CITY OF COOLIDGE, GEORGIA

FINANCIAL STATEMENTS

FOR YEAR ENDED

DECEMBER 31, 2015

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, 2015, 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, 2015, 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 5, 2016, 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 5, 2016

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Net Position
December 31, 2015

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash investments	$ 494,570	$ 104,045	$ 598,615
Time deposits	250,377	-	250,377
Restricted cash	-	28,795	28,795
Receivables (net of allowance for doubtful accounts):			
Taxes	23,447	-	23,447
Accounts	7,067	13,661	20,728
Intergovernmental receivable	19,733		19,733
Internal balances	88,816	(88,816)	-
Prepaid items	4,534	1,564	6,098
Other assets	-	1,000	1,000
Capital assets:			
Land	92,284	8,613	100,897
Buildings and improvements	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	(532,351)	(2,605,437)	(3,137,788)
Total assets	2,411,533	1,376,961	3,788,494
Liabilities:			
Accounts payable	4,756	3,421	8,177
Accrued liabilities	11,366	351	11,717
Intergovernmental payable	5,416	-	5,416
Unearned revenue		7,700	7,700
Compensated absences-current portion	2,065	1,206	3,271
Notes payable-current portion	-	16,970	16,970
Liabilities payable from restricted assets:			
Accounts payable	-	-	-
Customer deposits	-	28,456	28,456
Noncurrent liabilities:			
Compensated absences	-	-	-
Notes payable	-	117,370	117,370
Total liabilities	23,603	175,474	199,077
Net position:			
Net investment in capital assets	1,522,989	1,316,712	2,839,701
Restricted for:			
Special revenue fund-Hotel/Motel Tax	16,128	-	16,128
Capital projects	233,427	-	233,427
Unrestricted	615,386	(115,225)	500,161
Total net position	$ 2,387,930	$ 1,201,487	$ 3,589,417

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Activities
Year Ended December 31, 2015

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	$ 126,169	$ 7,161	$ -	$ 71,749
Public safety	179,002	86,464	1,625	-
Public works	239,714	73,594	7,333	20,933
Cultural and recreational	11,382	-	2,100	18
Housing and development	36,814	-	39,046	-
Interest on long-term debt	-	-	-	-
Total governmental activities	593,081	167,219	50,104	92,700
Business-type activities:				
Water & Sewer	314,747	174,832	-	27,741
Total business-type activities	314,747	174,832	-	27,741
Total government	$ 907,828	$ 342,051	$ 50,104	$ 120,441

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, 2015

	Net (Expenses) Revenues and changes in Net Position		
	Governmental Activities	Business-type Activities	Total
	$ (47,259)	$ -	$ (47,259)
	(90,913)	-	(90,913)
	(137,854)	-	(137,854)
	(9,264)	-	(9,264)
	2,232	-	2,232
	-	-	-
	(283,058)	-	(283,058)
	-	(112,174)	(112,174)
	-	(112,174)	(112,174)
	$ (283,058)	$ (112,174)	$ (395,232)
	$ 145,119	$ -	$ 145,119
	46,922	-	46,922
	100,820	-	100,820
	3,725	91	3,816
	-	-	-
	5,790	-	5,790
	(17,940)	17,940	-
	284,436	18,031	302,467
	1,378	(94,143)	(92,765)
	2,386,552	1,295,630	3,682,182
	$ 2,387,930	$ 1,201,487	$ 3,589,417

CITY OF COOLIDGE, GEORGIA
Balance Sheet
Governmental Funds
December 31, 2015

	General Fund	SPLOST 2012 Fund	CHIP 2012 Fund	LMIG Fund	Other Governmental Funds	Total Governmental Funds
Assets:						
Cash	$ 259,573	$ 188,296	$ 5	$ 21	$ 46,675	$ 494,570
Time deposits	250,377	-	-	-	-	250,377
Restricted cash	-	-	-	-	-	-
Receivables (net where applicable of allowance for doubtful accounts):						
Taxes	23,447	-	-	-	-	23,447
Accounts	7,067	-	-	-	-	7,067
Interfund receivables	88,816	-	-	-	-	88,816
Intergovernmental receivables	5,170	13,955	-	-	608	19,733
Prepaid items	4,534	-	-	-	-	4,534
Total assets	$ 638,984	$ 202,251	$ 5	$ 21	$ 47,283	$ 888,544
Liabilities, deferred inflows and fund balances						
Liabilities :						
Accounts payable	$ 4,751	$ -	$ 5	$ -	$ -	$ 4,756
Accrued liabilities	11,366	-	-	-	-	11,366
Interfund payables	-	-	-	-	-	-
Intergovernmental payables	5,416	-	-	-	-	5,416
Unearned revenue	-	-	-	-	-	-
Total liabilities	21,533	-	5	-	-	21,538
Deferred inflows - property taxes	15,300	-	-	-	-	15,300
Fund balances:						
Nonspendable:						
Prepaid items	4,534	-	-	-	-	4,534
Interfund receivable	81,003	-	-	-	-	81,003
Restricted for:						
Construction of capital assets	-	202,251	-	21	31,155	233,427
Promotion of tourism	-	-	-	-	16,128	16,128
Unassigned	516,614	-	-	-	-	516,614
Total fund balances	602,151	202,251	-	21	47,283	851,706
Total liabilities, deferred inflows and fund balances	$ 638,984	$ 202,251	$ 5	$ 21	$ 47,283	$ 888,544

