CITY OF GORDON, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2017

CITY OF GORDON, GEORGIA

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

CITY OF GORDON, GEORGIA

ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

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CITY OF GORDON, GEORGIA

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FINANCIAL SECTION

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MAULDIN & JENKINS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gordon, Georgia (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Gordon, 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. 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, each major fund, and the aggregate remaining fund information of the City of Gordon, Georgia as of September 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedule of Contributions and the Schedule of Changes in the Net Pension Liability and Related Ratios (on pages 37 and 38) be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Gordon, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of special purpose local option sales tax proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of special purpose local option sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2018, on our consideration of the City of Gordon, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 Gordon, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2018

FINANCIAL STATEMENTS

CITY OF GORDON, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 1,247,120	$ 135,814	$ 1,382,934
Investments	502,993	-	502,993
Receivables, net of allowance			
Taxes	13,024	-	13,024
Accounts	11,305	42,205	53,510
Intergovernmental	85,907	-	85,907
Prepaids	17,423	2,607	20,030
Restricted cash and cash equivalents:			
Sinking fund	-	104	104
Capital assets			
Non depreciable	409,277	50,847	460,124
Depreciable, net	1,598,408	3,907,338	5,505,746
Total Assets	3,885,457	4,138,915	8,024,372
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	78,196	3,565	81,761
LIABILITIES			
Accounts payable	67,323	12,048	79,371
Accrued interest payable	-	3,231	3,231
Customer deposits	-	38,180	38,180
Notes payable	16,443	118,943	135,386
Compensated absences	27,711	863	28,574
Noncurrent liabilities:			
Notes payable	35,371	298,456	333,827
Net pension liability	319,457	14,565	334,022
Total Liabilities	466,305	486,286	952,591
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	72,147	3,289	75,436
NET POSITION			
Net investment in capital assets	1,955,871	3,540,786	5,496,657
Restricted for:			
Capital outlay	1,153,697	-	1,153,697
Law enforcement	1,140	-	1,140
Debt retirement	-	104	104
Unrestricted	314,493	112,015	426,508
Total Net Position	$ 3,425,201	$ 3,652,905	$ 7,078,106

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities							
General government	$ 442,118	$ 11,087	$ 7,200	$ -	$ (423,831)	$ -	$ (423,831)
Public safety	793,883	22,587	-	-	(771,296)	-	(771,296)
Public works	696,980	91,928	-	193,101	(411,951)	-	(411,951)
Economic development	10,693	-	-	-	(10,693)	-	(10,693)
Culture and recreation	48,999	-	-	-	(48,999)	-	(48,999)
Interest on long-term debt	2,685	-	-	-	(2,685)	-	(2,685)
Total governmental activities	1,995,358	125,602	7,200	193,101	(1,669,455)	-	(1,669,455)
Business-Type Activities							
Water & Sewer	495,999	335,293	-	84,097	-	(76,609)	(76,609)
Total business-type activities	495,999	335,293	-	84,097	-	(76,609)	(76,609)
Total Primary Government	$ 2,491,357	$ 460,895	$ 7,200	$ 277,198	(1,669,455)	(76,609)	(1,746,064)
General Revenues							
Property tax					212,351	-	212,351
Sales tax					250,765	-	250,765
Other tax					664,428	-	664,428
Investment earnings					6,836	167	7,003
Miscellaneous					1,693	-	1,693
Total General Revenues					1,136,073	167	1,136,240
Transfers					(93,013)	93,013	-
Total General Revenues and Transfers					1,043,060	93,180	1,136,240
Change in Net Position					(626,395)	16,571	(609,824)
Net Position - Beginning of year					4,051,596	3,636,334	7,687,930
Net Position - End of year					$ 3,425,201	$ 3,652,905	$ 7,078,106

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	2007 and Prior SPLOST	2014 SPLOST	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalent	$ 119,869	$ 566,161	$ 536,998	$ 24,092	$ 1,247,120
Investments	502,993	-	-	-	502,993
Receivables, net of allowance					
Taxes	13,024	-	-	-	13,024
Accounts	11,305	-	-	-	11,305
Intergovernmental	34,943	-	50,964	-	85,907
Prepaid insurance	17,423	-	-	-	17,423
Total Assets	$ 699,557	$ 566,161	$ 587,962	$ 24,092	$ 1,877,772
LIABILITIES					
Accounts payable	$ 46,252	$ 20,249	$ -	$ 822	$ 67,323
Total Liabilities	46,252	20,249	-	822	67,323
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	12,781	-	-	-	12,781
Total Deferred Inflows of Resources	12,781	-	-	-	12,781
FUND BALANCES					
Nonspendable	17,423	-	-	-	17,423
Restricted for:					
Law enforcement	-	-	-	1,140	1,140
Capital projects	-	545,912	587,962	19,823	1,153,697
Assigned	-	-	-	2,307	2,307
Unassigned	623,101	-	-	-	623,101
Total Fund Balances	640,524	545,912	587,962	23,270	1,797,668
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 699,557	$ 566,161	$ 587,962	$ 24,092	$ 1,877,772

