City of Lake Park, Georgia

Lake Park, Georgia

Financial Statements

For the Year Ended December 31, 2016

City of Lake Park, Georgia

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City of Lake Park, 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 Lake Park, Georgia
Lake Park, Georgia

Report on the Financial Statements

We have audited the accompanying statement of governmental activities, the business-type activities, and each major fund of the City of Lake Park, Georgia, as of and for the year ended December 31, 2016, 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, the business-type activities, and each major fund of the City of Lake Park, Georgia as of December 31, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year 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 general fund statement of revenues, expenditures and changes in fund balance – budget and actual and the schedules of funding progress and employer contributions for the City's pension plan, pages 31 through 33, 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 the 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 inquires, 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 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 Lake Park, Georgia's financial statements. The accompanying Schedule of Expenditures of One Percent Special Purpose Local Option Sales Tax is presented for purposes of additional analysis as required by the Official Code of Georgia Annotated 48-8-121, and is not a required part of the basic financial statements.

The Schedule of Expenditure of One Percent Special Purpose Local Option Sales is the responsibility of management and was 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 Schedule of Expenditure of One Percent Special Purpose Local Option Sales Tax is 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 June 23, 2017, on our consideration of the City of Lake Park, 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 Lake Park, Georgia's internal control over financial reporting and compliance.



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

June 23, 2017

City of Lake Park, Georgia
Statement of Net Position
December 31, 2016

Assets and Deferred Outflows of Resources	Primary Government		
	Governmental Activities	Business Type Activities	Total
Assets			
Cash and Cash Equivalents	$ 274,783	$ 25,960	$ 300,743
Investments	-	67,261	67,261
Receivables, net	125,814	6,261	132,075
Internal Balances	(15,677)	15,677	-
Restricted Assets			
Cash and Cash Equivalents	117,262	7,316	124,578
Capital Assets			
Land and Other Nondepreciable Assets	101,430	-	101,430
Other Capital Assets, Net of Depreciation	680,658	279,959	960,617
Total Capital Assets	782,088	279,959	1,062,047
Total Assets	1,284,270	402,434	1,686,704
Deferred Outflows of Resources			
Pensions	47,764		47,764
	47,764	-	47,764
Total Assets and Deferred Outflows of Resources	$ 1,332,034	$ 402,434	$ 1,734,468
Liabilities, Deferred Outflows of Resources and Net Position			
Liabilities			
Accounts Payable	$ 18,339	$ 3,204	$ 21,543
Accrued Liabilities	-	-	-
Compensated Absences	3,504		3,504
Deposits	-	8,321	8,321
Net Pension Obligation	95,846		95,846
Long-term Liabilities			
Current Portion of Long-Term Debt	30,521		30,521
Non-Current Portion of Long-Term Debt	30,487	-	30,487
Total Liabilities	178,697	11,525	190,222
Deferred Inflows of Resources			
Pensions	-		-
	-	-	-
Net Position			
Investment in Capital Assets, net	721,080	279,959	1,001,039
Restricted for:			
Capital Projects	111,699		111,699
Memorial Cemetery Trust Fund	98,366		98,366
Unrestricted	222,192	110,950	333,142
Total Net Position	1,153,337	390,909	1,544,246
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 1,332,034	$ 402,434	$ 1,734,468

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

City of Lake Park, Georgia
Statemnt of Activities
For the Year Ended December 31, 2016

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: Primary Government: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Change in Net Position: Primary Government: Total
Primary Government:							
Governmental Activities							
General Government	$ 159,555	$ 22,523	$ -	$ 1,114	$ (135,918)		$ (135,918)
Judicial	37,912	-	-	-	(37,912)		(37,912)
Public Safety	328,944	91,855	1,045	30,228	(205,816)		(205,816)
Public Works	131,503	-	850	108,073	(22,580)		(22,580)
Culture and Recreation	23,799	23,909	20,932	-	21,042		21,042
Interest on Long-Term Debt	3,048				(3,048)		(3,048)
Total Governmental Activities	684,761	138,287	22,827	139,415	(384,232)	-	(384,232)
Business Type Activities:							
Water System	71,483	84,357		-		12,874	12,874
Total Business Type Activities	71,483	84,357	-	-		12,874	12,874
Total Primary Government	$ 756,244	$ 222,644	$ 22,827	$ 139,415	$ (384,232)	$ 12,874	$ (371,358)
General Revenues							
Taxes							
Property Taxes					146,904		146,904
Sales Tax					97,187		97,187
Insurance Premium Tax					45,750		45,750
Franchise					48,490		48,490
Alcoholic Beverage					36,293		36,293
Other Taxes					21,685		21,685
Investment					77	232	309
Miscellaneous					1,496		1,496
Transfers					(24,707)	24,707	-
Total General Revenues and Transfers					373,175	24,939	398,114
Changes in Net Position					(11,057)	37,813	26,756
Net Position, Beginning of Period					1,164,394	353,096	1,517,490
Net Position, End of Period					$ 1,153,337	$ 390,909	$ 1,544,246

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

City of Lake Park, Georgia
Balance Sheet
Governmental Funds
December 31, 2016

	General	Major Capital Project Fund: Special Purpose Local Option Sales Tax	Memorial Cemetery Trust Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 187,470	$ 87,313	$ -	$ -	$ 274,783
Investments	-				-
Receivables					
Taxes	87,445				87,445
Intergovernmental	9,395	24,386	-		33,781
Other	4,588				4,588
Interfund	-	-			-
Advances to Other Funds			5,824		5,824
Restricted Assets					-
Cash and Investments	24,720		92,542		117,262
Other					-
Total Assets	$ 313,618	$ 111,699	$ 98,366	$ -	$ 523,683
Liabilities, Deferred Inflows of Resources, and Fund Balance					
Liabilities					
Accounts Payable	$ 18,339	$ -	$ -	$ -	$ 18,339
Accrued Expenses	-				-
Interfund	-				-
Advances from Other Funds	21,501				21,501
Total Liabilities	39,840	-	-		39,840
Deferred Inflows of Resources					
Unavaliable Revenue - Property Taxes	16,437				16,437
Total Deferred Inflows of Resources	16,437	-	-		16,437
Fund Balance					
Nonspendable			98,366		98,366
Restricted		111,699			111,699
Committed					-
Assigned	24,720				24,720
Unassigned	232,621				232,621
Total Fund Balance	257,341	111,699	98,366	-	467,406
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 313,618	$ 111,699	$ 98,366	$ -	$ 523,683

