City of Dasher, Georgia

Financial Statements

For the Fiscal Year Ended

June 30, 2015

City of Dasher, Georgia

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Report on Financial Statements Issued in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Mayor and Council
of the City of Dasher
Dasher, Georgia

Report on the Financial Statements

We have audited the accompanying statement of governmental activities, each major fund, of the City of Dasher, Georgia, as of and for the year ended June 30, 2015, and the related notes to financial statements, which collectively comprise the City'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 from 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.

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, the budgetary comparison for the general fund of the City of Dasher, Georgia as of June 30, 2015, and the respective changes in financial position for the year 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 an opinion on the City of Dasher, Georgia's financial statements. The accompanying schedules of expenditures of special purpose local option sales tax proceeds are presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and are not a required part of the basic financial statements.

The schedules of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relates 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 schedules of expenditures of special purpose local option sales tax are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 2015, on our consideration of the City of Dasher, Georgia's internal control over financial reporting and 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 Dasher, Georgia's internal control over financial reporting and compliance.



Gary R. Zeigler, P.C.
Valdosta, Georgia

November 24, 2015

City of Dasher, Georgia
Statement of Net Position
June 30, 2015

	Primary Government
	Governmental Activities
Assets	
Assets	
Cash and Cash Equivalents	$ 519,299
Investments	595,004
Receivables, net	25,899
Prepaid Items	4,044
Capital Assets	
Land and Other Nondepreciable Assets	425,882
Other Capital Assets, Net of Depreciation	1,429,236
Total Capital Assets	1,855,118
Total Assets	$ 2,999,364
Liabilities and Net Position	
Liabilities	
Accounts Payable	$ 32,685
Accrued Liabilities	895
Long Term Liabilities	
Current Portion	-
Long-Term Portion	-
Total Liabilities	33,580
Net Position	
Investment in Capital Assets	1,855,118
Restricted for:	
Capital Projects	90,042
Unrestricted	1,020,624
Total Net Position	2,965,784
Total Liabilities and Net Position	$ 2,999,364

The accompanying notes to basic financial statements are an integral part of this statement.

City of Dasher, Georgia
Statement of Activities
For the Year Ended June 30, 2015

Functions and Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position of Primary Government: Governmental Activities
Primary Government:					
Governmental Activities					
General Government	$ 133,612	$ 160	$ -	$ -	$ (133,452)
Public Safety	25,177				(25,177)
Public Works	123,192			175,355	52,163
Culture and Recreation	53,084			179	(52,905)
Total Governmental Activities	335,065	160	-	175,534	(159,371)
Total Primary Government	$ 335,065	$ 160	$ -	$ 175,534	$ (159,371)
General Revenues					
Taxes					
Local Option Sales and Use Tax					153,611
Insurance Premium Tax					50,329
Other Taxes					37,555
Intergovernmental					-
Investment					5,522
Miscellaneous					14,763
Transfers					
Total General Revenues and Transfers					261,780
Changes in Net Position					102,409
Net Position, Beginning of Period					2,863,375
Net Position, End of Period					$ 2,965,784

The accompanying notes to basic financial statements are an integral part of this statement.

City of Dasher, Georgia
Balance Sheet
Governmental Funds
June 30, 2015

	General	Major Capital Projects Funds: Special Purpose Local Option Sales Tax - 2014 Issue	Major Capital Projects Funds: Special Purpose Local Option Sales Tax - 2008 Issue	Total Governmental Funds
Assets				
Cash and Cash Equivalents	$ 288,173	$ 231,126	$ -	$ 519,299
Investments	595,004	-	-	595,004
Receivables				
Intergovernmental	25,899	-	-	25,899
Interfund	141,084	-	-	141,084
Prepaid Expenses	4,044	-	-	4,044
Total Assets	$ 1,054,204	$ 231,126	$ -	$ 1,285,330
Liabilities, Deferred Inflows of Resources, and Fund Balance				
Liabilities				
Accounts Payable	$ 32,685	$ -	$ -	$ 32,685
Accrued Expenses	895	-	-	895
Interfund	-	141,084	-	141,084
Total Liabilities	33,580	141,084	-	174,664
Deferred Inflows of Resources				
Total Deferred Inflows of Resources	-	-	-	-
Fund Balance				
Nonspendable	4,044			4,044
Restricted		90,042	-	90,042
Committed				-
Assigned				-
Unassigned	1,016,580	-	-	1,016,580
Total Fund Balance	1,020,624	90,042	-	1,110,666
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,054,204	$ 231,126	$ -	$ 1,285,330

The accompanying notes to basic financial statements are an integral part of this statement.

