CITY OF COOLIDGE, GEORGIA

FINANCIAL STATEMENTS

FOR YEAR ENDED

DECEMBER 31, 2017

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 of the City of Coolidge, Georgia as of and for the year ended December 31, 2017, 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 of the City of Coolidge, Georgia, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Hotel/Motel Tax 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated, May 3, 2018, 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 solely 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 effectiveness of the City of Coolidge, Georgia's 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.

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

May 3, 2018

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Net Position
December 31, 2017

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash investments	$ 506,582	$ 151,696	$ 658,278
Time deposits	403,089	-	403,089
Restricted cash	-	35,727	35,727
Receivables (net of allowance for doubtful accounts):			
Taxes	15,543	-	15,543
Accounts	8,061	11,922	19,983
Intergovernmental receivable	18,526	-	18,526
Internal balances	72,747	(72,747)	-
Prepaid items	3,753	2,030	5,783
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	272,331	143,962	416,293
Infrastructure	1,224,812	3,743,525	4,968,337
Accumulated depreciation	(685,603)	(2,878,601)	(3,564,204)
Total assets	2,420,533	1,218,166	3,638,699
Liabilities:			
Accounts payable	5,277	7,025	12,302
Accrued liabilities	6,719	467	7,186
Intergovernmental payable	7,013	-	7,013
Unearned revenue	-	7,700	7,700
Compensated absences-current portion	3,761	800	4,561
Notes payable-current portion	-	16,970	16,970
Liabilities payable from restricted assets:			
Accounts payable	-	-	-
Customer deposits	-	35,309	35,309
Noncurrent liabilities:			
Compensated absences	-	-	-
Notes payable	-	83,431	83,431
Total liabilities	22,770	151,702	174,472
Net position:			
Net investment in capital assets	1,392,232	988,137	2,380,369
Restricted for:			
Special revenue fund-Hotel/Motel Tax	13,417	-	13,417
Capital projects	237,458	-	237,458
Unrestricted	754,656	78,327	832,983
Total net position	$ 2,397,763	$ 1,066,464	$ 3,464,227

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Government-wide Statement of Activities
Year Ended December 31, 2017

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	$ 136,174	$ 7,625	$ -	$ 69,114
Public safety	118,695	31,787	-	-
Public works	166,716	74,743	-	10,156
Cultural and recreational	3,257	-	2,100	8
Housing and development	-	-	3,341	-
Interest on long-term debt	-	-	-	-
Total governmental activities	424,842	114,155	5,441	79,278
Business-type activities:				
Water & Sewer	314,039	188,009	-	-
Total business-type activities	314,039	188,009	-	-
Total government	$ 738,881	$ 302,164	$ 5,441	$ 79,278

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, 2017

	Net (Expenses) Revenues and changes in Net Position		
	Governmental Activities	Business-type Activities	Total
	$ (59,435)	$ -	$ (59,435)
	(86,908)	-	(86,908)
	(81,817)	-	(81,817)
	(1,149)	-	(1,149)
	3,341	-	3,341
	-	-	-
	(225,968)	-	(225,968)
	-	(126,030)	(126,030)
	-	(126,030)	(126,030)
	$ (225,968)	$ (126,030)	$ (351,998)
	$ 136,340	$ -	$ 136,340
	45,201	-	45,201
	99,970	-	99,970
	2,526	102	2,628
	-	-	-
	4,687	-	4,687
	(57,158)	57,158	-
	231,566	57,260	288,826
	5,598	(68,770)	(63,172)
	2,392,165	1,135,234	3,527,399
	$ 2,397,763	$ 1,066,464	$ 3,464,227

CITY OF COOLIDGE, GEORGIA
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	SPLOST 2012 Fund	Hotel/Motel Tax Fund	SPLOST Recreation Fund	Total Governmental Funds
Assets:					
Cash	$ 269,723	$ 207,676	$ 12,386	$ 16,797	$ 506,582
Time deposits	403,089	-	-	-	403,089
Restricted cash	-	-	-	-	-
Receivables (net where applicable of allowance for doubtful accounts):					
Taxes	15,543	-	-	-	15,543
Accounts	8,061	-	-	-	8,061
Interfund receivables	6,474	-	-	-	6,474
Advances to other funds	66,273				66,273
Intergovernmental receivables	4,510	12,985	1,031	-	18,526
Prepaid items	3,753	-	-	-	3,753
Total assets	$ 777,426	$ 220,661	$ 13,417	$ 16,797	$ 1,028,301
Liabilities, deferred inflows and fund balances					
Liabilities :					
Accounts payable	$ 5,277	$ -	$ -	$ -	$ 5,277
Accrued liabilities	6,719	-	-	-	6,719
Interfund payables	-	-	-	-	-
Intergovernmental payables	7,013	-	-	-	7,013
Unearned revenue	-	-	-	-	-
Total liabilities	19,009	-	-	-	19,009
Deferred inflows - property taxes	14,119	-	-	-	14,119
Fund balances:					
Nonspendable:					
Prepaid items	3,753	-	-	-	3,753
Advances to other funds	66,273	-	-	-	66,273
Restricted for:					
Construction of capital assets	-	220,661	-	16,797	237,458
Promotion of tourism	-	-	13,417	-	13,417
Unassigned	674,272	-	-	-	674,272
Total fund balances	744,298	220,661	13,417	16,797	995,173
Total liabilities, deferred inflows and fund balances	$ 777,426	$ 220,661	$ 13,417	$ 16,797	$ 1,028,301