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

City of Lake Park, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Government Wide Statement of Net Position
December 31, 2016

Total Fund Balance - Governmental Funds (Page 6)		$ 467,406
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets acquired by Governmental Fund Activities are considered a use of financial resources. In the Statement of Net Position capital assets are reported as assets, net of accumulated depreciation.		
Infrastructure	$ 84,879	
Site and site improvements, including buildings	790,791	
Machinery and Equipment	788,021	
	1,663,691	
Accumulated Depreciation	881,603	
	782,088	
Construction in Progress	-	782,088
Property tax revenues collected after the end of the year but not considered available to pay liabilities of the current year are reported as deferred inflows of resources on the Governmental Funds Balance Sheet but are reported as revenue on the government-wide Statement of Activities.		16,437

Proceeds from and the repayment of general long-term debt is reported as a source of and use of financial resources in Governmental Funds. In the Statement of Net Position the balance of general long-term debt is reported as a liability.

	Amount Payable			
	Current	Long-Term	Total	
Equipment Financing	$ 30,521	$ 30,487	$ 61,008	
Totals	$ 30,521	$ 30,487	$ 61,008	(61,008)

The Net Pension Obligation (Asset) not due and payable in the current period is not reported as a liability (asset) in Governmental Funds but is reported as a liability (asset) on the government-wide Statement of Net Position.		(95,846)
Deferred outflows/inflows of resources are recongnized on the governmenment-wide Statement of Net Position but are not reported as assets and liabilities in Governmental Funds		47,764
Compensated absences not due and payable in the current period is not reported as a liability in Governmental Funds but is reported as a liability on the government-wide Statement of Net Position.		(3,504)
Internal balances (receivables and payables) between governmental funds are reported on the Governmental Funds Governmental Balance sheet but are eliminated on the government-wide Statement of Net Position.		
Internal Balances	$ 15,677	
Internal Balances	$ (15,677)	-
Net Position of Governmental Activities (Page 4)		$ 1,153,337

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

City of Lake Park, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balance
For the Year Ended December 31, 2016

	General	Major Capital Project Fund Special Purpose Local Option Sales Tax	Memorial Cemetery Trust Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes	$ 162,002	$ -	$ -	$ -	$ 162,002
Sales Tax	97,187				97,187
Insurance Premium Tax	45,750				45,750
Other Taxes	106,468				106,468
Licenses and Permits	22,523				22,523
Intergovernmental	3,000	136,415			139,415
Charges for Services	-		17,600		17,600
Fines and Forfeitures	91,855				91,855
Investment	23	10	44		77
Other	30,632				30,632
Total Revenues	559,440	136,425	17,644	-	713,509
Expenditures					
Current					
General Government	140,518				140,518
Judicial	37,912				37,912
Public Safety	268,202				268,202
Public Works	99,328				99,328
Culture and Recreation	19,238		6,262		25,500
Debt Service					-
Principal		29,535			29,535
Interest on Long-term Debt		3,048			3,048
Capital		86,960			86,960
					-
Total Expenditures	565,198	119,543	6,262	-	691,003
Excess (Deficit) of Revenues Over (Under) Expenditures	(5,758)	16,882	11,382	-	22,506
Other Financing Sources (Uses)					
Proceeds from Long-Term Debt Financing					-
Sale of Surplus Property	-				-
Transfers, net	18,108			-	18,108
Net Other Financing Sources (Uses)	18,108	-	-	-	18,108
Change in Fund Balance	12,350	16,882	11,382	-	40,614
Fund Balance, Beginning	244,991	94,817	86,984	-	426,792
Fund Balance, Ending	$ 257,341	$ 111,699	$ 98,366	$ -	$ 467,406

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

City of Lake Park, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Government Wide Statement of Activities
For the Year Ended December 31, 2016

Net Change in Fund Balance - Total Governmental Funds (Page 8)			$ 40,614
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 assets are capitalized.			54,681
Governmental Funds do not report depreciation as an expense. In the Statement of Activities depreciation is recognized as an expense.			(111,664)
Governmental Funds only recognize proceeds from the disposition of capital assets. In the Statement of Activities the undepreciated basis of assets is recognized in determining the 'gain or loss' from the disposition of assets.			-
Revenues reported in the Statement of Activities that do not provide current financial resources are not recognized as revenues in governmental funds.			
Unavailable Revenues - Property Taxes			
Property Taxes - End of Year	$	16,437	
Property Taxes - Beginning of Year		31,535	(15,098)
Compensated absences are reported in the Statement of Activities but are not reported as expenses in Governmental Funds.			
Accrued Liability - End of Year	$	3,504	
Accrued Liability - Beginning of Year		5,979	2,475
The Net Pension Obligation (Asset) is reported in the Statement of Activities but is not reported as an expense in Governmental Funds.			
Net Pension Obligation (Asset) - End of Year	$	95,846	
Net Pension Obligation (Asset) - Beginning of Year		46,706	(49,140)
Proceeds from the issuance of long-term debt is reported as a source of financial resources in Governmental Funds, but in the Statement of Net Position the outstanding balance of debt is reported as a liability.			-
Repayment of long-term debt is a use of current financial resources in Governmental Funds, but the repayment is reported as a decrease in long-term liabilities in the Statement of Net Position.			29,535
Deferred outflows/inflows of resources are reported in the Statement of Activities but are not reported as expense in Governmental Funds			
Deferred Outflows/Inflows - End of Year	$	47,764	
Deferred Outflows/Inflows - Beginning of Year		10,224	37,540
Transfers between Governmental Funds are reported in the Governmental Funds operating statements but are eliminated on the government-wide statement of activities.			
Transfers in	$	24,707	
Transfers out		(24,707)	-
Change in Net Position of Governmental Activities (Page 5)			$ (11,057)