City of Dasher, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2015

Total Fund Balance - Governmental Funds (Page 5)		$ 1,110,666
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
In Governmental Activities capital outlays are considered a use of financial resources and treated as expenditures. In the Government-Wide Statement of Net Position capital assets are capitalized and reported as assets, net of accumulated depreciation. These assets consists of:		
Infrastructure	$ 1,094,687	
Site and site improvements, including buildings	1,048,225	
Machinery and Equipment	39,919	
	2,182,831	
Accumulated Depreciation	435,918	
	1,746,913	
Construction in Progress	108,205	1,855,118
Net Position of Governmental Activities (Page 3)		$ 2,965,784

The accompanying notes to basic financial statements are an integral part of this statement.

City of Dasher, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2015

	General	Major Capital Project Funds: Special Purpose Local Option Sales Tax - 2014 Issue	Major Capital Project Funds: Special Purpose Local Option Sales Tax - 2008 Issue	Total Governmental Funds
Revenues				
Property Taxes	$ -	$ -	$ -	$ -
Sales Tax	153,611	-	-	153,611
Insurance Premium Tax	50,329	-	-	50,329
Other Taxes	37,555	-	-	37,555
Licenses and Permits	160	-	-	160
Intergovernmental	-	175,115	-	175,115
Investment	5,522	240	179	5,941
Other	14,763	-	-	14,763
Total Revenues	261,940	175,355	179	437,474
Expenditures				
Current				
General Government	123,957	122	137	124,216
Judicial	-			-
Public Safety	25,177	-	-	25,177
Public Works	67,708	-		67,708
Culture and Recreation	34,588	-	-	34,588
Capital	-	116,949	-	116,949
Total Expenditures	251,430	117,071	137	368,638
Excess (Deficit) of Revenues Over (Under) Expenditures	10,510	58,284	42	68,836
Other Financing Sources (Uses)				
Net Other Financing Sources (Uses)	-	-	-	-
Change in Fund Balance	10,510	58,284	42	68,836
Fund Balance, Beginning	1,010,114	31,758	(42)	1,041,830
Fund Balance, Ending	$ 1,020,624	$ 90,042	$ -	$ 1,110,666

The accompanying notes to basic financial statements are an integral part of this statement.

City of Dasher, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities
For the Year Ended June 30, 2015

Net Change in Fund Balance - Total Governmental Funds (Page 7)	$	68,836
Amounts Reported for *Governmental Activities* in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. In the Statement of Activities, the cost of capital outlays is allocated over their estimated useful lives as depreciation expense.		116,949
Depreciation is not reported as an expense in Governemntal Funds. However, depreciation expense is included in the Statement of Activities.		(83,376)
Change in Net Position of Governmental Activities (Page 4)	$	102,409

The accompanying notes to basic financial statements are an integral part of this statement.

City of Dasher, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2014

	Budget		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues				
Property Taxes	$ -	$ -	$ -	$ -
Local Option Sales Tax	160,000	160,000	153,611	(6,389)
Insurance Premium Tax	49,000	49,000	50,329	1,329
Other Taxes	46,300	46,300	37,555	(8,745)
Licenses and Permits	700	700	160	(540)
Investment	9,000	9,000	5,522	(3,478)
Contributions and Other	12,000	12,000	14,763	2,763
Total Revenues	277,000	277,000	261,940	(15,060)
Expenditures				
General Government	160,468	160,468	123,957	36,511
Judicial	2,200	2,200	-	2,200
Public Safety	25,600	25,600	25,177	423
Public Works	112,092	112,092	67,708	44,384
Culture and Recreation	85,800	85,800	34,588	51,212
Total Expenditures	386,160	386,160	251,430	134,730
Excess (Deficit) of Revenues Over (Under) Expenditures	(109,160)	(109,160)	10,510	119,670
Other Financing Sources (Uses)				
Appropriation of Surplus	109,160	109,160	-	(109,160)
Net Other Financing Sources (Uses)	109,160	109,160	-	(109,160)
Change in Fund Balance	-	-	10,510	10,510
Fund Balance, Beginning	1,010,114	1,010,114	1,010,114	-
Fund Balance, Ending	$ 1,010,114	$ 1,010,114	$ 1,020,624	$ 10,510

The accompanying notes to basic financial statements are an integral part of this statement.