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, 2017

Total fund balances - total governmental funds		$ 995,173
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	$ 2,077,835	
Less accumulated depreciation	(685,603)	1,392,232
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.		14,119
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		(3,761)
Net position of governmental activities		$ 2,397,763

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, 2017

	General Fund	SPLOST 2012 Fund	Hotel/Motel Tax Fund	SPLOST Recreation Fund	Total Governmental Funds
Revenues:					
General property taxes	$ 131,871	$ -	$ -	$ -	$ 131,871
Sales and use taxes	45,201	-	-	-	45,201
Other taxes	99,970	-	-	-	99,970
Licenses and permits	7,625	-	-	-	7,625
Intergovernmental revenues	2,100	79,174	3,341		84,615
Charges for services	74,743	-	-	-	74,743
Interest income	2,518	96	8	8	2,630
Fines and forfeitures	31,787	-	-	-	31,787
Miscellaneous revenues	4,687	-	-	-	4,687
Total revenues	400,502	79,270	3,349	8	483,129
Expenditures:					
Current:					
General government	108,217	-	9,082	-	117,299
Public safety	114,506	-	-	-	114,506
Public works	116,552	-	-	-	116,552
Culture and recreation	2,648	-	-	-	2,648
Debt service	-	-	-	-	-
Capital projects	-	7,592	-	-	7,592
Total expenditures	341,923	7,592	9,082	-	358,597
Excess (deficiency) of revenues over expenditures	58,579	71,678	(5,733)	8	124,532
Other financing sources (uses):					
Proceeds from capital asset disposition	-	-	-	-	-
Inception of long-term note	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers (out)	-	(49,566)	-	-	(49,566)
Total other financing sources (uses)	-	(49,566)	-	-	(49,566)
Net change in fund balances	58,579	22,112	(5,733)	8	74,966
Fund balances - beginning	685,719	198,549	19,150	16,789	920,207
Fund balances - ending	$ 744,298	$ 220,661	$ 13,417	$ 16,797	$ 995,173

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, 2017

Net change in fund balances - total government funds		$ 74,966
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.		(74,251)
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 @ 12-31-17	$ 14,119	
Deferred taxes @ 12-31-16	9,650	4,469
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 @ 12-31-16	$ 4,175	
Liability @ 12-31-17	3,761	414
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		$ 5,598

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, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
General property taxes	$ 130,960	$ 130,960	$ 131,871	$ 911
Sales and use taxes	51,000	51,000	45,201	(5,799)
Other taxes	102,870	102,870	99,970	(2,900)
Licenses and permits	6,950	6,950	7,625	675
Intergovernmental revenues	2,100	2,100	2,100	-
Charges for services	75,000	75,000	74,743	(257)
Interest income	1,225	1,225	2,518	1,293
Fines and forfeitures	65,000	65,000	31,787	(33,213)
Miscellaneous revenues	7,865	7,865	4,687	(3,178)
Carryover of funds	-	-	-	-
Total revenues	442,970	442,970	400,502	(42,468)
Expenditures:				
Current:				
General government	135,734	135,734	108,217	(27,517)
Public safety	173,629	173,629	114,506	(59,123)
Public works	131,507	131,507	116,552	(14,955)
Culture and recreation	2,100	2,100	2,648	548
Debt service	-	-	-	-
Total expenditures	442,970	442,970	341,923	(101,047)
Excess (deficiency) of revenues over expenditures	-	-	58,579	58,579
Other financing sources (uses):				
Proceeds from capital asset disposition	-	-	-	-
Transfers in (out)	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	58,579	58,579
Fund balances - beginning	685,719	685,719	685,719	-
Fund balances - ending	$ 685,719	$ 685,719	$ 744,298	$ 58,579