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, 2015

Total fund balances - total governmental funds		$ 851,706
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	(532,351)	1,522,989
Unavailable revenues for delinquent property taxes are deferred in the governmental funds because they will not be received within sixty days of the City's year end.		15,300
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		(2,065)
Net position of governmental activities		$ 2,387,930

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, 2015

	General Fund	SPLOST 2012 Fund	CHIP 2012 Fund	LMIG Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	$ 156,519	$ -	$ -	$ -	$ -	$ 156,519
Sales and use taxes	46,922	-	-	-	-	46,922
Other taxes	100,820	-	-	-	-	100,820
Licenses and permits	7,161	-	-	-	-	7,161
Intergovernmental revenues	11,058	71,618	36,814	20,912	2,232	142,634
Charges for services	73,594	-	-	-	-	73,594
Interest income	3,716	103	-	21	55	3,895
Fines and forfeitures	86,464	-	-	-	-	86,464
Miscellaneous revenues	5,790	-	-	-	-	5,790
Total revenues	492,044	71,721	36,814	20,933	2,287	623,799
Expenditures:						
Current:						
General government	108,005	-	-	-	-	108,005
Public safety	167,634	-	-	-	-	167,634
Public works	129,611	-	-	-	-	129,611
Culture and recreation	10,773	-	-	-	-	10,773
Debt service	-	-	-	-	-	-
Capital projects	-	6,978	36,814	30,030	25,883	99,705
Total expenditures	416,023	6,978	36,814	30,030	25,883	515,728
Excess (deficiency) of revenues over expenditures	76,021	64,743	-	(9,097)	(23,596)	108,071
Other financing sources (uses):						
Proceeds from capital asset disposition	-	-	-	-	-	-
Inception of long-term note	-	-	-	-	-	-
Transfers in	8,400	-	-	2,783	-	11,183
Transfers (out)	-	-	-	-	(29,123)	(29,123)
Total other financing sources (uses)	8,400	-	-	2,783	(29,123)	(17,940)
Net change in fund balances	84,421	64,743	-	(6,314)	(52,719)	90,131
Fund balances - beginning	517,730	137,508	-	6,335	100,002	761,575
Fund balances - ending	$ 602,151	$ 202,251	$ -	$ 21	$ 47,283	$ 851,706

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, 2015

Net change in fund balances - total government funds		$ 90,131
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.		(76,752)
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 @ 12-31-15	$ 15,300	
Deferred taxes @ 12-31-14	26,700	(11,400)
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 @ 12-31-14	$ 1,464	
Liability @ 12-31-15	2,065	(601)
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.		-
Change in net position of governmental activities		$ 1,378

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, 2015

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
General property taxes	$ 131,972	$ 131,972	$ 156,519	$ 24,547
Sales and use taxes	46,000	46,000	46,922	922
Other taxes	99,380	99,380	100,820	1,440
Licenses and permits	6,250	6,250	7,161	911
Intergovernmental revenues	2,100	2,100	11,058	8,958
Charges for services	75,000	75,000	73,594	(1,406)
Interest income	1,500	1,500	3,716	2,216
Fines and forfeitures	145,661	145,661	86,464	(59,197)
Miscellaneous revenues	7,865	18,865	5,790	(13,075)
Carryover of funds	-	-	-	-
Total revenues	515,728	526,728	492,044	(34,684)
Expenditures:				
Current:				
General government	138,867	138,867	108,005	(30,862)
Public safety	246,339	246,339	167,634	(78,705)
Public works	128,422	128,422	129,611	1,189
Culture and recreation	2,100	13,100	10,773	(2,327)
Debt service	-	-	-	-
Total expenditures	515,728	526,728	416,023	(110,705)
Excess (deficiency) of revenues over expenditures	-	-	76,021	76,021
Other financing sources (uses):				
Proceeds from capital asset disposition	-	-	-	-
Transfers in (out)	-	-	8,400	8,400
Total other financing sources (uses)	-	-	8,400	8,400
Net change in fund balances	-	-	84,421	84,421
Fund balances - beginning	517,730	517,730	517,730	-
Fund balances - ending	$ 517,730	$ 517,730	$ 602,151	$ 84,421