Note 1 – Summary of Significant Accounting Policies

The City was incorporated in 1992 and operates under a mayor - council form of government and provides the following services in addition to general administrative responsibilities: public safety (police and volunteer fire), highways and streets, and recreation.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

(A) Reporting Entity

In evaluating the City, for financial reporting purposes, management considers all potential component units. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of the Governmental Accounting Standard Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- if the organization is legally separate and 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 able to impose its will on the organization
- the organization has the potential to impose a financial burden or benefit on the City
- there is a fiscal dependency by the organization of the City

There are no boards, commissions, authorities, or other units of government (component units) for which the City is accountable.

(B) Basis of Presentation - Fund Accounting

The City has implemented the provisions of Governmental Accounting Standards Board Statement Number 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.* This statement establishes accounting and financial reporting standards for general purpose external financial reporting by local governments and establishes specific standards for the basic financial statements, management's discussion and analysis, and certain required supplementary information. Governments are required to report government-wide as well as fund level financial statements.

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all activities of the primary government. These statements include the financial activities of the overall government. Governmental activities, which are generally supported by taxes, intergovernmental revenues and non-exchange transactions, are reported separate from business-type activities, which rely primarily on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or programs are offset by program revenues. Direct expenses are expenses which are specifically associated with a particular activity. Program revenues include (a) fees, fines, and charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given activity and (b) grants and contributions which are restricted to meeting the operational or capital requirement of a particular activity. Taxes and other revenues not classified as programs revenues are reported as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported in separate columns in the fund financial statements.

The accounts of the City are organized by funds each of which is a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, equities, revenues (income) and expenditures (expenses). Resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The City's fund types are:

Governmental Fund Types

Governmental Funds are those through which most governmental functions are financed. The acquisition, use and balance of expendable financial resources and the related liabilities (except for those accounted for in proprietary funds) are accounted for through governmental funds. The objective for evaluation is based upon the determination of changes in financial position rather than objectives for net income. The following are the City's governmental fund types:

General Fund - The principal operating fund of the City and is used to account for all financial resources not otherwise accounted for in another fund.

Capital Project Funds- These funds account for financial resources used for the acquisition and construction of capital assets and repair and renovation of major capital facilities (other than acquisition, construction and repairs financed by proprietary and special assessment funds). The city has three capital project funds – the special purpose local option sales and use tax funds for the 2008 and 2014 issues.

(C) Measurement Focus, Basis of Accounting, and Financial Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue when eligibility requirements have been satisfied.

Governmental Funds

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when collectible within the current period or soon enough thereafter to pay current period liabilities. The government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures are generally recorded when the liability is incurred.

Revenues susceptible to accrual include franchise taxes, governmental grants, special assessments, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the City are also recognized as revenue. Fines, forfeitures, and permits are not susceptible to accrual because generally they are not measurable until received in cash.

The City's major governmental funds are:

The General Fund is the government's primary operating fund. All financial resources of the general government, other than resources required to be accounted for in another fund, are reported in the general fund.

The Special Purpose Local Option Sales Tax (Capital Project) Funds for capital projects financed from the special purpose local option sales tax referendums approved by voters for the 2014 and 2008 issues.

Program Revenues

Amounts reported as program revenues include (a) charges to customers or applicants for goods, services, or privileges provided, (b) operating grants and contributions which finance current operating activities including restricted investment income, and (c) capital grants and contributions, including special assessments, which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions. To identify which function program revenue pertains, the determining factor for the charge for service is which function generates the revenue. For grants and contributions, the determining factor is to which functions the revenues are restricted.

Taxes and other revenue sources not included with program revenues are reported as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or supported by general revenues.

For the most part, interfund transactions have been eliminated from the statements.

(D) Cash and Investments

Cash includes amounts in demand and savings (including time) deposits. The City does not have any investments other than interest bearing checking accounts and certificates of deposit. The City has no specific investment policy in regards to custodial credit risk.

The Official Code of Georgia (O.C.G.A. 36-83-4) authorizes the City to invest in obligations of this or other states, the United States government, obligations fully insured or guaranteed by the United States government or a United States government agency, obligations of any corporation of the United States government, prime banker's acceptances, local government investment pools established by O.C.G.A. Section 36-83-8, repurchase agreements, and obligations of other political subdivisions of this state.

(E) Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2015 are recorded as prepaid items.