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Hotel/Motel Tax Fund
Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual
GAAP Basis
Year Ended December 31, 2017

	Budget			Variance with Final Budget
	Original	Final	Actual	Over (Under)
Revenues:				
Intergovernmental revenues	$ 2,000	$ 3,234	$ 3,341	$ 107
Interest income	-	-	8	8
Carry over of funds	-	5,848	-	(5,848)
Total revenues	2,000	9,082	3,349	(5,733)
Expenditures:				
Current:				
General government	2,000	9,082	9,082	-
Total expenditures	2,000	9,082	9,082	-
Excess (deficiency) of revenues over expenditures	-	-	(5,733)	(5,733)
Net change in fund balances	-	-	(5,733)	(5,733)
Fund balances - beginning	19,150	19,150	19,150	-
Fund balances - ending	$ 19,150	$ 19,150	$ 13,417	$ (5,733)

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Net Position
Proprietary Funds
December 31, 2017

	Water & Sewer	Totals
Assets:		
Current assets:		
Cash and cash investments	$ 151,696	$ 151,696
Restricted cash	35,727	35,727
Receivables (net where applicable of allowance for doubtful accounts):		
Accounts	11,922	11,922
Miscellaneous	-	-
Interfund receivables	-	-
Intergovernmental receivables	-	-
Prepaid items	2,030	2,030
Other	1,000	1,000
Total current assets	202,375	202,375
Noncurrent assets:		
Capital assets:		
Land	8,613	8,613
Buildings and improvements	71,039	71,039
Infrastructure	3,743,525	3,743,525
Equipment	143,962	143,962
Construction in progress	-	-
Accumulated depreciation	(2,878,601)	(2,878,601)
Total capital assets, net of accumulated depreciation	1,088,538	1,088,538
Total assets	1,290,913	1,290,913
Liabilities:		
Current liabilities:		
Accounts payable	7,025	7,025
Accrued liabilities	467	467
Interfund payables	13,839	13,839
Unearned revenue	7,700	7,700
Compensated absences-current portion	800	800
Notes payable	16,970	16,970
Liabilities payable from restricted assets:		
Customer deposits	35,309	35,309
Total current liabilities	82,110	82,110
Noncurrent liabilities:		
Compensated absences	-	-
Interfund payables	58,908	58,908
Notes payable	83,431	83,431
Total noncurrent liabilities	142,339	142,339
Total liabilities	224,449	224,449
Net Position:		
Net investment in capital assets	988,137	988,137
Unrestricted (deficiency)	78,327	78,327
Total net position	$ 1,066,464	$ 1,066,464

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, 2017

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Operating revenues:		
Charges for services - water	$ 83,655	$ 83,655
Charges for services - sewer	86,672	86,672
Miscellaneous	10,458	10,458
Total operating revenues	180,785	180,785
Operating expenses:		
Personal services	53,621	53,621
Purchased/contracted services	84,067	84,067
Supplies	41,092	41,092
Depreciation	135,259	135,259
Total operating expenses	314,039	314,039
Income (loss) from operations	(133,254)	(133,254)
Non-operating revenues (expenses):		
Interest income	102	102
Rent income	7,224	7,224
Gain (loss) on sale of capital assets	-	-
Interest expense	-	-
Total non-operating revenues (expenses)	7,326	7,326
Income (loss) before transfers & capital contributions	(125,928)	(125,928)
Transfers	49,566	49,566
Capital contributions	7,592	7,592
Change in net position	(68,770)	(68,770)
Net position - beginning	1,135,234	1,135,234
Net position - ending	$ 1,066,464	$ 1,066,464

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2017

	Business Type Activities - Enterprise Funds	
	Water & Sewer	Totals
Cash flows from operating activities:		
Cash received from customers	$ 175,164	$ 175,164
Other operating cash receipts	10,458	10,458
Cash payments to suppliers for goods and services	(130,808)	(130,808)
Cash payments to employees for services	(42,327)	(42,327)
Net cash provided (used) by operating activities	12,487	12,487
Cash flows from noncapital financing activities:		
Rent income	7,224	7,224
Increase (decrease) in interfund loan payable	(1,455)	(1,455)
Net cash provided (used) by noncapital financing activities	5,769	5,769
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	-	-
Proceeds from sale of capital assets	-	-
Transfer in from SPLOST funds	49,566	49,566
Increase (decrease) in interfund loan payable	(7,365)	(7,365)
Loan payments	(16,970)	(16,970)
Net cash provided (used) by capital and related financing activities	25,231	25,231
Cash flow from investing activities:		
Interest on cash and investments	102	102
Net increase (decrease) in cash and cash investments	43,589	43,589
Cash and cash investments, January 1	143,834	143,834
Cash and cash investments, December 31	$ 187,423	$ 187,423
Non-cash capital activities:		
Repairs and capital assets paid by the Splost Funds for the Water & Sewer Fund	$ 7,592	$ 7,592