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

City of Lake Park, Georgia
Proprietary Fund
Statement of Net Position
December 31, 2016

	Major Enterprise Fund Water System
Assets	
Current Assets	
Cash and Cash Equivalents	$ 25,960
Investments (Certificates of Deposit)	67,261
Receivables, net of allowance for doubtful accounts	6,261
Restricted Assets	
Customer Deposits	7,316
Total Current Assets	106,798
Non-Current Assets	
Advances to Other Funds	15,677
Capital Assets	
Construction in Porgress	-
Machinery and Equipment	21,197
Distribution System	474,408
	495,605
Accumulated Depreciation	215,646
Net Capital Assets	279,959
Total Non-Current Assets	295,636
Total Assets	$ 402,434
Liabilities and Net Position	
Current Liabilities	
Accounts Payable	$ 3,204
Accrued Expenses	-
Intergovernmental	-
Total Current Liabilities	3,204
Non-Current Liabilities	
Customer Deposits	8,321
Total Long-Term Liabilities	8,321
Total Liabilities	11,525
Net Position	
Investment in Capital Assets	279,959
Unrestricted	110,950
Total Net Position	390,909
Total Liabilities and Net Position	$ 402,434

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

City of Lake Park, Georgia
Proprietary Fund
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	Major Enterprised Fund Solid Waste
Operating Revenues	
User Fees	$ 84,357
Other	-
Total Operating Revenues	84,357
Operating Expenses	
Salary and Wages	20,705
Benefits	2,007
	22,712
Professional and Technical	4,075
Insurance	2,142
Maintenance and Repairs	10,793
Materials and Supplies	9,561
Utilities	10,424
Other	1,112
Depreciation	10,664
Total Operating Expeses	71,483
Operating Income (Loss)	12,874
Non-Operating Revenue (Expense)	
Investment Income	232
Total Non-Operating Revenue (Expense)	232
Income (Loss) Before Other Revenues (Expenses) and Transfers	13,106
Other Revenues (Expenses) and Transfers	
Capital Contributions (Capital Project Funds)	42,815
Transfer to General Fund	(18,108)
Total Other Revenues (Expenses) and Transfers	24,707
Increase (Decrease) in Net Position	37,813
Net Position, Beginning	353,096
Net Position, Ending	$ 390,909

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

City of Lake Park, Georgia
Proprietary Fund
Statement of Cash Flows
For the Year Ended December 31, 2016

	Major Enterprise Fund Water System
Cash Flow from Operating Activities	
Receipts from Customers	$ 83,973
Other Operating Revenue	-
Compensation and Benefits	(22,712)
Purchase of Goods and Services	(35,146)
Cash Provided from Operating Activities	26,115
Cash Flow from Non-Capital Financing Activities	
Transfers Out	(18,108)
Cash (Used) for Non-Capital Financing Activities	(18,108)
Cash Flow from Capital and Related Financing	
Cash Provided by Capital and Related Financing	-
Cash flow from Investing Activities	
Increase in Investments	(232)
Investment Inome	232
Cash Provided from Investing Activities	-
Increase (Decrease) in Cash and Cash Equivalents	8,007
Cash and Cash Equivalents, Beginning of Year	25,279
Cash and Cash Equivalents, Ending of Year	$ 33,286
Reconciliation of Operating Income (Loss) to Net Cash Provided By (Used By) Operating Activities	
Operating Income (Loss)	$ 12,874
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from (Used) By Operating Activities:	
Depreciation Expense	10,664
Change in Assets and Liabilities:	
Increase in Receivables	(384)
Increase in Accounts Payable	2,822
Increase in Water Deposits	139
Net Cash Provided from (Used by) Operating Activities	$ 26,115
Supplementary Cash Flow Information	
Acquisition of Capital Assets (acquired through Capital Project Funds)	$ 42,815
Interest	$ -

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

Note 1 - Summary of Significant Accounting Policies

The City operates under a mayor - council form of government and provides the following services in addition to general administrative responsibilities: public safety (police and fire), highways and streets, sanitation, water, and culture 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. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) Statements and Interpretations issued through November 30, 1989, to its business-type activities and to its enterprise funds provided they do not conflict with or contradict GASB pronouncements. 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

Effective January 1, 2004, the City 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 of the non-fiduciary activities of the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. 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 program is 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, proprietary funds, and non-expendable trust funds, even though the fiduciary funds are excluded from the government-wide financial statement. Major individual governmental funds, major individual enterprise funds, and non-expendable trust 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 Fund - This fund accounts 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).

Proprietary Funds

Proprietary funds are used to account for on-going activities, which are similar to the activities often found in the private sector. The objective for evaluation is based upon the determination of financial position and results of operations (net income). The City's proprietary fund is:

Enterprise Fund (Water Fund) - This fund is used to account for operations and activities (a) that are financed and operated in a manner similar to the private business enterprise where costs (expenses, including depreciation) of providing services to the public is financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is necessary for capital maintenance, public policy, management control, accountability or other purposes.

Non-Expendable Trust Fund

The City's "nonexpendable trust" is used to account for trust principal, income, and operating expenses of the Lake Park Memorial Cemetery.

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

The government-wide and proprietary fund 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. Property taxes are recognized as revenues in the year for which the taxes are levied. 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. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded when payment is due.

Revenues susceptible to accrual include property taxes, 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.

Proprietary Funds

All proprietary funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The City's major governmental funds are: the general fund, the special purpose local option sales tax (capital projects) fund, the memorial cemetery trust fund, and the enterprise (water) fund.

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 on program use. For identifying to which function program revenue pertains, the determining factor for the charge for services 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.

Proprietary Funds

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses 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 non-operating revenues and expenses.