(F) Inventory

The City does not value its inventories for financial reporting purposes. Purchases of materials and supplies are charged to operations when acquired.

(G) Restricted Assets

Cash and other resources are classified as restricted assets because use is limited by law, grants, or local ordinances.

(H) Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial estimated useful life of more than one year and a cost of more than $500. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

General infrastructure assets acquired prior to July 1, 2003 are not reported in the basic financial statements. General infrastructure assets include roads, streets, sidewalks, and bridges and other similar assets acquired subsequent to June 30, 2003.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets are included as part of the capitalized value of the constructed assets.

The costs of normal maintenance and repairs that do not increase the value of the asset or materially extend useful lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

Property, plant and equipment of the primary government is capitalized based on the following capitalization levels and depreciated using the straight-line method over the following estimated useful lives:

Asset Classification	Estimated Useful Lives
Land and Improvements	
Infrastructure, including utility system	20 to 40 years
Buildings and Improvements	25 to 40 years
Machinery and Equipment	5 to 10 years
Office and Technology Equipment	5 to 10 years
Transportation Equipment	5 to 10 years

(I) Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position.

In the governmental funds statement of revenues, expenditures and changes in fund balance the proceeds of long-term debt financing is reported as other financing sources. The repayment of general long-term debt is reported as an expenditure of current financial resources.

(J) Interfund Transactions

During the course of its operations, the City processes transactions to finance the operations (i.e. the payment of payroll, payables, construction of assets, etc.) for capital projects funds. Internal receivables and payables are recorded to report the amounts not reimbursed as of June 30th. To the extent that these balances are between governmental funds, they are eliminated on the statement of net position.

(K) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

(L) Fund Balance

Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

Nonspendable – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Committed – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City council through the adoption of a resolution. The City Council also may modify or rescind the commitment.

Assigned – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's finance committee or the City's finance director to assign fund balances.

Unassigned – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts 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.

Net Position – Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has not spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted as described in the fund balance section above. All other net position is reported as unrestricted.

(M) Schedules of Financial Assistance and One Percent Special Purpose Local Option Sales Tax Project Cost Schedules

The basis of accounting employed by the fund type in which revenues and expenditures are reported for funding from federal, state and other financial assistance programs and one percent special purposes local option sales tax are also used to report receipts/revenues and disbursements/expenditures for the Schedule of Federal Financial Assistance, Project Cost Schedule – One Percent Special Purpose Local Option Sales Tax, and Schedule of State and Other Assistance.

(N) Deferred Outflows – Inflows of Resources

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. Deferred outflow represents a consumption of net position that applies to future period(s) and is not recognized as a current outflow of resources (expense or expenditure). The City does not have any deferred outflows of resources.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflow represents an acquisition of net position applicable to future period(s) and is not recognized as a current inflow of resources. The City does not have any items that qualify as a deferred inflow of resources.

Note 2 – Stewardship, Compliance and Accountability

(A) Budgetary Accounting

Mayor and Council adopt annual budgets for all governmental fund types (general fund). Budgets for capital projects funds are adopted on a total project basis rather than on an annual basis. The budgets are prepared and adopted on a basis consistent with generally accepted accounting principles.

The department level is the legal level of control at which expenditures may not exceed appropriations. Except for appropriations for capital expenditures, all appropriations, to the extent not expended or encumbered, lapse at the close of the period for which the appropriation was budgeted. Appropriations for capital expenditures continue in effect until the purpose for which made has been accomplished or abandoned. Capital appropriations are deemed abandoned after three years when there has been no disbursement or encumbrance of the appropriation.

Mayor and Council advertise and conduct public hearings according to the requirements of state law. The final budget for the calendar year is adopted by the preceding July 1st.

Budget Revisions

There were no budget revisions during the year

Deficit Fund Balances

There were no funds with deficit fund balances.

Note 3 – Cash and Cash Equivalents

As of June 30, 2015, the primary government's deposits, including certificates of deposits, were $1,085,388 and the account balances per the financial institutions were $1,085,648. Of the total account balances per the financial institutions, $1,038,930 was insured through the Federal Deposit Insurance Corporation (the FDIC). $46,718 was collateralized with pooled securities held by the financial institutions' trust departments or by the pledge of the financial institutions' securities. Securities are held in the name of the institution and not in the name of the City.

