPLEMENTARY INFORMATION

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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, in accordance with the 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, 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, 2014, and the related notes to the financial statements, which collectively comprise the City of Coolidge, Georgia's basic financial statements and have issued our report thereon dated May 12, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Coolidge, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City of Coolidge, Georgia's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses that we consider to be a significant deficiency. 1996-1.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Coolidge, Georgia's financial statements are free from 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 Findings

The City of Coolidge, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. The City of Coolidge, Georgia's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Simmons, Mills + Simmons P.C.

May 12, 2015

CITY OF COOLIDGE, GEORGIA
Schedule of Findings and Responses
For the Year Ended December 31, 2014

Prior years findings and responses:

1996-1

Condition: The City has a deficiency in its control structure due to 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.

2013-2

Condition: The City Clerk was not reconciling the monthly billing and collection reports from the stand alone utility billing software to the general ledger.

Effect: The utility sales accounts on the general ledgers did not reconcile to the reports from the stand alone utility billing software.

Recommendations: The City Clerk should prepare monthly spreadsheets on collections from the daily collection reports from the stand alone utility billing software. This spreadsheet should then be reconciled monthly to the general ledger.

The City should record utility sales using the accrual basis rather than the cash basis of accounting. This will make it easier to reconcile the general ledger sales accounts to the billing reports from the stand alone utility billing software.

Status: The results of our audit procedures indicate that the City began preparing monthly spreadsheets in January 2014 on collections from the daily collection reports from the stand alone utility billing software. The City now compares the spreadsheet to the deposits posted to the general ledger. The City began recording utility sales on the accrual basis of accounting in January 2014. The City reconciles the general ledger sales accounts to the billing reports from the stand alone utility billing software.

CITY OF COOLIDGE, GEORGIA
Schedule of Findings and Responses
For the Year Ended December 31, 2014

2013-3

Condition: The City Clerk did not correctly bill penalties on delinquent utility accounts from January 1, 2013 to July 31, 2013. This error was not prevented, detected or corrected on a timely basis by employees in the normal course of performing their assigned functions.

Effect: This error caused the City to collect less penalty revenue.

Recommendations: The City Council should adopt a policy on penalties and cutoff fees. The employees must enforce the policy. The City should carefully review the monthly billings for errors before the utility bills are mailed.

Status: The City Council adopted a policy on penalties and cutoff fees on March 10, 2014. The employees were informed that they must enforce the policy. The City Clerk reviews the utility bills for errors before they are mailed.

Current year findings and responses:

None noted.

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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, 2014. 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, 2014, 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 12, 2015

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2014

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Spray field improvements	$ 100,000	$ 144,000	$ 143,818	$ -	$ 143,818
Misc. water & sewer projects	98,250	144,550	82,095	6,597	88,692
Street repairs	-	5,500	-	5,150	5,150
Totals	$ 198,250	$ 294,050	$ 225,913	$ 11,747	$ 237,660

Note: 2006 Special Purpose Local Option Sales Tax revenue received from Thomas County, Georgia for year ended December 31, 2014 was $ 0.00.

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2014

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation projects-1	$ 25,000	$ 18,889	$ 118	$ 19,007
Recreation projects-2	23,600	-	-	-
Totals	$ 48,600	$ 18,889	$ 118	$ 19,007

Note: Special Purpose Local Option Sales Tax received from the City of Thomasville, Ga. for year ended December 31, 2014 was $23,600.

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2014

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Misc. water & sewer projects	$ 420,000	$ -	$ -	$ -
Totals	$ 420,000	$ -	$ -	$ -

Note: 2012 Special Purpose Local Option Sales Tax revenue received from Thomas County, Georgia for year ended December 31, 2014 was $69,266.