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 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 Expenses

Payments made to vendors for services that will benefit periods beyond December 31st are recorded as prepaid items in both government-wide and fund financial statements. The City typically does not have any prepaid expenses.

(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 or business-type activities columns 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 January 1, 2004 are not reported in the basic financial statements. General infrastructure assets include roads, streets, sidewalks, and bridges and other similar assets acquired subsequent to December 31, 2003.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is 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 are depreciated using the straight-line method over the following estimated useful lives:

Asset Classification	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 and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position.

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) Contributions of Capital

Contributions of capital reported in proprietary funds and the government-wide financial statements arise from outside contributions of capital assets (i.e. developers), transfers from governmental (capital project funds), and grants or outside contributions of resources restricted to capital acquisition and construction.

(K) Interfund Transactions

Activity between funds that are indicative of borrowing/lending arrangements outstanding at the end of the year as well as all other outstanding balances between funds is reported as "Interfund Receivables and Payables". Balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal Balances".

During the course of its operations, the General Fund processes transactions to finance the operations (i.e. the payment of payroll, payables, construction of assets, etc.) for special revenue, capital projects, and enterprise funds. Internal receivables and payables are recorded to report the amounts not reimbursed as of December 31st. To the extent that these balances are between governmental funds, they are eliminated on the statement of Net Position.

Advances between funds, as reported in the fund financial statements, represent long-term borrowing arrangements where repayment schedules have not been formally adopted, and are offset by a fund balance account in the applicable governmental funds to indicate that they are not available for appropriation and are not available expendable financial resources.

Interfund transfers are reported as other financing sources (uses) in governmental funds and after non-operating revenues (expenses) in enterprise funds.

(L) Compensated Absences

The City provides vacation and sick pay benefits to its full-time, regular employees. Only vacation leave is payable upon termination, accordingly, only accumulated unpaid vacation benefits, which are reasonably estimable, are accrued when earned.

The cost of compensated absences is recorded as liabilities in the applicable government-wide, business-type activities, or proprietary fund type statement of Net Position. 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. These liabilities are typically liquated by the general fund.

(M) 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.

(N) Statement of Cash Flows

For purposes of the statement of cash flows, the Water (Enterprise) Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

(O) 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 has one item that qualifies as a deferred outflow 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 deferred inflow of resources.

(P) 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 special purposes local option sales tax is applied to report expenditures for the schedules of financial assistance and project cost schedule expenditures.

(Q) 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 assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted Net Position is available.

Note 2 – Stewardship, Compliance and Accountability

Budgetary Accounting

The City's Finance Ordinance requires the governing authority to adopt annual budgets for all governmental fund types (general and special revenues). An annual budget is also prepared for the City's enterprise and non-expendable trust funds. 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 City budget officer may transfer appropriations in any fund among the various accounts within a department. Transfers within a department, which increase salaries, require approval of the City Council. Any increase in appropriation for any fund or department within a fund requires approval of the City Council. All appropriations, to the extent not expended or encumbered, lapse at the close of the period for which the appropriation was budgeted.

The City Council advertises and conducts public hearings according to the requirements of state law and the City's finance ordinance. The final budget for the calendar year is adopted by the preceding December 31st.

Budget Revisions

Budgeted amounts on all budget comparisons are as amended as of December 31, 2016 by Mayor and Council. Supplemental appropriations, which result primarily from receipt of unanticipated revenues from governmental grants, are included in budgeted amounts.

Compliance

(A) – Excess of Expenditures over Appropriations

There were no expenditures in excess of appropriations.

(B) – Deficit fund Balances

There are no funds with deficit fund balances.

Note 3 – Cash and Cash Equivalents

As of December 31, 2016, the primary government's deposits, including certificates of deposits, were $492,462 and the account balances per the financial institutions were $508,855. Of the total account balances per the financial institutions, $508,855 was insured through the Federal Deposit Insurance Corporation (the FDIC).

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

Account Type	
Cash on Hand	$ 120
Cash and demand deposits	396,397
Investments (time deposits)	$ 96,065
Total	$ 492,582

Total cash and equivalents include restricted cash of the General Fund of $24,720, Memorial Cemetery Fund of $92,542 and customer deposits in the Water System of $7,316.

Note 4 - Taxes Receivable

The County Tax Commissioner bills and collects all property and related tax revenues. Georgia statutes do not provide a maximum milage rate which may be levied.

Tax revenues are recognized during the period for which they are levied. An allowance is established for delinquent taxes to the extent that their collectibility is questionable. Taxes collected during the current period and within sixty days thereafter are considered available to finance current operations. The City's property tax calendar is as follows:

Assessment Date	January 1
Return of real and personal property	April 1
Assessors submit returns to the County Tax Commissioner	July 1
Levy Date	July 25
Digest submitted to State Revenue Commissioner	July 28
Tax bills mailed by the County Tax Commissioner/Collector	September 15
Due date of taxes, other than motor vehicles	November 15
Execution (lien) date for unpaid taxes	December 16

Taxes due the City as of December 31st are summarized as follows:

Current year levies	$ 29,495
Prior years levies	12,885
	42,380
Less Allowance for delinquencies	3,025
Net property taxes receivable	$ 39,355

Note 5 – Receivables

Intergovernmental and other receivables are summarized as follows:

	Governmental Fund Types			Proprietary Fund Types	
	General Fund	Capital Projects	Other	Enterprise Fund	Total
Taxes					
Property Taxes, net	$ 39,355	$ -	$ -	$ -	$ 39,355
Franchise	48,090				48,090
	$ 87,445	$ -	$ -	$ -	$ 87,445
Intergovernmental					
Lowndes County, Georgia Local Option Sales And Use Tax	$ 9,395	$ 24,386	$ -	$ -	$ 33,781
	$ 9,395	$ 24,386	$ -	$ -	$ 33,781
Other					
Fines and Forfeitures	$ -				-
Excise Taxes	2,660				2,660
Other	1,928				1,928
User Fees, net	-	-		6,261	6,261
	$ 4,588	$ -	$ -	$ 6,261	$ 10,849
Total	$ 101,428	$ 24,386	$ -	$ 6,261	$ 132,075

In accordance with the terms of the August 13, 2013 agreement between Lowndes County, Georgia and participating municipalities within the county proceeds from the 2014 Special Purpose Local Option Sales Tax Referendum are invested in a special fund. Terms of the referendum restrict use of the special purpose local option sales tax for qualifying projects for the construction of roads, streets and bridges, construction and improvements to public facilities and equipment for environmental protection, renovation, construction and improvements to public facilities and equipment consisting of the general governmental administration, public works, police, fire, parks and recreation, and construction of water improvements.