Cash and cash equivalents, invested in savings and certificates of deposit in financial institutions, consist of the following:

Account Type	
Cash on Hand	$ 28,915
Cash and demand deposits	490,384
Investments (time deposits)	595,004
Total	$ 1,114,303

Note 4 - Receivable - Intergovernmental

Intergovernmental receivables are as follows:

State of Georgia - Department of Revenue – Local Option Sales Tax	$ 25,899
Lowndes County, Georgia – Special Purpose Local Option Sales Tax	-
Total	$ 25,899

Special purpose local option sales and use tax funds (2002 Issue) of $18,589 are being held by Lowndes County, Georgia for project expenditures.

Note 5 – Interfund Balances

Interfund receivables and payables result from temporary advances, primarily from the general fund, to finance current expenditures and are summarized as follows:

	Interfund Balances	
	Receivable	Payable
Major Governmental Fund		
General Fund	$ 141,084	$ -
Capital Project Funds		
Special Purpose Local Option Sales Tax 2014 Issue		141,084
Total	141,084	141,084

Interfund payables are liquidated from available cash resources upon receipt of intergovernmental revenues. The General Fund advance to Capital Projects is scheduled for repayment in December 2015.

Note 6 - Changes in Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Ending Balance
Governmental Activities:					
Capital Assets not being Depreciated					
Land	$ 317,677	$ -	$ -	$ -	$ 317,677
Construction in Progress	11,500	96,705		-	108,205
Total Assets not being Depreciated	329,177	96,705	-	-	425,882
Other Capital Assets					
Infrastructure	1,076,883	17,804			1,094,687
Site Improvements	167,334	2,440			169,774
Buildings and Improvements	560,774	-			560,774
Equipment	39,919			-	39,919
Total Other Capital Assets	1,844,910	20,244		-	1,865,154
Less Accumulated Depreciation					
Infrastructure	127,184	54,289			181,473
Site Improvements	44,906	8,669			53,575
Buildings and Improvements	156,938	17,164			174,102
Equipment	23,514	3,254		-	26,768
Total Depreciation	352,542	83,376		-	435,918
Net Other Capital Assets	1,492,368	(63,132)	-	-	1,429,236
Total Capital Assets, net	$ 1,821,545	$ 33,573	$ -	$ -	$ 1,855,118

Depreciation expense was charged to functions as follows:

Governmental Activities:	
General Government	$ 9,396
Public Safety	-
Public Works	55,484
Recreation	18,496
Total Depreciation Expense – Governmental Activities	$ 83,376

Note 7 - Contingencies

The City is not involved in any pending or threatened litigation.

Note 8 - Restricted Net Position – Governmental Funds

Capital Projects

One Percent Special Purpose Local Option Sales Tax – 2014 Issue	$	90,042

Authorized uses include construction, renovation and improvements to roads, streets, and bridges including acquisition of right-of-ways, relocation of utilities, and improvements to surface water drainage of roads, streets, and bridges, developmental plans for the construction and improvements to sewerage and water distribution systems, public facilities construction and improvements including culture and recreation, purchase of technology equipment and software.

One Percent Special Purpose Local Option Sales Tax – 2008 Issue	$	-

Authorized uses include construction, renovation and improvements to roads, streets, and bridges including acquisition of right-of-ways, relocation of utilities, and improvements to surface water drainage of roads, streets, and bridges and public facilities.

Note 9 - Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; crimes; and natural disasters. The City is a participant in the Georgia Municipal Association Property and Liability Self-Insurance Program, a public entity risk pool operating as a common risk management and insurance program for member governments. The GMA Property and Liability Self-Insurance Program is a fund established and administered as a part of the Georgia Inter-Local Risk Management Agency (GIRMA) an unincorporated nonprofit instrumentality of participating municipalities.

The purpose of risk pools is to establish and administer one or more groups of self-insurance funds which provide risk management services, prevent or lessen indices and severity of casualty and property losses, and defend and protect participating members from liability or loss from general liability, motor vehicle liability, property damage, crimes and other claims which members are jointly self-insured. Claim settlement, determination of risk, institution of loss prevention programs and accounting systems, acquisition of excess insurance and reinsurance coverage and the performance of daily operations are responsibilities of the board of trustees.

Admission of members into the agency is subject to the approval of the administrator in accordance with policies established by the board of trustees. Each member is required to continue membership until completion of the second full fiscal year of membership. Membership is continued on a year-to-year basis. A member may withdraw or choose not to renew membership effective at the end of any fiscal year upon giving ninety days advanced written notice to the agency.