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	$ 1,797,668
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	4,251,839
Accumulated depreciation	(2,244,154)
Deferred outflows of resources	
Pension contributions	78,196
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	12,781
Long-term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:	
Notes payable	(51,814)
Net pension liability	(319,457)
Compensated absences	(27,711)
Deferred inflows of resources	
Net difference between projected and actual investment earnings on pension plan investments	(72,147)
Net position of governmental activities	$ 3,425,201

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	General Fund	2007 and Prior SPLOST	2014 SPLOST	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Taxes					
Property tax	$ 226,773	$ -	$ -	$ -	$ 226,773
Sales tax	250,765	-	-	-	250,765
Other taxes	664,428	-	-	-	664,428
License and permits	10,237	-	-	-	10,237
Intergovernmental	-	-	153,350	46,951	200,301
Fines and forfeitures	21,473	-	-	-	21,473
Charges for services	93,042	-	-	-	93,042
Rent	850	-	-	-	850
Interest earnings	5,337	1,344	155	-	6,836
Miscellaneous	1,573	-	-	120	1,693
Total Revenues	1,274,478	1,344	153,505	47,071	1,476,398
Expenditures:					
Current:					
General government	398,231	-	-	62,527	460,758
Public safety	712,232	-	-	-	712,232
Public works	393,356	-	-	-	393,356
Health and welfare	10,693	-	-	-	10,693
Culture and recreation	37,796	-	-	-	37,796
Debt Service:					
Principal	15,810	-	-	-	15,810
Interest	2,685	-	-	-	2,685
Capital Outlay	-	180,972	-	95,855	276,827
Total Expenditures	1,570,803	180,972	-	158,382	1,910,157
Excess (Deficiency) of Revenues Over (Under) Expenditures	(296,325)	(179,628)	153,505	(111,311)	(433,759)
Other Financing Sources (Uses):					
Transfers from other funds	-	-	-	55,000	55,000
Transfers to other funds	(148,013)	-	-	-	(148,013)
Total other financing sources (uses)	(148,013)	-	-	55,000	(93,013)
Net change in fund balances	(444,338)	(179,628)	153,505	(56,311)	(526,772)
Fund Balances, beginning of year	1,084,862	725,540	434,457	79,581	2,324,440
Fund Balances, end of year	$ 640,524	$ 545,912	$ 587,962	$ 23,270	$ 1,797,668

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Amounts reported for governmental activities in the statement of activities are different because:	
Net changes in fund balances - total governmental funds	$ (526,772)
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Total capital outlays	35,279
Total depreciation	(172,531)
Deferred outflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.	
Change in deferred outflows of resources related to pensions	(47,490)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(14,422)
Deferred inflows of resources related to pensions is not incurred during the current period and therefore is not reported in the funds.	
Change in deferred inflows of resources related to pensions	(62,285)
Long-term Debt	
Repayment of general obligation, debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Repayment of long-term debt	15,810
Change in net pension liability	151,096
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.	(5,080)
Change in net position of governmental activities	$ (626,395)

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues:				
Taxes				
Property taxes	$ 239,525	$ 239,525	$ 226,773	$ (12,752)
Sales tax	305,000	305,000	250,765	(54,235)
Other taxes	939,896	939,896	664,428	(275,468)
Licenses and permits	12,450	12,450	10,237	(2,213)
Intergovernmental	28,821	28,821	-	(28,821)
Fines and forfeitures	12,500	12,500	21,473	8,973
Charges for services	91,700	91,700	93,042	1,342
Rent	4,000	4,000	850	(3,150)
Interest	100	100	5,337	5,237
Miscellaneous	10,159	10,159	1,573	(8,586)
Total Revenue	1,644,151	1,644,151	1,274,478	(369,673)
Expenditures:				
Current:				
General government				
Administrative	244,622	267,909	267,909	-
Executive	156,770	156,770	114,187	42,583
Municipal Court	12,865	15,096	15,096	-
Building inspection	18,588	18,588	719	17,869
Planning and zoning	1,250	1,250	258	992
Housing and development	3,000	3,000	62	2,938
Public safety				
Police department	715,279	716,795	699,760	17,035
Fire department	12,916	12,916	10,572	2,344
Animal control	2,500	2,500	1,900	600
Public works				
Streets	264,269	264,619	226,267	38,352
Public works administration	67,335	71,295	71,295	-
Garbage	90,000	95,794	95,794	-
Health and welfare	11,284	11,342	10,693	649
Culture and recreation	55,773	55,773	37,796	17,977
Debt Service:				
Principal	15,810	15,810	15,810	-
Interest	2,685	2,685	2,685	-
Total Expenditures	1,674,946	1,712,142	1,570,803	141,339