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Net Position
Proprietary Funds
December 31, 2015

	Water & Sewer	Totals
Assets:		
Current assets:		
Cash and cash investments	$ 104,045	$ 104,045
Restricted cash	28,795	28,795
Receivables (net where applicable of allowance for doubtful accounts):		
Accounts	13,661	13,661
Miscellaneous	-	-
Interfund receivables	-	-
Intergovernmental receivables	-	-
Prepaid items	1,564	1,564
Other	1,000	1,000
Total current assets	149,065	149,065
Noncurrent assets:		
Capital assets:		
Land	8,613	8,613
Buildings and improvements	71,039	71,039
Infrastructure	3,743,525	3,743,525
Equipment	98,972	98,972
Construction in progress	-	-
Accumulated depreciation	(2,605,437)	(2,605,437)
Total capital assets, net of accumulated depreciation	1,316,712	1,316,712
Total assets	1,465,777	1,465,777
Liabilities:		
Current liabilities:		
Accounts payable	3,421	3,421
Accrued liabilities	351	351
Interfund payables	15,178	15,178
Unearned revenue	7,700	7,700
Compensated absences-current portion	1,206	1,206
Notes payable	16,970	16,970
Liabilities payable from restricted assets:	-	-
Customer deposits	28,456	28,456
Total current liabilities	73,282	73,282
Noncurrent liabilities:		
Compensated absences	-	-
Interfund payables	73,638	73,638
Notes payable	117,370	117,370
Total noncurrent liabilities	191,008	191,008
Total liabilities	264,290	264,290
Net Position:		
Net investment in capital assets	1,316,712	1,316,712
Unrestricted (deficiency)	(115,225)	(115,225)
Total net position	$ 1,201,487	$ 1,201,487

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, 2015

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Operating revenues:		
Charges for services - water	$ 74,804	$ 74,804
Charges for services - sewer	77,998	77,998
Miscellaneous	14,806	14,806
Total operating revenues	167,608	167,608
Operating expenses:		
Personal services	58,954	58,954
Purchased/contracted services	81,218	81,218
Supplies	41,048	41,048
Depreciation	133,527	133,527
Total operating expenses	314,747	314,747
Income (loss) from operations	(147,139)	(147,139)
Non-operating revenues (expenses):		
Interest income	91	91
Rent income	7,224	7,224
Gain (loss) on sale of capital assets	-	-
Interest expense	-	-
Total non-operating revenues (expenses)	7,315	7,315
Income (loss) before transfers & capital contributions	(139,824)	(139,824)
Transfers	17,940	17,940
Capital contributions	27,741	27,741
Change in net position	(94,143)	(94,143)
Net position - beginning	1,295,630	1,295,630
Net position - ending	$ 1,201,487	$ 1,201,487

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2015

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Cash flows from operating activities:		
Cash received from customers	$ 159,575	$ 159,575
Other operating cash receipts	14,806	14,806
Cash payments to suppliers for goods and services	(104,448)	(104,448)
Cash payments to employees for services	(48,048)	(48,048)
Net cash provided (used) by operating activities	21,885	21,885
Cash flows from noncapital financing activities:		
Rent income	7,224	7,224
Transfer in from SPLOST 2006 Fund	17,940	17,940
Increase (decrease) in interfund loan payable	6,852	6,852
Net cash provided (used) by noncapital financing activities	32,016	32,016
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	92	92
Net increase (decrease) in cash and cash investments	29,658	29,658
Cash and cash investments, January 1	103,182	103,182
Cash and cash investments, December 31	$ 132,840	$ 132,840
Non-cash capital activities:		
Repairs paid by the SPLOST Fund for the Water & Sewer Fund	$ 27,741	$ 21,741

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2015

	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	$ (147,139)	$ (147,139)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	133,527	133,527
Repairs paid by SPLOST Fund	27,741	27,741
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	3,273	3,273
(Increase) decrease in intergovernmental receivable	-	-
(Increase) decrease in prepaid items	(269)	(269)
Increase (decrease) in accounts payable	574	574
Increase (decrease) in other payables	678	678
Increase (decrease) in customer deposits payable	3,500	3,500
Net cash provided (used) by operating activities	$ 21,885	$ 21,885
Reconciliation of total cash and cash investments:		
Current assets - cash and cash investments	$ 104,045	$ 104,045
Restricted cash	28,795	28,795
Total cash and cash investments	$ 132,840	$ 132,840

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 181 East 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 accrual 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, 2015 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 and Improvements	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.