Members failing to pay required contributions, assessments, or other sums in such amounts and at times established by the board of trustees may, upon proper notice, be immediately suspended from membership and coverage shall immediately cease. Terminated members remain liable for assessments for any fiscal year in which they were members and have no rights to surplus or dividends. The capital contribution, if any, of a terminated member may be returned in whole, or in part, at the discretion of the board of trustees.

Additional responsibilities and obligations of participating members include; selection of a person to serve as member representative, allow GIRMA and its agents reasonable access to facilities and records, allow attorneys designated by GIRMA to investigate, litigate, and discuss settlement options for claims made against participating members, including assisting and participating in the defense and settlement of claims, cooperate with GIRMA attorneys, adjustors, agents or independent contractors relating to the purposes of GIRMA, provide budget, operating and underwriting information requested by the board, and promptly report all incidents which could result in any claim.

In accordance with O.C.G.A. Sections 36-85-9 and 36-85-19, each member is jointly and severally liable for all legal obligations of the agency or funds and assessments may be imposed to meet financial deficiencies of the agency or of any fund.

Policy deductibles are funded from and charged to operations during the period in which losses are settled. Insurance provides coverage up to a maximum of $600,000 for each general liability claim, and various limits up to an aggregate of $616,464 for property damage claims. Deductible limits are $1,000 per occurrence.

The City's exposure, which is limited to policy deductibles, is charged to current operations when incurred. No claims in excess of insured limits were threatened, pending or outstanding as of June 30th. Accordingly, no liability has been provided for claims threatened, pending or outstanding. There have been no significant reductions in insurance coverage. Settled claims have not exceeded coverage limits for the current or preceding three years.

The City has not compiled a record of claims paid in excess of applicable deductibles for the current or prior fiscal years. Management is not aware of any outstanding and unpaid claims as of June 30th. Accordingly, no provision has been made for potential claims.

Note 10 – Fund Balance

	General	Major Capital Project Funds: Special Purpose Local Option Sales Tax – 2014 Issue	Major Capital Project Funds: Special Purpose Local Option Sales Tax – 2008 Issue	Non-Major Governmental Fund: Special Purpose Local Option Sales Tax – 2002 Issue	Total Governmental Funds
Nonspendable:					
Prepaid Items	$ 4,044	$ -	$ -	$ -	$ 4,044
Restricted for:					
Capital Project Funds:					
Special Purpose Local Option Sales and Use Tax Funds		90,042			90,042
Committed to:					
Assigned to:					
Unassigned to:	1,016,580		-		$ 1,016,580
Total	$ 1,020,624	$ 90,042	$	$ -	$ 1,110,666

Note 11 – Joint Venture (South Georgia Regional Commission)

The City is a participating member of the Southern Georgia Regional Commission (SGRC), a governmental entity legislatively established by O.C.G.A. 50-8-34. The commission is comprised of the municipalities and counties within the ten county district created and established by the Act. The commission is managed by a board, which includes the chief elected official of the district's member municipalities and county governments. The municipalities and counties within the district are responsible for the debts, obligations, and operating deficits of the commission and are required to pay annual minimum dues to support operations. The City's dues were paid by the County.

Financial statements may be obtained from the Southern Georgia Regional Commission, 3395 Harris Road, Waycross, Georgia 31503.

GARY R. ZEIGLER, P.C.

Certified Public Accountants and Business Consultants

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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*

To the Mayor and Council
Of the City of Dasher
Dasher, Georgia

We have audited 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, the financial statements of the governmental activities, each major fund, and the remaining fund information of the City of Dasher, Georgia as of and for the year ended June 30, 2015, and the related notes to the financial statements, and have issued our report thereon dated November 24, 2015.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Dasher, 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 Dasher, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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. However, as described in the accompanying *Financial Statement Findings and Reponses*, we identified certain deficiencies in internal control that we consider to be material weakness and significant deficiencies.

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. We consider the deficiency described in the accompanying *Financial Statement Findings and Responses,* item 2015.01, to be a material weaknesses.

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. We consider the deficiency described in the accompanying *Financial Statement Findings and Responses*, item 2015.02, to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Dasher, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Authority's Response to Findings

The City of Dasher, Georgia's responses to the findings identified in our audit are described in the accompanying *Financial Statement Findings and Reponses*. The City of Dasher, 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 result 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.