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017
(CONTINUED)

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Excess of Revenue Over (Under) Expenditure	(30,795)	(67,991)	(296,325)	(228,334)
Other Financing Sources (Uses):				
Transfer to Library Fund	(58,095)	(58,095)	(55,000)	3,095
Transfer to Water & Sewer Fund	(68,745)	(93,013)	(93,013)	-
Total Other Financing Sources (Uses)	(126,840)	(151,108)	(148,013)	3,095
Net change in fund balance	(157,635)	(219,099)	(444,338)	(225,239)
Fund balance, beginning of year	1,084,862	1,084,862	1,084,862	-
Fund balance, end of year	$ 927,227	$ 865,763	$ 640,524	$ (225,239)

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business-type Activities-Enterprise Funds
	Water & Sewer Fund
ASSETS	
Current assets:	
Cash and cash equivalents	$ 135,814
Restricted cash and cash equivalents:	
Sinking fund	104
Accounts receivable, net of allowance	42,205
Prepaids	2,607
Total current assets	180,730
Long-term assets:	
Capital assets:	
Nondepreciable	50,847
Depreciable, net	3,907,338
Total capital assets, net	3,958,185
Total long-term assets	3,958,185
Total Assets	4,138,915
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	3,565

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017
(CONTINUED)

	Business-type Activities-Enterprise Funds
	Water & Sewer Fund
LIABILITIES	
Current liabilities:	
Accounts payable	$ 12,048
Accrued interest payable	3,231
Notes payable - current	118,943
Compensated absences	863
Total current liabilities	135,085
Long-term liabilities:	
Customer deposits	38,180
Net pension liability	14,565
Notes payable	298,456
Total long-term liabilities	351,201
Total Liabilities	486,286
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	3,289
NET POSITION	
Net investment in capital assets	3,540,786
Restricted for debt retirement	104
Unrestricted	112,015
Total Net Position	$ 3,652,905

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities-Enterprise Funds
	Water & Sewer Fund
Operating revenues:	
Charges and fees	$ 335,168
Miscellaneous income	125
Total operating revenues	335,293
Operating expenses:	
Salaries and benefits	99,869
Operating materials	33,825
Other operating expenses	24,900
Repairs and maintenance	81,134
Utilities	65,412
Depreciation	172,090
Total operating expenses	477,230
Operating income (loss)	(141,937)
Nonoperating revenues (expenses):	
Interest income	167
Interest expense	(18,769)
Total nonoperating revenues (expenses)	(18,602)
Income (loss) before capital contributions transfers	(160,539)
Capital contributions	84,097
Transfers in	93,013
Change in net position	16,571
Total Net Position - Beginning of Year	3,636,334
Total Net Position - Ending of Year	$ 3,652,905

The notes to the financial statements are an integral part of the basic financial statements.

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CITY OF GORDON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Business-type Activities-Enterprise Funds
	Water & Sewer Fund
Cash Flows from Operating Activities:	
Cash received from customers	$ 323,916
Cash paid to suppliers for goods and services	(205,741)
Cash paid to employees	(102,064)
Net Cash Flows Provided by (Used for) Operating Activities	16,111
Cash Flows from Noncapital Financing Activities:	
Transfers	93,013
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	93,013
Cash Flows from Capital and Related Financing Activities:	
Principal payments on notes	(95,178)
Interest and fiscal charges on notes	(19,829)
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	(115,007)
Cash Flows from Investing Activities:	
Interest income	167
Net Cash Flows Provided by (Used for) Investing Activities	167
Net Increase (Decrease) in Cash and Cash Equivalents	(5,716)
Cash and Cash Equivalents, Beginning of Year	141,634
Cash and Cash Equivalents, End of Year	$ 135,918

The notes to the financial statements are an integral part of the basic financial statements.

CITY OF GORDON, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2017
(CONTINUED)

	Business-type Activities-Enterprise Funds Water & Sewer Fund
Classified as:	
Current assets	$ 135,814
Restricted assets	104
Total Cash and Cash Equivalents, End of Year	$ 135,918
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Net Operating Income (Loss)	$ (141,937)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:	
Depreciation	172,090
Changes in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(11,211)
(Increase) decrease in prepaid expenses	314
(Increase) decrease in deferred outflows of resources	2,166
Increase (decrease) in accounts payable	(784)
Increase (decrease) in compensated absences	(313)
Increase (decrease) in customer deposits	(166)
Increase (decrease) in net pension liability	(6,887)
Increase (decrease) in deferred inflows of resources	2,839
Total Adjustments	158,048
Net Cash Provided by (Used for) Operating Activities	$ 16,111
Noncash investing, capital, and financing activities:	
Contributions for principal payments on debt	$ 19,097
Contributions of capital assets	65,000
Total noncash investing, capital, and financing activities	$ 84,097

The notes to the financial statements are an integral part of the basic financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The City of Gordon was incorporated as a City by an Act of the General Assembly of Georgia on January 1, 1865. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: Public works, which includes sanitation and streets, police and fire protection (public safety), and general and administrative services.