Note 6 – Interfund Balances

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

	Interfund Balances	
	Receivable	Payable
Major Governmental Funds		
General Fund	$ -	$ 21,501
Capital Projects Fund 2014 Issue	-	-
Memorial Cemetery Trust Fund	5,824	-
Total Governmental Funds	5,824	21,501
Proprietary-Enterprise Fund	15,677	-
Totals	$ 21,501	$ 21,501

The 2013 redemption and transfer of enterprise and cemetery fund certificates of deposits to the general fund to finance operations had not repaid as of December 31st and are reported as advances to/from other funds on the governmental funds balance sheet and proprietary fund statement of net position. Council has approved repayment of the cemetery fund advance but has not committed to repayment of the enterprise fund advance.

The transfer from the enterprise fund to the general fund is to supplement general fund revenues. Transfers from capital project fund to the enterprise fund were for the purchase of capital assets.

	Transfers	
	In	Out
Major Governmental Funds		
General Fund	$ 18,108	$
Capital Projects Fund		42,815
Memorial Cemetery Trust Fund		
Total Governmental Funds	18,108	42,815
Proprietary-Enterprise Fund	42,815	18,108
Net	$ 24,707	$ 24,707

Note 7 - Changes in Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Retirements	Transfers/ Adjustments	Ending Balance
Governmental Activities:					
Capital Assets not being Depreciated					
Construction in Progress	$ -	$ -	$ -	$ -	$ 101,430
Land and Improvements	101,430				
Total Assets not being Depreciated	101,430	-	-	-	101,430
Other Capital Assets					
Buildings and Improvements	689,361				689,361
Infrastructure	84,354	525			84,879
Machinery and Equipment	733,865	96,971		(42,815)	788,021
Total Other Capital Assets	1,507,580	97,496	-	(42,815)	1,562,261
Less Accumulated Depreciation					
Buildings & Improvements	349,863	31,321		33	381,217
Infrastructure	28,216	7,828		(308)	35,736
Machinery & Equipment	391,860	72,515		275	464,650
Total Depreciation	769,939	111,664		-	881,603
Net Other Capital Assets	737,641	(14,168)	-	(42,815)	680,658
Total Capital Assets, net	$ 839,071	$ (14,168)	$ -	$ (42,815)	$ 782,088
Business-Type Activities:					
Capital Assets not being Depreciated					
Construction in Progress	$ -	$ -	$ -	$ -	$ -
Other Capital Assets					
Utility System	431,593			42,815	474,408
Machinery and Equipment	21,197			-	21,197
Total Other Capital Assets	452,790	-	-	42,815	495,605
Less Accumulated Depreciation					
Utility System	184,819	9,630			194,449
Office and Technology Machinery and Equipment	20,163	1,034			21,197
Total Depreciation	204,982	10,664			215,646
Net Other Capital Assets	247,808	(10,664)		42,815	279,959
Total Capital Assets, net	$ 247,808	$ (10,664)	$ -	$ 42,815	$ 279,959

Depreciation expense (including amortization of financed lease assets in the amount of $7,932) was charged to functions as follows:

Governmental activities:	
General government	$ 7,266
Public safety	67,670
Public works	33,258
Culture and recreation	3,470
Total depreciation expense – governmental activities	$ 111,664
Business—type activities	
Water fund	$ 10,664
Total depreciation expense – business-type activities	$ 10,664

Note 8 – Long-Term Indebtedness

Capital Lease Obligations are comprised of the following:

Capital Lease Obligation – The Georgia Municipal Association of Georgia

Lease dated March 16, 2015 in the original amount of $50,000 was made for the purpose of installing the new water meter reading system. The lease is payable in annual payments of $17,806 including interest. The effective rate of interest is 3.38 percent per annum.

Future maturities of the Lease are as follows:

Year Ended December 31st	Interest	Principal	Total Payment
2017	$ 1,146	$ 16,660	$ 17,806
2018	581	17,224	17,805
Total	$ 1,727	$ 33,884	$ 35,611

Capital Lease Obligation – The Georgia Municipal Association of Georgia

Lease dated March 3, 2014 in the original amount of $22,000 was made for the purpose of acquiring a 1999 GMC 3500 MIMT Pumper Fire Truck. The lease is payable in annual payments of $7,799 including interest. The effective rate of interest is 3.14 percent per annum.

Future maturities of the Lease are as follows:

Year Ended December 31st	Interest	Principal	Total Payment
2017	$ 238	$ 7,561	$ 7,799
Total	$ 238	$ 7,561	$ 7,799

Capital Lease Obligation – The Georgia Municipal Association of Georgia

Lease dated August 6, 2014 in the original amount of $31,535 was made for the purpose of acquiring Fire Rescue Equipment. The lease is payable in annual payments of $6,978 including interest. The effective rate of interest is 3.47 percent per annum.

Future maturities of the Lease are as follows:

Year Ended December 31st	Interest	Principal	Total Payment
2017	$ 678	$ 6,300	$ 6,978
2018	460	6,518	6,978
2019	233	6,745	6,978
Total	$ 1,371	$ 19,563	$ 20,934

Aggregate maturities of Leases as of December 31, 2016 are as follows:

Year Ended December 31st	Interest	Principal	Total Payment
2017	$ 2,062	$ 30,521	$ 32,583
2018	1,041	23,742	24,783
2019	233	6,745	6,978
Total	$ 3,336	$ 61,008	$ 64,344

Changes in long-term debt obligations for the year ended December 31, 2016 are summarized as follows:

	Balance Beginning of Period	Additions	Repayments	Balance End of Period	Amount Due in One Year
Governmental Activities					
Capitalized Lease Obligations	$ 90,543	$	$ 29,535	$ 61,008	$ 30,521
Compensated Absences	5,979		2,475	3,504	3,504
Total Governmental Activities	$ 96,522	$	$ 32,010	$ 64,512	$ 34,025

Compensated absences are liquidated primarily from governmental (general fund) activities.