Gary R. Zeigler, P.C.
Valdosta, Georgia

November 24, 2015

Financial Statement Findings and Responses

Current Year Findings:

2015.01 Absence of Optimum Level of Appropriate Segregation of Duties

(*This is a repeat finding*)

Requirement: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, processing, verifying, reviewing, approving, recording or processing financial transactions, and preparing financial statements are not being performed by the same individual.

Condition: The City does not have sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Recommendation: Staffing should include a sufficient number of properly trained personnel in order to assign duties and responsibilities among the staff in order to reduce to a minimum level of risk that misstatements resulting from fraud or error might occur and not be detected by employees during the normal course of performing assigned duties.

Auditee Response: The City agrees with this finding. Because of the City's size and economic limitations the City does not believe it financially feasible to hire additional staff solely for purpose of mitigating this weakness. The City has only one part-time staff person in the accounting and finance office. She is responsible for billings, collections, and recording and posting of receipts, processing and payment of vendor invoices, and payment of employees. A second person has been contracted with to perform the accounting duties related to recording and posting transactions, reconciling the bank accounts and preparing quarterly financial statements. Mayor and Council maintain oversight activities related to investments including review of institutional compliance with FDIC insurance coverage. Mayor and Council review all financial transactions and financial statements. Checks require the signature of two persons one of which must be an elected official.

2015.02 Auditor Preparation of Annual Financial Statements

(*This is a repeat finding*)

Requirement: Generally accepted auditing standards require auditors to audit client prepared annual financial statements including the related notes to financial statements and all required supplemental information, statements, and schedules.

Condition: The City's annual financial statements, supplementary information, and schedules required by state statutes, or regulators, and grantors are auditor prepared.

Effect: The City's auditor audits the auditor prepared financial statements.

Recommendation: The City should prepare the annual financial statements, notes to basic financial statements, supplementary information, and financial schedules required by state statutes or regulators, and grantors.

Auditee Response: The City does not have professional staff with the training and expertise to prepare the annual audited financial statements. The Mayor and Council have considered alternatives for the preparation of the audited statements including contracting the services of a consultant. The Mayor and Council believe having the auditors prepare the statements is the only economically feasible option for the City. The Mayor and Council formally reviews and accepts responsibility for the financial statements and all related disclosure

Prior Year Findings

2014.01 Absence of Optimum Level of Appropriate Segregation of Duties

(*This is a repeat finding*)

Requirement: A properly designed and effective system of internal control requires that there are a sufficient number of properly trained, skilled personnel to be able to segregate duties and responsibilities among personnel so that individuals initiating, processing, verifying, reviewing, approving, recording or processing financial transactions, and preparing financial statements are not being performed by the same individual.

Condition: The City does not have sufficient personnel to provide an optimum level of appropriate segregation of duties and responsibilities.

Effect: Errors, intentional or otherwise, and fraud could occur in the processing of financial transactions and the preparation of financial statements.

Recommendation: Staffing should include a sufficient number of properly trained personnel in order to assign duties and responsibilities among the staff in order to reduce to a minimum level of risk that misstatements resulting from fraud or error might occur and not be detected by employees during the normal course of performing assigned duties.

Auditee Response: The City agrees with this finding. Because of the City's size and economic limitations the City does not believe it financially feasible to hire additional staff solely for purpose of mitigating this weakness. The City has only one part-time staff person in the accounting and finance office. She is responsible for billings, collections, and recording and posting of receipts, processing and payment of vendor invoices, and payment of employees. A second person has been contracted with to perform the accounting duties related to recording and posting transactions, reconciling the bank accounts and preparing quarterly financial statements. Mayor and Council maintain oversight activities related to investments including review of institutional compliance with FDIC insurance coverage. Mayor and Council review all financial transactions and financial statements. Checks require the signature of two persons one of which must be an elected official.

Current Status: There is no change in the status of this finding.

2014.02 Auditor Preparation of Annual Financial Statements

(*This is a repeat finding*)

Requirement: Generally accepted auditing standards require auditors to audit client prepared annual financial statements including the related notes to financial statements and all required supplemental information, statements, and schedules.

Condition: The City's annual financial statements, supplementary information, and schedules required by state statutes, or regulators, and grantors are auditor prepared.

Effect: The City's auditor audits the auditor prepared financial statements.

Recommendation: The City should prepare the annual financial statements, notes to basic financial statements, supplementary information, and financial schedules required by state statutes or regulators, and grantors.