The accounting policies of the City of Gordon, Georgia conform to generally accepted accounting principles as applicable to governments. The following is a summary of the City's more significant policies applied in the preparation of the accompanying financial statements.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Gordon (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61, "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the City of Gordon, Georgia's relationships with other governments and agencies have been examined. As a result, no component units were identified which should be included in the reporting entity.

As of September 30, 2017, the City has not activated its Downtown Development Authority. If in the future the City does decide to take the necessary steps to activate it, the Downtown Development Authority would then be a discretely presented component unit that would be reported in a separate column in the combined financial statements.

The Development Authority of the City of Gordon is considered a related organization based upon the criteria of GASB Statement 61. The Authority is a legally separate entity having a board composed of seven members appointed by the City of Gordon, Georgia. The City of Gordon, Georgia is not able to impose its will upon the Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Development Authority of the City of Gordon, Georgia is a related organization.

Under Georgia law, the City of Gordon, Georgia, in conjunction with other cities and counties in the twelve-county Middle Georgia area, is a member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in a RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each city and municipality of the area. OCGA 50-8-

39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175 Emery Highway
Macon, Georgia 31217

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the primary government activities and its component units if any. 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered 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, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The government reports the following major governmental funds:

> General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

2007 and Prior Special Local Option Sales Tax – The Special Local Option Sales Tax Fund is used to account for the City's construction and improvement projects based on the 1 cent special local option sales tax approved by the voters of the City of Gordon.

2014 Special Local Option Sales Tax – The 2014 Special Local Option Sales Tax Fund is used to account for the City's construction and improvement projects based on the 1 cent special local option sales tax approved by the voters of the City of Gordon.

The government reports the following major proprietary funds:

Enterprise Funds – The Water & Sewer Fund accounts for the activities of the water and sewer distribution system.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds – Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental

activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2017, are recorded as prepaid items using the consumption method by reporting an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

H. Restricted Assets

Certain resources of the enterprise fund debt repayment are classified as restricted assets on the balance sheet because their use is limited by management's discretion.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, curbs, streets, sidewalks and similar items acquired subsequent to January 1, 2004) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such 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.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets of the primary government are depreciated using the straight line method over the following estimated useful lives:

Buildings and land improvements	10-40 years
Equipment	5-25 years
Infrastructure	40-50 years
Water/sewer distribution systems	10-50 years

J. Compensated Absences

It is the City's policy to permit employees to accumulate unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report 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 or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category. The item is the deferred outflow of resources relative to the pension plans change in assumptions. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. This first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is the deferred inflow of resources relative to the differences between expected and actual experience and the net difference between projected and actual earnings on the pension plan investments. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

L. Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

M. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts are 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 during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

N. Fund Equity

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council through adoption of a resolution. The City Council also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the City Council's intent to be used for specific purposes, but are neither restricted nor committed. By resolution, the City Council has authorized the Mayor or City Clerk or designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

Flow Assumptions – when both restricted and unrestricted amounts of fund balance 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

The City does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of September 30, 2017:

	General Fund	2007 and Prior SPLOST	2014 SPLOST	Nonmajor Governmental	Total
Fund Balances:					
Nonspendable:					
Prepaids	$ 17,423	$ -	$ -	$ -	$ 17,423
Restricted for:					
Law enforcement	-	-	-	1,140	1,140
Capital projects	-	545,912	587,962	19,823	1,153,697
Assigned:					
Library	-	-	-	2,307	2,307
Unassigned	623,101	-	-	-	623,101
Total fund balances	$ 640,524	$ 545,912	$ 587,962	$ 23,270	$1,797,668

O. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The City purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three years. The City had no significant reduction in insurance coverage from coverage in the prior year.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Process

The annual budget document is the financial plan for the operation of the City of Gordon. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the City.

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

1. Prior to year end the City Clerk submits to the Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of City of Gordon.
3. The budget is then revised and adopted or amended by the Council at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Council in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Mayor and Council.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. The budgets for the General Fund, Special Revenue Funds and Capital Projects Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits

Custodial credit risk – deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered.

State statues require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments

As of September 30, 2017, the City had the following investments:

Investment Type	Credit Rating		Investment Value	Weighted Average Maturity
Office of State Treasurer (Georgia Fund 1)	AAAf	$	502,993	13 days

Investments are stated at fair value.

State statutes authorize the City to invest in obligations of the U.S. Treasury, other U.S. Government Agencies, State of Georgia, Other States, Prime Banker's Acceptances, repurchase agreements and other political subdivisions of Georgia.