Note 9 – Fund Balance

	General	Major Capital Project Fund	Memorial Cemetery Trust Fund	Total Funds
Non-Spendable				
Lake Park Memorial Cemetery Trust Fund				
Perpetual Care Trust	$ -	$ -	$ 98,366	$ 98,366
Restricted				
Capital Project Funds:				
Special Purpose Local Option Sale Tax		111,699		111,699
Committed				
Assigned				
Public Safety, Culture and Recreation	24,720			24,720
Unassigned	232,621			232,621
Total	$ 257,341	$ 111,699	$ 98,366	$ 467,406

Note 10 - Retirement Benefits

Plan Description

The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a nonintegrated, noncontributory agent multiple-employer defined benefit public employer retirement system that acts as a common investment and administrative agent for governmental entities in the State of Georgia. The plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries.

All full-time employees become eligible to participate after thirty-eight hours of service if employed on or after January 1, 2003 (twenty hours of service if employed before January 1, 2003). Employees become eligible for benefits at their normal retirement age of sixty-five and five years of service or early retirement at age fifty-five and ten years of service. A life annuity is the normal form of benefit payment. Elected officials are not covered. Benefits are fully vested after five years of service.

The plan is administered by Georgia Municipal Association. Benefit provisions and all other requirements are established by state statute. Plan features, including benefit provisions, are established by the plan Board of Trustees. Georgia Municipal Association issues a publicly available financial report that includes financial statement and required supplementary information for Georgia Municipal Employees Benefit System. A copy of the plan's financial report may be obtained from the Georgia Municipal Association, 201 Pryor Street S.W., Atlanta, Georgia 30303-3606.

Membership of the Plan as of July 1, 2016 is as follows:

Pensioners as of the valuation date (including no beneficiaries)	3
Participants inactive during the year ended June 30, 2016 with Vested rights	1
Participants active during the year ended June 30, 2016 (including no elected officials)	7
Total	11
Fully Vested	1
Not Vested	6

Funding Policy

The GMEBS Board of Trustees has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

The plan is subject to minimum funding standards of the Public Retirement System Standard Law (Georgia Code Section 47-20-10). The estimated minimum annual premium under these standards is $26,339. This minimum contribution has been determined as the sum of (1) the normal cost (including administrative expenses), (2) the 30-year level percentage of payroll amortization of the unfunded actuarial accrued liability or the 10-year level percentage of payroll amortization of the surplus and (3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in the annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. The recommended employer contribution in accordance with the funding policy is $31,524 for the year ended December 31, 2016, (14.96% of covered payroll).

The net pension liability as of the March 31, 2016 measurement date is $95,846, this amount being the excess of the total pension liability of $565,340 over the plan's fiduciary net position of $469,494. The total pension liability was determined as of the measurement date using amounts determined from the actuarial valuation as of the measurement date.

The following schedule reconciles the differences between the beginning and ending total pension liability, fiduciary net position and net pension liability for the March 31, 2016 measurement period:

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) – (b)
Balances at March 31, 2015*	$ 544,643	$ 497,937	$ 46,706
Changes for the year:			
Service cost	19,676	-	19,676
Interest	40,183	-	40,183
Differences between expected and actual experience	13,151	-	13,151
Contributions – employer	-	26,018	(26,018)
Net investment income	-	1,028	(1,028)
Benefit payments	(52,313)	(52,313)	-
Administrative expense	-	(3,176)	3,176
Other	-	-	-
Net changes	20,697	(28,443)	49,140
Balances at March 31, 2016**	$ 565,340	$ 469,494	$ 95,846

** Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2015 are used to measure TPL as of March 31, 2015. The balances as of March 31, 2015 constitute measurements of the NPL for the fiscal year ending December 31, 2014.*

*** Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2016 are used to measure TPL as of March 31, 2016. The balances as of March 31, 2016 constitute measurements of the NPL for the fiscal year ending December 31, 2016.*

Pension expense for the March 31, 2016 measurement date is comprised of:

Service Cost	$ 19,676
Interest on TPL	40,183
Administrative expenses	3,176
Expected return on assets	(37,448)
Expensed portion of current year period differences between expected and actual experience in TPL	2,191
Expensed portion of current year period assumption changes	-
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investment earnings	7,284
Current year recognition of deferred inflows and outflows established in prior years	2,556
Total Expense	$ 37,618

Actuarial Methods and Assumptions

The total pension liability in the July 1, 2016 actuarial valuation was determined using the following actuarial assumptions. The total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Measurement Date	March 31, 2016
Valuation Date	July 1, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ended December 31, 2017.
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
Remaining Amortization Period	Remaining amortization period varies for the bases, with 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 end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Inflation rate	3.25%
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	
Normal	Age 65 with five years of service
Early	Age 55 with ten years of service
Mortality	
Healthy	RP-2000 Combined Health Mortality Table with sex-distinct rates, set forward two years for males and one year for females
Disabled	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

The mortality and economic actuarial assumption used in the July 1, 2015 valuation were approved by the Board in December 2014 based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014.

Other Information:

Effective January 1, 2015, the Plan was amended to reduce eligibility for participation from six months to immediate for employees for the fiscal year ending in 2016.

The mortality tables requiring a set-forward of two years for males and one year for females was removed.

The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover after age 55. The select period rates were further constrained to not be less than the ultimate rates.

The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at the earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to age 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.

The inflation adjustment was decreased form 3.5% to 3.25%.