Auditee Response: The City does not have professional staff with the training and expertise to prepare the annual audited financial statements. The Mayor and Council have considered alternatives for the preparation of the audited statements including contracting the services of a consultant. The Mayor and Council believe having the auditors prepare the statements is the only economically feasible option for the City. The Mayor and Council formally reviews and accepts responsibility for the financial statements and all related disclosure.

Current Status: There is no change in the status of this finding.

2014.03 Budgetary - Financial Compliance

Specific Requirement: O.C.G.A. 36-81-3(b)(1) requires each unit of local government to adopt and operate under an annual balanced budget for the general fund, each special revenue fund, and each debt service fund. O.C.G.A. 36-81-3(b)(2) requires a project-length balanced budget for each capital project fund with the project-length balanced budget being adopted by ordinance or resolution in the year that the project initially begins. The project-length balanced budget should appropriate total expenditures for the duration of the capital project. O.C.G.A. 36-81-3(b)(3) provides that a budget ordinance or resolution is balanced when the sum of estimated revenues and appropriated fund balances is equal to appropriations.

Conditions: The Capital Project Fund for the SPLOST 2008 referendum has a deficit fund balance. The capital projects fund deficit is a result of incurring project expenditures in advance of the receipt of the City's share of special purpose local option sales tax revenues. The deficit was financed through temporary advances from the general fund.

Effect: The City is not in compliance with state laws and the City's Finance Ordinance by having a deficit in a governmental fund.

Recommendation: Fund deficits should be eliminated by not incurring expenditures in excess of revenues or by temporary operating advances from the general fund.

City Response: The deficit fund balance will be eliminated in the subsequent fiscal year.

Current Status: There are no funds with deficits for the year ending June 30, 2015.

City of Dasher, Georgia
One Percent Special Purpose Local Option Sales Tax
Project Cost Schedule - 2008 Issue
For the Year Ending June 30, 2015

	Estimated Cost		Prior	Current	Cumulative	Percent
	Original	Current	Periods	Period	Cost	Complete
Road, Street and Bridge Projects	$ 770,400	$ 187,100	$ -	$ -	$ -	0.0%
Infrastructure Improvement Projects			-	-	-	0.0%
Johnson Road - Storm Drainage		583,300	580,255	-	580,255	100.0%
Johnson Road - Storm Drainage		19,250	19,250	-	19,250	100.0%
Public Facility Projects						
Parks and Recreation Projects	265,100	92,100				0.0%
Church of God - Property		50,000	50,000	-	50,000	100.0%
Wisenbaker Property - Park		20,000	20,000		20,000	100.0%
Playground Shelter		13,500	13,262		13,262	100.0%
Playground Equipment		12,000	11,698		11,698	100.0%
Walking Track		70,000	70,100		70,100	100.0%
Community Center		5,500	5,324		5,324	100.0%
Log Cabin		2,000	2,000	-	2,000	100.0%
Museum Project	65,500	18,500	18,832		18,832	100.0%
Totals	$ 1,101,000	$ 1,073,250	$ 790,721	$ -	$ 790,721	

Bank fees in the amount of $137 are reported as general government operating expenses.

City of Dasher, Georgia
One Percent Special Purpose Local Option Sales Tax
Project Cost Schedule - 2014 Issue
For the Year Ending June 30, 2015

	Estimated Cost		Prior	Current	Cumulative	Percent
	Original	Current	Periods	Period	Cost	Complete
Road, Street and Bridge Projects	$ 435,750	$ 417,750	$ -	$ -	$ -	0.0%
Ben Hill Rd		$ 12,000		$ 11,980	11,980	100.0%
Marshall and Johnson		$ 6,000		$ 5,824	5,824	100.0%
Public Facility Projects						
Sewerage and Water Distribution System Design and Construction	87,150	87,150			-	0.0%
Parks and Recreation Projects including Land and Infrastructure Construction and Improvements and Equipment	249,000	120,300			-	0.0%
Round A Bout		84,000	5,500	75,456	80,956	96.0%
Park Fencing		14,700	14,636	-	14,636	100.0%
Log Cabin		27,500	4,000	21,249	25,249	92.0%
Park Irrigation		2,500	-	2,440	2,440	100.0%
Culture and Recreation Projects including Facilities Construction and Improvements, Technology Equipment and Software	473,100	473,100			-	0.0%
Totals	$ 1,245,000	$ 1,245,000	$ 24,136	$ 116,949	$ 141,085	

Bank fees in the amount of $122 are reported as general government operating expenses.