See accompanying notes to basic financial statements

CITY OF COOLIDGE, GEORGIA
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2017

	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	$ (133,254)	$ (133,254)
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:		
Depreciation	135,259	135,259
Repairs paid by SPLOST Fund	7,592	7,592
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	1,049	1,049
(Increase) decrease in intergovernmental receivable	-	-
(Increase) decrease in prepaid items	(466)	(466)
Increase (decrease) in accounts payable	(74)	(74)
Increase (decrease) in other payables	(1,407)	(1,407)
Increase (decrease) in customer deposits payable	3,788	3,788
Net cash provided (used) by operating activities	$ 12,487	$ 12,487
Reconciliation of total cash and cash investments:		
Current assets - cash and cash investments	$ 151,696	$ 151,696
Restricted cash	35,727	35,727
Total cash and cash investments	$ 187,423	$ 187,423

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.

Hotel/Motel Tax Fund –

The Hotel/Motel Tax Fund is a special revenue fund used to account for the tax received from Thomas County Board of Commissioners. The purpose of this tax is to provide resources to promote tourism.

Splost Recreation Fund -

The Splost Recreation Fund is a capital projects fund used to account for Special Purpose Local Option Sales Tax received from the City of Thomasville, Georgia. This sales tax is to be used for capital outlay for recreation as allowed by the Official Code of Georgia Annotated Section 48-8-111.

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 adopted by the City Council. The City Council amended the budget for the Hotel/Motel Fund during 2017. 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, 2017 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 2017 annual budget:

General Fund:	
Recreation	$548

(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, 2017, 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 deposits was $1,097,094 and the bank balances totaled $1,104,854.

Investments

As of December 31, 2017 the City had no investments.

(4) – RECEIVABLES

The receivables as of December 31, 2017 for the City's individual major funds and total non-major funds are as follows:

	Major Governmental			Major Business-Type	
	General Fund	SPLOST 2012 Fund	Hotel/Motel Tax Fund	Water & Sewer Fund	Total
Receivables:					
Taxes	$ 15,543	$ -	$ -	$ -	$ 15,543
Accounts	10,711	-	-	19,022	29,733
Miscellaneous	-	-	-	-	-
Intergovernmental	4,510	12,985	1,031	-	18,526
Gross receivables	30,764	12,985	1,031	19,022	63,802
Less: Allowance for doubtful accounts	2,650	-	-	7,100	9,750
Total net receivables	$ 28,114	$ 12,985	$ 1,031	$ 11,922	$ 54,052

Property taxes are levied as of September 13th on property values assessed as of January 1st. The bills were mailed on October 1st 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	$ 35,727

(6) – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 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	272,331	-	-	272,331
Infrastructure	1,224,812	-	-	1,224,812
Total capital assets, being depreciated	1,985,551	-	-	1,985,551
Less accumulated depreciation for:				
Buildings and improvements	112,746	13,255	-	126,001
Equipment	221,330	20,169	-	241,499
Infrastructure	277,276	40,827	-	318,103
Total accumulated depreciation	611,352	74,251	-	685,603
Total capital assets, being depreciated, net	1,374,199	(74,251)	-	1,299,948
Governmental activities capital assets, net	$ 1,466,483	$ (74,251)	$ -	$ 1,392,232
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	143,962	-	-	143,962
Total capital assets, being depreciated	3,958,526	-	-	3,958,526
Less accumulated depreciation for:				
Infrastructure	2,635,111	119,992	-	2,755,103
Buildings and improvements	38,814	2,345	-	41,159
Equipment	69,417	12,922	-	82,339
Total accumulated depreciation	2,743,342	135,259	-	2,878,601
Total capital assets, being depreciated, net	1,215,184	(135,259)	-	1,079,925
Business-type activities capital assets, net	$ 1,223,797	$ (135,259)	$ -	$ 1,088,538

(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	4,159	
Public works	50,618	
Culture and recreation	609	
Total depreciation expense -Governmental activities		$ 74,251
Business-type activities		
Water and sewer	$ 135,259	
Total depreciation expense - Business-type activities		$ 135,259

(7) – LONG-TERM DEBT

At December 31, 2017, 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.	$ 100,401

Annual debt service requirements to this note payable as of December 31, 2017 follow:

Year	Principal	Interest	Total
2018	$ 16,970	$ -	$ 16,970
2019	16,970	-	16,970
2020	16,970	-	16,970
2021	16,970	-	16,970
2022	16,970	-	16,970
2023	15,551	-	15,551
Total	$ 100,401	$ -	$ 100,401

(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, 2017:

	Balance Jan. 1	Additions	Deductions	Balance Dec. 31	Due within One year
Governmental type activities:					
Compensated absences	$ 4,175	$ 3,761	$ 4,175	$ 3,761	$ 3,761
Total governmental type activities	$ 4,175	$ 3,761	$ 4,175	$ 3,761	$ 3,761
Business type activities:					
Compensated absences	$ 2,144	$ 800	$ 2,144	$ 800	$ 800
Note payable - Drinking Water State Revolving Loan Fund	117,370	-	16,969	100,401	16,970
Total business type activities	119,514	800	19,113	101,201	17,770
Total government	$ 123,689	$ 4,561	$ 23,288	$ 104,962	$ 21,531

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, 2017, consisted of the following amounts.

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 72,747	$ -
Water & Sewer Fund	-	72,747
Total	$ 72,747	$ 72,747

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, 2017 is $66,273. Part of this long-term interfund loan, $7,365, will be repaid in 2018 and is listed on the financial statement as current. There is also a December 31, 2017 short-term interfund balance of $6,474.

(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	$ -	$ -	$ -	$ -	$ -
SPLOST 2012 Fund	-	-	-	-	-
Water & Sewer Fund	-	49,566	-	-	49,566
Totals	$ -	$ 49,566	$ -	$ -	$ 49,566

(10) – FUND BALANCES

The following is a summary of the fund balances for the governmental funds at December 31, 2017:

Nonspendable:	
Prepaid items - This is prepaid insurance in the general fund	$ 3,753
Interfund receivable - This is a long-term interfund receivable in the general fund	66,273
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	220,661
SPLOST Recreation Fund - Restricted by state law and the City of Thomasville	16,797
Restricted for promotion of tourism:	
Hotel/Motel - Restricted by the state law	13,417
Committed:	
None	-
Assigned:	
None	-
Unassigned:	
This is the amount unassigned in the general fund	674,272
Total	$ 995,173

(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, 2017. No provisions has been made in the financial statements for the year ended December 31, 2017 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 $41,216 or 38% of the real property taxes and 10.3% 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. This tax increase to 8% on July 1st, 2016.

Thomas County paid the City of Coolidge, Georgia $3,341 from their Hotel/Motel Tax Fund in 2017. The City spent $9,082 in 2017 promoting tourism.

OTHER SUPPLEMENTARY INFORMATION

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CERTIFIED PUBLIC ACCOUNTANTS

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 and each major fund of the City of Coolidge, Georgia, as of and for the year ended December 31, 2017, 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 3, 2018.

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 have not been 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 are required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as item 2017-001.

The City of Coolidge Georgia's Response to Findings

The City of Coolidge, Georgia's response to the finding 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

May 3, 2018

CITY OF COOLIDGE, GEORGIA
Schedule of Findings and Responses
For the Year Ended December 31, 2017

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:

2017-001

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
Recreation	$2100	$2648	$548

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, 2017. 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, 2017, in conformity with accounting principles generally accepted in the United States of America.

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

May 3, 2018

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2017

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Recreation projects-1	$ 25,000	$ 25,000	$ -	$ 25,000
Recreation projects-2	23,600	7,097	-	7,097
Totals	$ 48,600	$ 32,097	$ -	$ 32,097

Note: Special Purpose Local Option Sales Tax received from the City of Thomasville, Ga. for year ended December 31, 2017 was zero.

CITY OF COOLIDGE, GEORGIA
Schedule of Special Purpose
Local Option Sales Tax
Year Ended December 31, 2017

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Prior Years	Current Year	Total
Misc. water & sewer projects	$ 420,000	$ 352,445	$ 37,069	$ 57,158	$ 94,227
Vehicles for water & sewer	-	45,000	44,990	-	44,990
Vehicles for the street dept.	-	22,500	22,495	-	22,495
Misc. street projects	-	55	54	-	54
Totals	$ 420,000	$ 420,000	$ 104,608	$ 57,158	$ 161,766

Note: 2012 Special Purpose Local Option Sales Tax revenue received from Thomas County, Georgia for year ended December 31, 2017 was $69,018. Part of the LMIG project will be funded by SPLOST and accordingly LMIG funds of $10,156 were deposited in this fund. Included in the chart above is $49,566 transferred to the W & S fund for water projects.