The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.5%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

The City's net deferred outflows and inflows of resources for the March 31, 2016 measurement period are summarized as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 19,873	-
Changes of assumptions	4,521	-
Net difference between projected and actual earnings on pension plan investments	23,370	-
Total	$ 47,764	$ -

Deferred outflows of resources and deferred inflows of resources represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner, as detailed below:

Year Ending December 31,	Deferred Outflows/(Inflows) of Resources
2017	$ 12,032
2018	12,032
2019	12,032
2020	9,476
2021	2,192
Thereafter	-
Total	$ 47,764

The 7.75% long-term 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 expenses and inflation) are development for each major asset class. These ranges are combined to produce the long-term expected rate of return be weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and rate on the ongoing basis is a margin for adverse deviation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of March 31, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	3.75%
International equity	20%	7.45%
Domestic fixed Income	20%	1.75%
Global fixed income	5%	3.30%
Real estate	10%	4.55%
Cash	0%	0%
Total	100%	

The following schedule presents the City's Net Pension Liability calculated using the current discount rate compared to what the net pension liability would be if calculated using discount rates that are one percent less and one percent greater than the current discount rate of 7.5%:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	$ 145,203	$ 95,846	$ 53,168

Note 11 - 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; injury to employees; and natural disasters. The City purchases insurance from commercial insurers for claims in excess of deductibles. Policy deductibles are funded from and charged to operations during the period in which losses are incurred. Commercial insurance provides coverage up to a maximum of $2,000,000 aggregate general liability limit, and various limits up to an aggregate of $2,492,398 for property damage claims. Deductible limits range from $500 to $5,000 per occurrence.

The City is also a participant in the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The purpose of the fund is to insure the participating member's obligations under state workers compensation laws for employer liability to employees for claims for injuries and medical expenses and demands for compensation. The fund is responsible for cost incurred by members in any legal proceeding defended by the members, interest accruing after judgment, and expenses incurred for investigation or defense. Coverage provides up to a maximum of $100,000 for each worker's compensation claim.

Each participating member city 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 day advanced written notice to the association. Members failing to pay required contributions, assessments, or other sums in such amounts and at time established by the association may, upon 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. Additional responsibilities and obligations of participating members include; allow attorneys designated by Georgia Municipal Association to investigate, litigate, and discuss settlement options for claims made against participating members, including assisting and participating in the defense and settlement of claims, and promptly report all incidents which could result in any claim. Each member is jointly and severally liable for all legal obligations of the association or funds and assessments may be imposed to meet financial deficiencies of the fund.

No claims in excess of insured limits were threatened, pending or outstanding as of December 31, 2016. Accordingly, no liability is 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.

Changes in the City's liability for claims in excess of insurance coverage are summarized as follows:

	Liability Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability End of Year
2016	$ -	$ -	$ -	$ -
2015	-	-	-	-
2014	-	-	-	-

Note 12 – Joint Venture (Southern 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 SGRC is comprised of the municipalities and counties within the ten county district created and established by the Act. The SGRC 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 Regional Commission and are required to pay annual minimum dues to support operations. The City's dues were paid by the County.

Separate financial statements may be obtained from: Southern Georgia Regional Commission, 3395 Harris Road, Waycross, Georgia 31503

Note 13 - Litigation

The City is a not involved in any current lawsuits.

Note 14 - Contingencies

The City has participated in federally assisted grant programs. These programs are subject to compliance audits by the grantors or their representatives.

City of Lake Park, Georgia
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual Amounts (Budgetary Basis)	Variance With Final Budget
	Original	Final		
Revenues				
Property Taxes	$ 143,000	$ 143,000	$ 162,002	$ 19,002
Local Option Sales Tax	102,000	102,000	97,187	(4,813)
Insurance Premium Tax	43,235	43,235	45,750	2,515
Other Taxes	109,000	109,000	106,468	(2,532)
Intergovernmental	-	5,628	3,000	(2,628)
Licenses and Permits	20,600	20,600	22,523	1,923
Charges for Services	-	-	-	-
Fines and Forfeitures	124,000	124,000	91,855	(32,145)
Investment	200	200	23	(177)
Other and Miscellaneous	15,500	22,000	30,632	8,632
Total Revenues	557,535	569,663	559,440	(10,223)
Expenditures				
General Government	156,852	146,764	140,518	6,246
Judicial	45,232	43,682	37,912	5,770
Public Safety	275,892	280,320	268,202	12,118
Public Works	96,531	99,281	99,328	(47)
Culture and Recreation	13,425	19,925	19,238	687
Debt Service	-	-	-	-
Total Expenditures	587,932	589,972	565,198	24,774
Excess (Deficit) of Revenues Over (Under) Expenditures	(30,397)	(20,309)	(5,758)	14,551
Other Financing Sources (Uses)				
Transfers, net	18,100	18,100	18,108	8
Sale of Surplus Property	-	-	-	-
Appropriation of Surplus	12,297	2,209		(2,209)
Net Other Financing Sources (Uses)	30,397	20,309	18,108	(2,201)
Change in Fund Balance	-	-	12,350	12,350
Fund Balance, Beginning	244,991	244,991	244,991	221,017
Fund Balance, Ending	$ 244,991	$ 244,991	$ 257,341	$ 233,367

Note 1 – Budgetary Information

The general fund budget is adopted on a basis which is consistent with the accounting principles generally accepted in the United States as applied to governmental entities.