Interest Rate Risk – The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Georgia law allows investments in obligation of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime banker's acceptances, repurchase agreements, other political subdivisions of Georgia and the State Georgia Fund 1 investment pool. Georgia Fund 1 is not registered with the SEC. Georgia Fund 1 is a stable net asset value investment pool that follows Standard & Poor's criteria for AAAf rated money market funds. Shares sold and redeemed are based on $1 per share. The City has no investment policy that would further limit its investment choices.

Fair Value Measurements

During 2016, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application.* This statement establishes a hierarchy of inputs to the valuation techniques of certain assets and liabilities at fair value. This hierarchy consists of three broad levels: Level 1inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are quoted market prices for similar assets or liabilities, or quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable. Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

As of September 30, 2017, the City has investments in Georgia Fund 1, which are not subject to level disclosure.

NOTE 4 – PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the

property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Wilkinson County Board of Tax Assessors.

Upon completion of all assessments and tax returns, the information is compiled to form the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

Property taxes are levied each year based on assessed values determined the previous January 1. The Mayor and Council officially set the mill rates each year. Property taxes attach an enforceable lien on property as of June 30th of the following year. Judicial property sales are commenced during June and July of the following year.

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment date	January 1	January 1
Levy date	November 1	January 1
Due date and collection date	December 21	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

NOTE 5 – RECEIVABLES

Receivables as of year-end for the government's individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	2014 SPLOST	Water & Sewer	Total
Receivables:				
Taxes	$ 24,215	$ -	$ -	$ 24,215
Accounts	22,610	-	80,144	102,754
Intergovernmental	34,943	50,964	-	85,907
Gross Receivables	81,768	50,964	80,144	212,876
Less: allowance for uncollectibles	(22,496)	-	(37,939)	(60,435)
Total net receivables	$ 59,272	$ 50,964	$ 42,205	$ 152,441

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers:

	Transfer In:		
	Non-Major Governmental	Water & Sewer Fund	Total
Transfer Out:			
General Fund	$ 55,000	$ 93,013	$ 148,013
Total	$ 55,000	$ 93,013	$ 148,013

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

Due to the difference in measurement focus and basis of accounting between governmental funds and proprietary funds, reclassification of capital assets between the fund financial statements will cause the transfer accounts to be out of balance at the fund level.

NOTE 7 – CAPITAL ASSETS

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 409,277	$ -	$ -	$ 409,277
Total capital assets, not being depreciated	409,277	-	-	409,277
Capital assets, being depreciated:				
Buildings and land improvements	1,366,204	-	-	1,366,204
Equipment	1,096,458	35,279	-	1,131,737
Infrastructure	1,344,621	-	-	1,344,621
Total capital assets, being depreciated	3,807,283	35,279	-	3,842,562
Less accumulated depreciation for:				
Buildings and land improvements	(804,261)	(37,829)	-	(842,090)
Equipment	(872,158)	(55,301)	-	(927,459)
Infrastructure	(395,204)	(79,401)	-	(474,605)
Total accumulated depreciation	(2,071,623)	(172,531)	-	(2,244,154)
Total capital assets, being depreciated, net	1,735,660	(137,252)	-	1,598,408
Net investment in capital assets	$ 2,144,937	$ (137,252)	$ -	$ 2,007,685
Less related long term debt outstanding				(51,814)
Net investment in capital assets				$ 1,955,871

	Beginning Balance	Increase	Decrease	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 50,847	$ -	$ -	$ 50,847
Total capital assets, not being depreciated	50,847	-	-	50,847
Capital assets, being depreciated:				
Buildings and land improvements	22,480	-	-	22,480
Sewer system	5,277,307	-	-	5,277,307
Water system	1,746,451	65,000	-	1,811,451
Equipment	165,710	-	-	165,710
Total capital assets being depreciated	7,211,948	65,000	-	7,276,948
Less accumulated depreciation for:				
Buildings and land improvements	(17,389)	(623)	-	(18,012)
Sewer system	(2,023,327)	(118,954)	-	(2,142,281)
Water system	(1,021,694)	(45,729)	-	(1,067,423)
Equipment	(135,110)	(6,784)	-	(141,894)
Total accumulated depreciation	(3,197,520)	(172,090)	-	(3,369,610)
Total capital assets, being depreciated, net	4,014,428	(107,090)	-	3,907,338
Business-type activities capital assets, net	$ 4,065,275	$ (107,090)	$ -	$ 3,958,185
Less related long-term debt outstanding				(417,399)
Net investment in capital assets				$ 3,540,786

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

Governmental activities:	
General government	$ 17,601
Public safety	55,551
Public works	88,176
Recreation	11,203
Total depreciation expense - governmental activities	$ 172,531
Business-type activities:	
Water and sewer	$ 172,090
Total depreciation expense - business-type activities	$ 172,090