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.

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

O. 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.

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 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.

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) – 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.

The following department overspent the final 2015 annual budget:

General Fund:	
Public works- streets	$1,553

(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, 2015, 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 $877,787 and the bank balances totaled $877,415.

Investments

As of December 31, 2015 the City had no investments.

(4) – RECEIVABLES

The receivables as of December 31, 2015 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	$ 23,447	$ -	$ -	$ -	$ -	$ 23,447
Accounts	10,717	-	-	-	18,761	29,478
Miscellaneous	-	-	-	-	-	-
Intergovernmental	5,170	13,955	-	608	-	19,733
Gross receivables	39,334	13,955	-	608	18,761	72,658
Less: Allowance for doubtful accounts	3,650	-	-	-	5,100	8,750
Total net receivables	$ 35,684	$ 13,955	$ -	$ 608	$ 13,661	$ 63,908

Property taxes are levied as of September 8th on property values assessed as of January 1st. The bills were mailed on September 22nd 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	$ 28,795

(6) – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015 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	86,235	13,255	-	99,490
Equipment	173,743	22,669	-	196,412
Infrastructure	195,621	40,828	-	236,449
Total accumulated depreciation	455,599	76,752	-	532,351
Total capital assets, being depreciated, net	1,507,457	(76,752)	-	1,430,705
Governmental activities capital assets, net	$ 1,599,741	$ (76,752)	$ -	$ 1,522,989
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	2,381,833	126,639	-	2,508,472
Buildings and improvements	34,128	2,343	-	36,471
Equipment	55,949	4,545	-	60,494
Total accumulated depreciation	2,471,910	133,527	-	2,605,437
Total capital assets, being depreciated, net	1,441,626	(133,527)	-	1,308,099
Business-type activities capital assets, net	$ 1,450,239	$ (133,527)	$ -	$ 1,316,712

(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	47,295	
Culture and recreation	609	
Total depreciation expense -Governmental activities		$ 76,752
Business-type activities		
Water and sewer	$ 133,527	
Total depreciation expense - Business-type activities		$ 133,527

(7) – LONG-TERM DEBT

At December 31, 2015, 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.	$ 134,340

Annual debt service requirements to this note payable as of December 31, 2015 follow:

Year	Principal	Interest	Total
2016	$ 16,970	$ -	$ 16,970
2017	16,970	-	16,970
2018	16,970	-	16,970
2019	16,970	-	16,970
2020	16,970	-	16,970
2021-2023	49,490	-	49,490
Total	$ 134,340	$ -	$ 134,340

(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, 2015:

	Balance Jan. 1	Additions	Deductions	Balance Dec. 31	Due within One year
Governmental type activities:					
Compensated absences	$ 1,464	$ 2,065	$ 1,464	$ 2,065	$ 2,065
Total governmental type activities	$ 1,464	$ 2,065	$ 1,464	$ 2,065	$ 2,065
Business type activities:					
Compensated absences	$ -	$ 1,206	$ -	$ 1,206	$ 1,206
Note payable - Drinking Water State Revolving Loan Fund	151,309	-	16,969	134,340	16,970
Total business type activities	151,309	1,206	16,969	135,546	18,176
Total government	$ 152,773	$ 3,271	$ 18,433	$ 137,611	$ 20,241

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, 2015, consisted of the following amounts.

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 88,816	$ -
Water & Sewer Fund	-	88,816
Total	$ 88,816	$ 88,816

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 11 years. The balance on this long-term interfund balance at December 31, 2015 is $81,003. Part of this long-term interfund loan, $7,365, will be repaid in 2016 and is listed on the financial statement as current. There is also a December 31, 2015 short-term interfund balance of $7,813.

(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				
Transfer To:	General Fund	SPLOST 2012 Fund	Nonmajor Governmental Funds	Water & Sewer Fund	Total
General Fund	$ -	$ -	$ 8,400	$ -	$ 8,400
LMIG Fund	-	-	2,783	-	2,783
Water & Sewer Fund	-	-	17,940	-	17,940
Totals	$ -	$ -	$ 29,123	$ -	$ 29,123

(10) – FUND BALANCES

The following is a summary of the fund balances for the governmental funds at December 31, 2015:

Nonspendable:		
Prepaid items - This is prepaid insurance in the general fund	$	4,534
Interfund receivable - This is a long-term interfund receivable in the general fund		81,003
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		202,251
SPLOST 2006 Fund - Restricted by state law		9,687
SPLOST Recreation Fund - Restricted by state law and the City of Thomasville		21,468
LMIG Fund - Restricted by grant agreement		21
Restricted for promotion of tourism:		
Hotel/Motel - Restricted by the state law		16,128
Committed:		
None		-
Assigned:		
None		-
Unassigned:		
This is the amount unassigned in the general fund		516,614
Total	$	851,706

(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, 2015. No provisions has been made in the financial statements for the year ended December 31, 2015 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	$ 2,535,688
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 $46,233 or 35% of the real property taxes and 9.4% 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 $2,232 from their Hotel/Motel Tax Fund in 2015. The City did not spend any of this money in 2015 or 2014.

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, 2015

	Special Revenue Fund	Capital Projects		
	Hotel/Motel Tax Fund	SPLOST 2006 Fund	SPLOST Recreation Fund	Total Other Governmental Funds
Assets:				
Cash	$ 15,520	$ 9,687	$ 21,468	$ 46,675
Intergovernmental receivables	608	-	-	608
Total assets	$ 16,128	$ 9,687	$ 21,468	$ 47,283
Liabilities, deferred inflows and fund balances				
Liabilities:				
Unearned revenue	$ -	$ -	$ -	$ -
Total liabilities	-	-	-	-
Deferred inflows - taxes	-	-	-	-
Fund balances:				
Restricted for:				
Construction of capital assets	-	9,687	21,468	31,155
Promotion of tourism	16,128	-	-	16,128
Total fund balances	16,128	9,687	21,468	47,283
Total liabilities, deferred inflows and fund balances	$ 16,128	$ 9,687	$ 21,468	$ 47,283

CITY OF COOLIDGE, GEORGIA
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended December 31, 2015

	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	2,232	-	-	2,232
Interest Income	9	28	18	55
Total revenues	2,241	28	18	2,287
Expenditures:				
Capital projects	-	25,883	-	25,883
Total expenditures	-	25,883	-	25,883
Excess (deficiency) of revenues over expenditures	2,241	(25,855)	18	(23,596)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers (out)	-	(20,723)	(8,400)	(29,123)
Total other financing sources(uses)	-	(20,723)	(8,400)	(29,123)
Net change in fund balances	2,241	(46,578)	(8,382)	(52,719)
Fund balances - beginning	13,887	56,265	29,850	100,002
Fund balances - ending	$ 16,128	$ 9,687	$ 21,468	$ 47,283

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, 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, 2015, 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 5, 2016.

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. 1996-001.

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 an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 2015-001.

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 5, 2016

CITY OF COOLIDGE, GEORGIA
Schedule of Findings and Responses
For the Year Ended December 31, 2015

Prior years findings and responses:

1996-001

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.

Current year findings and responses:

2015-001

Condition: The City's expenditures exceeded appropriations, as amended, in one of the General Fund's departments.

Criteria: Official Code of Georgia (O.C.G.A.). Section 36-81-3: Each unit of local government shall adopt and operate under an annual balanced budget for the General Fund, each special revenue fund, and each debt service fund in use by the local government. Nothing contained in this code section shall preclude a local government from amending its budget so as to adapt to changing governmental needs during the budget period.

Effect: Possible noncompliance with above statute:

Department	Budget	Actual	Variance
Public works – streets	$ 86,422	$ 87,975	$ 1,553

Views of Responsible Officials and Planned Corrective Action: The City's management concurs with the finding. The City will monitor expenditures and appropriations and amend the budgets as needed.

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, 2015. 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, 2015, 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 5, 2016

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2015

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	88,692	38,703	127,395
Street repairs	-	5,500	5,150	7,903	13,053
Totals	$ 198,250	$ 294,050	$ 237,660	$ 46,606	$ 284,266

Note: 2006 Special Purpose Local Option Sales Tax revenue received from Thomas County, Georgia for year ended December 31, 2015 was $ 0.00.

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2015

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation projects-1	$ 25,000	$ 19,007	$ 5,993	$ 25,000
Recreation projects-2	23,600	-	2,407	2,407
Totals	$ 48,600	$ 19,007	$ 8,400	$ 27,407

Note: Special Purpose Local Option Sales Tax received from the City of Thomasville, Ga. for year ended December 31, 2015 was $0.

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2015

Project	Original Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
Misc. water & sewer projects	$ 420,000	$ -	$ 6,978	$ 6,978
Totals	$ 420,000	$ -	$ 6,978	$ 6,978

Note: 2012 Special Purpose Local Option Sales Tax revenue received from Thomas County, Georgia for year ended December 31, 2015 was $71,618.