City of Lake Park, Georgia
Schedule of Changes in Net Pension Liability, Fiduciary Net Position and Related Ratios
For the Year Ended December 31, 2016

	Calendar Year Ended December 31,									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Total Pension Liability										
Service cost	$ 19,676	$ 17,413								
Interest	40,183	38,192								
Difference between expected and actual experience	13,151	14,856	(Historical Information Prior to Implementation of GASB 67/68 is not Required)							
Changes of assumptions	-	7,535								
Changes in benefit terms										
Benefit payments	(52,313)	(52,313)								
Net Change in Total Pension Liability	20,697	25,683								
Total Pension Liability, Beginning	544,643	518,960								
Total Pension Liability, Ending	$ 565,340	$ 544,643								
Plan Fiduciary Net Position										
Contributions - employer	$ 26,018	$ 27,246								
Net investment income	1,028	45,735								
Benefit payments	(52,313)	(52,313)								
Administrative expenses	(3,176)	(2,817)	(Historical Information Prior to Implementation of GASB 67/68 is not Required)							
Other										
Net Change in Fiduciary Net Position	(28,443)	17,851								
Plan Fiduciary Net Position, Beginning	497,937	480,086								
Plan Fiduciary Net Position, Ending	$ 469,494	$ 497,937								
Net Pension Liability	$ 95,846	$ 46,706								
Plan's Fiduciary Net Position as a Percentage of Total Pension Liability	83.05%	91.42%								
Covered Compensation	$ 207,435	$ 196,470	(Historical Information Prior to Implementation of GASB 67/68 is not Required)							
Net Pension Liability as a percentage of Covered Compensation	46.21%	23.77%								
Schedule of Contributions										
Actuarially determined contributions	$ - *	$ 25,262								
Contributions in relation to the actuarially determined contribution	- *	25,262	(Historical Information Prior to Implementation of GASB 67/68 is not Required)							
Contribution deficience (excess)	$ - *	$ -								
Covered-employee payroll	$ - *	$ 196,470								
Contributions as a percentage of covered-employee payroll	0.00% *	12.86%								

* *2016 information will be determined after fiscal year end and will be included in the 2017 valuation report*

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 Lake Park, Georgia
Lake Park, 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, and each major fund of the City of Lake Park, Georgia as of and for the year ended December 31, 2016, and the related notes to the financial statements, ad have issued our report thereon dated June 23, 2017.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the City of Lake Park, 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 Lake Park, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority'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,* items 2016.01, to be 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 2016.02, to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Lake Park, 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 disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards.*

Member: American Institute of Certified Public Accountants • Georgia Society of Certified Public Accountants

Authority's Response to Findings

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

June 23, 2017

Financial Statement Findings and Responses

Current Year Findings

2016.01 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. The City's accounting policies and procedures should be compiled in a formal written document.

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 and not be timely detected and corrected. In the event of a change of key personnel the operations of the City could be compromised without definitive operating guides.

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.

City's Response: The City agrees with this finding and understands this weakness in internal control procedures and that financial statement errors and fraud could occur and not be timely detected and corrected. Mayor and Council have determined that available financial resources do not justify hiring additional personnel solely for the purpose of mitigating this condition. The City has only one full-time clerk and one part-time clerk. The full time clerk is primarily responsible for billings, collections, and recording and posting of receipts, processing and payment of vendor invoices, and payment of employees. The part-time clerk performs most of the accounting duties related to recording and posting transactions, reconciling the bank accounts and preparing monthly financial statements. Bank statements are opened and reviewed by the Mayor before being reconciled by the clerk. Checks require the signature of two elected officials. Supporting documentation is reviewed by check signor prior to signature. Time records are reviewed by the Mayor prior to processing payroll. Mayor and council receive and review monthly financial statements, budget and actual departmental statements, and all financial transactions. Mayor and Council also maintain oversight for investments including review of institutional compliance with FDIC insurance coverage.

2016.02 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.

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.

City's 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 disclosures.

Prior Year Findings

2015.01 Absence of Optimum Level of Appropriate Segregation of Duties

(This is a modified 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. The City's accounting policies and procedures should be compiled in a formal written document.

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 and not be timely detected and corrected. In the event of a change of key personnel the operations of the City could be compromised without definitive operating guides.

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.

City's Response: The City agrees with this finding and understands this weakness in internal control procedures and that financial statement errors and fraud could occur and not be timely detected and corrected. Mayor and Council have determined that available financial resources do not justify hiring additional personnel solely for the purpose of mitigating this condition. The City has only one full-time clerk and one part-time clerk. The full time clerk is primarily responsible for billings, collections, and recording and posting of receipts, processing and payment of vendor invoices, and payment of employees. The part-time clerk performs most of the accounting duties related to recording and posting transactions, reconciling the bank accounts and preparing monthly financial statements. Bank statements are opened and reviewed by the Mayor before being reconciled by the clerk. Checks require the signature of two elected officials. Supporting documentation is reviewed by check signor prior to signature. Time records are reviewed by the Mayor prior to processing payroll. Mayor and council receive and review monthly financial statements, budget and actual departmental statements, and all financial transactions. Mayor and Council also maintain oversight for investments including review of institutional compliance with FDIC insurance coverage.

Current Status: There has been no change in this condition.

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.

City's 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 disclosures.

Current Status: There has been no change in this condition.

City of Lake Park, Georgia
One Percent Special Purpose Local Option Sales Tax
Project Cost Schedule - 2014 Issue
For the Year Ended December 31, 2016

	Estimated Cost		Prior	Current	Cumulative	Percent
	Original	Current	Periods	Period	Cost	Complete
Road, Street and Bridge Projects	$ 250,000	$ 250,000	$ 18,700	$ 525	19,225	7.7%
Construction of and Improvements to Public Facilities , Major Capital Equipment, Vehicles and Technology Equipment						
Administrative	55,000	55,000	825	1,114	1,939	3.5%
Public Safety	150,000	91,713	29,456	27,228	56,684	61.8%
Public Works	100,000	100,000	14,404	15,278	29,682	29.7%
Parks and Recreation	100,000	100,000	40,026	-	40,026	40.0%
Water and Sewer Facilities	350,000	296,583	87,667	42,815	130,482	44.0%
Repayment of Caitalized Lease Obligations						
Principal		103,535	12,992	29,535	42,527	41.1%
Interest		8,169	1,785	3,048	4,833	59.2%
Total Current Year Project Cost	$ 1,005,000	$ 1,005,000	$ 205,855	$ 119,543	$ 325,398	

Current Year Expenditures are Reported in:	
Governmental Funds	$ 76,728
Enterprise Funds	42,815
Total	$ 119,543