NOTE 8 – LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the fiscal year ended September 30, 2017, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Note payable	$ 67,624	$ -	$ (15,810)	$ 51,814	$ 16,443
Net pension liability	470,553	67,644	(218,740)	319,457	-
Compensated absences	22,631	30,330	(25,250)	27,711	27,711
Governmental activity long-term liabilities	$ 560,808	$ 97,974	$ (259,800)	$ 398,982	$ 44,154
Business-type activities:					
Compensated absences	$ 1,176	$ 2,361	$ (2,674)	$ 863	$ 863
Net pension liability	21,452	3,084	(9,971)	14,565	-
GEFA loan CW96020	373,881	-	(101,563)	272,318	105,687
GEFA loan 2005-L14WJ	157,793	-	(12,712)	145,081	13,256
Business-type activity long-term liabilities	$ 554,302	$ 5,445	$ (126,920)	$ 432,827	$ 119,806

For the governmental activities, compensated absences and net pension liabilities are generally liquidated by the general fund. For business-type activities, compensated absences and net pension liabilities are liquidated by the water and sewer fund.

USDA Loan

Purpose of Debt: To purchase a fire truck.

In 2010, the City obtained a $150,000 loan from the United States Department of Agriculture (USDA) to purchase a fire truck. The loan is due in 10 annual installments of principal and interest. The interest rate is 4.0%.

Annual debt service requirements to maturity for this contractual obligation are as follows:

Years Ending September 30	Principal	Interest
2018	$ 16,443	$ 2,052
2109	17,100	1,395
2020	18,271	711
Total	$ 51,814	$ 4,158

Notes Payable

Purpose of Debt: To construct and improve the Public Utilities System of the City of Gordon.

In 1998, the City entered into a contract with the Georgia Environmental Facilities Authority for a State Revolving Loan Fund loan to provide financing for the construction of a new 0.75 MGD wetlands wastewater treatment system. The total proceeds for the loan were $1,521,486 to be paid over a 19.5 year period starting April 1, 2000, on a monthly basis. Interest is at 4.0%.

In 2006, the City entered into a contract with the Georgia Environmental Facilities Authority for a State Revolving Loan Fund loan to provide financing for the installation of an Ultraviolet Disinfection System to the Wastewater Treatment, water and sewer lines and all necessary appurtenances to make the work complete. The total proceeds for the loan were $258,099 to be paid over a twenty-year period starting December 1, 2006, on a monthly basis. Interest is at 4.2%.

Annual debt service requirements to maturity for these notes payable are as follows:

Years Ending	GEFA CW96020		GEFA 2005-L14WJ	
September 30	Principal	Interest	Principal	Interest
2018	$ 105,687	$ 9,321	$ 13,256	$ 5,840
2019	109,978	5,029	13,824	5,273
2020	56,653	851	14,416	4,681
2021	-	-	15,033	4,063
2022	-	-	15,677	3,420
2022-2026	-	-	72,875	3,512
Total	$ 272,318	$ 15,201	$ 145,081	$ 26,789

Restricted Assets

The balances of the restricted asset accounts in the Water & Sewer enterprise fund are as follows:

Sinking fund	$ 104
	$ 104

NOTE 9 – EMPLOYEE RETIREMENT PLANS

Georgia Municipal Employees Benefit System

Plan Description

The City contributes to the Georgia Municipal Employees Benefit System (the system), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Gordon Retirement Plan is a defined benefit plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and

amend the plan to the City of Gordon. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street S.W., Atlanta, Georgia 30303.

Benefits Provided

The GMEBS Plan provides retirement, disability and death benefits to plan members and beneficiaries. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

Employees Covered by the Plan

Inactive employees (or their beneficiaries) currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	11
Active employees	23

Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 11.99% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2017, the City reported a net pension liability. The net pension liability was measured as of September 30, 2016. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2017. An expected total pension liability as of September 30, 2016 was determined using standard roll-forward techniques.

For the year ended September 30, 2017, the City recognized pension expense relative to GMEBS in the amount of $36,132. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,420	$ (68,238)
Changes of assumptions	-	(5,156)
Net difference between projected and actual earnings on pension plan investments	-	(2,042)
Employer contributions subsequent to the measurement date	73,341	-
	$ 81,761	$ (75,436)

City contributions subsequent to the measurement date of $73,341 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	
2017	$ 32,447
2018	33,801
2019	(8,496)
2020	9,264

Actuarial Assumptions: The total pension liability as of September 30, 2017 was determined by an actuarial valuation as of January 1, 2017 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	3.75-8.00%, including inflation adjustment
Investment rate of return	7.75%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the RP-2000 Combined Mortality Table with sex-distinct rates, set forward two years for males and one year for females, and the RP-2000 Disabled Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Net Pension Liability:

Changes in the Net Pension Liability:	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at September 30, 2016	$ 1,845,431	$ 1,353,426	$ 492,005
Changes for the year:			
Service cost	26,683	-	26,683
Interest	139,871	-	139,871
Differences between expected and actual experience	(102,356)	-	(102,356)
Contributions - employer	-	77,885	(77,885)
Net investment income	-	150,826	(150,826)
Benefit payments	(81,291)	(81,291)	-
Administrative expense	-	(6,530)	6,530
Net changes	(17,093)	140,890	(157,983)
Balance at September 30, 2017	$ 1,828,338	$ 1,494,316	$ 334,022

The City's net pension liability is recorded in the Government-Wide, Statement of Net Position and in the Water and Sewer Fund Statement of Net Position in the amounts of $319,457 and $14,565, respectively.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
Cash	0%	
Total	100%	

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan

investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount rate: The following presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 591,446	$ 334,022	$ 120,319

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at www.gmanet.com.

Special Funding Defined Benefit Pension Plans

The City's policemen are also covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its municipal court system. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City's financial statements.

NOTE 10 – CONTINGENT LIABILITIES

A. Litigation

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

B. Grants

Amounts received or receivable from grant 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 amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 11 – SUBSEQUENT EVENT

The City has evaluated subsequent events through March 26, 2018 the date which the financial statements were available to be issued.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GORDON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SCHEDULE OF CONTRIBUTIONS

	2017	2016	2015
Actuarially determined contribution	$ 73,341	$ 71,891	$ 71,932
Contributions in relation to the actuarially determined contribution	$ 73,341	$ 71,891	$ 71,932
Contribution deficiency (excess)	-	-	-
City's covered-employee payroll	$ 572,503	$ 597,039	$ 610,554
Contributions as a percentage of covered-employee payroll	12.81%	12.04%	11.78%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF GORDON, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
GEORGIA MUNICIPAL EMPLOYEES BENEFIT SYSTEM
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2017	2016	2015
Total Pension Liability			
Service cost	$ 26,683	$ 29,189	$ 27,516
Interest	139,871	133,406	127,410
Differences between expected and actual experience	(102,356)	3,820	26,038
Changes in assumptions	-	-	(20,625)
Benefit payments, including refunds of employee contributions	(81,291)	(84,696)	(81,264)
Net change in total pension liability	(17,093)	81,719	79,075
Total pension liability - beginning	1,845,431	1,763,712	1,684,637
Total pension liability - ending	$ 1,828,338	$ 1,845,431	$ 1,763,712
Plan Fiduciary Net Position			
Contributions - employer	$ 77,885	$ 78,018	$ 66,830
Net investment income	150,826	15,449	140,392
Benefit payments, including refunds of employee contributions	(81,291)	(84,696)	(81,264)
Administrative expense	(6,530)	(7,667)	(6,268)
Net change in fiduciary net position	140,890	1,104	119,690
Plan fiduciary net position - beginning	1,353,426	1,352,322	1,232,632
Plan fiduciary net position - ending	$ 1,494,316	$ 1,353,426	$ 1,352,322
Net Pension Liability			
Net pension liability - ending	$ 334,022	$ 492,005	$ 411,390
Plan's fiduciary net position as a percentage of the total pension liability	81.73%	73.34%	76.67%
Covered-employee payroll	$ 572,503	$ 597,039	$ 610,554
Net pension liability as a percentage of covered-employee payroll	58.34%	82.41%	67.38%

Note: Schedule is intended to show information for the last 10 fiscal years.
Additional years will be displayed as they become available.

Georgia Municipal Employee Benefit System

Changes of assumptions:

As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016.

Benefit Changes:

There were no changes in benefit provisions in the last two fiscal years.

Valuation date	The actuarially determined contribution rate was determined as of January 1, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending September 30, 2018.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

LIBRARY FUND - to account for funds received for the operation of the library.

LAW ENFORCEMENT CONFISCATION - to account for funds confiscated from criminal activity and their expenditures in compliance with State and Federal Laws.

CAPITAL PROJECTS FUNDS

CAPITAL PROJECTS FUNDS are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

DEPOT RENOVATION - to account for donations restricted for the depot renovation.

LMIG FUND - to account for Georgia Department of Transportation grant funds and the related expenditures.

CITY OF GORDON, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	Special Revenue Funds		Capital Project Funds		
	Library Fund	Law Enforcement Confiscation	Depot Renovation	LMIG	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalent	$ 3,129	$ 1,140	$ 19,823	$ -	$ 24,092
Total Assets	$ 3,129	$ 1,140	$ 19,823	$ -	$ 24,092
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 822	$ -	$ -	$ -	$ 822
Total Liabilities	822	-	-	-	822
Fund Balances:					
Restricted	-	1,140	19,823	-	20,963
Assigned	2,307	-	-	-	2,307
Total Fund Balances	2,307	1,140	19,823	-	23,270
Total Liabilities and Fund Balances	$ 3,129	$ 1,140	$ 19,823	$ -	$ 24,092

CITY OF GORDON, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Special Revenue Funds		Capital Project Funds		Total Nonmajor Governmental Funds
	Library Fund	Law Enforcement Confiscation	Depot Renovation	LMIG	
Revenues:					
Intergovernmental	$ 7,200	$ -	$ -	$ 39,751	$ 46,951
Other revenues	-	-	120	-	120
Total Revenues	7,200	-	120	39,751	47,071
Expenditures:					
Current:					
General government	62,527	-	-	-	62,527
Capital outlay	-	-	-	95,855	95,855
Total Expenditures	62,527	-	-	95,855	158,382
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,327)	-	120	(56,104)	(111,311)
Other Financing Sources:					
Transfers from other funds	55,000	-	-	-	55,000
Total other financing sources	55,000	-	-	-	55,000
Net change in fund balances	(327)	-	120	(56,104)	(56,311)
Fund Balances, beginning of year	2,634	1,140	19,703	56,104	79,581
Fund Balances, end of year	$ 2,307	$ 1,140	$ 19,823	$ -	$ 23,270

CITY OF GORDON, GEORGIA

LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Intergovernmental	$ 7,200	$ 7,200	$ -
Other income	250	-	(250)
Total Revenues	7,450	7,200	(250)
Expenditures:			
Current:			
General government	65,545	62,527	3,018
Total Expenditures	65,545	62,527	3,018
Excess (Deficiency) of Revenues Over (Under) Expenditures	(58,095)	(55,327)	2,768
Other Financing Sources (Uses):			
Transfers from General Fund	58,095	55,000	(3,095)
Total Other Financing Sources (Uses)	58,095	55,000	(3,095)
Net change in fund balance	-	(327)	(327)
Fund balance - beginning of year	2,634	2,634	-
Fund balance - end of year	$ 2,634	$ 2,307	$ (327)

CITY OF GORDON, GEORGIA

LAW ENFORCEMENT CONFISCATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

	Final Budget	Actual	Variance with Final Budget
Revenues:			
Other income	$ -	$ -	$ -
Total Revenues	-	-	-
Expenditures:			
Current:			
Public safety	-	-	-
Total Expenditures	-	-	-
Net change in fund balance	-	-	-
Fund balance - beginning of year	1,140	1,140	-
Fund balance - end of year	$ 1,140	$ 1,140	$ -

CITY OF GORDON, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

2007 and Prior Special Local Option Sales Tax Projects:	Original Estimated Cost	Revised Estimated Cost	Expenditures Prior Year(s)	Expenditures Current Year	Expenditures Total
Roads	$ 666,709	$ 2,000,000	$ 1,530,757	$ 35,497	$ 1,566,254
Depot renovation	21,669	56,885	56,885	-	56,885
Public safety:					
Fire equipment	-	100,000	32,268	26,100	58,368
Police equipment	-	175,000	201,096	35,279	236,375
General government equipment	-	80,000	72,228	-	72,228
Water and sewer projects	-	1,500,000	1,300,035	84,096	1,384,131
Recreation	67,720	350,000	269,571	-	269,571
Totals	$ 756,098	$ 4,261,885	$ 3,462,840	$ 180,972	$ 3,643,812

2014 Special Local Option Sales Tax Projects:	Original Estimated Cost	Expenditures Prior Year(s)	Expenditures Current Year	Expenditures Total
Roads, streets and bridges	$ 150,000	$ -	$ -	$ -
Recreation	100,000	-	-	-
Public safety	150,000	-	-	-
Transportation	75,000	-	-	-
Industrial and economic development	400,000	-	-	-
Public buildings	150,000	-	-	-
Solid waste	50,000	-	-	-
Water and sewer projects	600,000	-	-	-
Storm water	90,601	-	-	-
Totals	$ 1,765,601	$ -	$ -	$ -

GOVERNMENTAL REPORT

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MAULDIN & JENKINS

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 Gordon, Georgia
Gordon, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gordon, Georgia (the "City"), as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Gordon, Georgia's basic financial statements and have issued our report thereon dated March 26, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purposes of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

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 City'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.

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2018

CITY OF GORDON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	____Yes __X__ No
Significant deficiencies identified not considered to be material weaknesses?	____Yes __X__ None Reported
Noncompliance material to financial statements noted?	____Yes __X__ No

Federal Awards

There was not an audit of major federal award programs due to the total amount expended on federal programs being less than $750,000.

CITY OF GORDON, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED SEPTEMBER 30, 2017

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARD FINDINGS

Not applicable. No Single Audit required.

SECTION IV
PRIOR YEAR FINDINGS AND RESPONSES

Not applicable. No Single Audit required in prior year.