CITY OF POULAN, GEORGIA
REPORT ON EXAMINATION
OF
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2013

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Council
Poulan, 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 Poulan, Georgia, as of and for the year ended December 31, 2013, and the related notes to the 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 an opinion on these financial statements based on our audits. 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.

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 Poulan, Georgia, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof 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 budgetary comparison schedule on pages 36 through 39 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 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 the 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Poulan's basic financial statements. The combining and individual major and 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 combining and individual major and nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying schedule of expenditures of Special Purpose Local Option Sales Tax Proceeds is presented for purposes of additional analysis as required by Official Code of Georgia 48-8-121, and is not a required part of the financial statements. The accompanying Project Cost Schedule and Source and Application of Funds Schedule are also presented for additional analysis and are not a required part of the financial statements.

Such information 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 information is 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 June 9, 2014 on our consideration of the City of Poulan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Poulan's internal control over financial reporting.

Hudson & NeSmith, CPAs

Hudson & NeSmith, CPAs
Sylvester, Georgia
June 9, 2014

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION A

BASIC FINANCIAL STATEMENTS

CITY OF POULAN, GEORGIA
STATEMENT OF NET POSITION
GOVERNMENT-WIDE
DECEMBER 31, 2013

Exhibit A-1

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets:			
Cash	$ 347,598	$ 45,890	$ 393,488
Restricted Cash for Debt Service	-	17,004	17,004
Taxes Receivable	16,735	-	16,735
Accounts Receivable	8,356	13,149	21,505
Due from Other Governments	13,123	2,303	15,426
Inventory	7,291	-	7,291
Interfund	5,547	(5,547)	-
Total Current Assets	398,650	72,799	464,158
Long-Term Assets:			
Restricted Cash for Debt Service	-	9,336	9,336
Restricted Cash for Capital Projects	-	5,000	5,000
Land	45,000	-	45,000
Construction in Progress	1,700	7,304	9,004
Other Capital Assets, Net of Accumulated Depreciation	574,568	772,209	1,346,777
Total Long-Term Assets	621,268	793,849	1,415,117
Total Assets	1,019,918	866,648	1,886,566
Deferred outflows of resources			
None	-	-	-
Liabilities			
Current Liabilities:			
Accounts Payable	20,729	14,639	35,368
Employee Withholdings Payable	2,596	25	2,621
Due to Other Governments	4,476	-	4,476
Current Portion of Long-Term Liabilities:			
Notes Payable	10,231	17,004	27,235
Total Current Liabilities	38,032	31,668	69,700
Long-Term Liabilities:			
Notes Payable	-	170,468	170,468
Total Long-Term Liabilities	-	170,468	170,468
Total Liabilities	38,032	202,136	240,168
Deferred inflows of resources			
None	-	-	-
Net Position			
Net Investment in Capital Assets	611,037	592,041	1,203,078
Restricted for Capital Projects	86,443	5,000	91,443
Restricted for Drug Seizure Funds	1,565	-	1,565
Restricted for USDA Grant Funds	1,013	-	1,013
Restricted for Cemetery Plots	3,275	-	3,275
Restricted for Debt Service	-	26,340	26,340
Unrestricted	278,553	41,131	319,684
Total Net Position	$ 981,886	$ 664,512	$ 1,646,398

See accompanying notes to the financial statements.

CITY OF POULAN, GEORGIA
STATEMENT OF ACTIVITIES
GOVERNMENT-WIDE
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit A-2

		Program Revenues		
	Expenses	Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Activities:				
Governmental:				
General Government	$ 115,300	$ 5,640	$ -	$ -
Public Safety	455,399	416,823	30,634	3,978
Public Works	230,279	70,882	-	92,602
Culture and Recreation	7,715	-	-	-
Interest on Long-Term Debt	887	-	-	-
Total Governmental Activities	809,580	493,345	30,634	96,580
Business-type:				
Water	120,117	122,517	-	7,303
Total Business-Type Activities	$ 120,117	$ 122,517	$ -	$ 7,303

General Revenues:
Taxes:
Property Taxes, levied for general purposes
Automobile and Mobile Home Tax
Insurance Premium Tax
Beer Tax
Local Option Sales Tax
Business Occupational Tax
Franchise Tax

Other General Revenues
Investment Earnings
Miscellaneous

Total General Revenues

Changes in Net Position

Net Position - Beginning

Net Position - Ending

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
STATEMENT OF ACTIVITIES (CONTINUED)
GOVERNMENT-WIDE
FOR THE YEAR ENDED DECEMBER 31, 2013

	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
	$ (109,660)	$ -	$ (109,660)
	(3,964)	-	(3,964)
	(66,795)	-	(66,795)
	(7,715)	-	(7,715)
	(887)	-	(887)
	(189,021)	-	(189,021)
	-	9,703	9,703
	-	9,703	9,703
	44,617	-	44,617
	16,985	-	16,985
	45,053	-	45,053
	6,496	-	6,496
	56,465	-	56,465
	2,543	-	2,543
	33,432	-	33,432
	545	-	545
	9,259	-	9,259
	215,395	-	215,395
	26,374	9,703	36,077
	955,512	654,809	1,610,321
	$ 981,886	$ 664,512	$ 1,646,398

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

Exhibit A-3

	General Fund	Special Purpose Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 277,657	$ 69,941	$ -	$ 347,598
Taxes Receivable	16,735	-	-	16,735
Accounts Receivable	8,356	-	-	8,356
Due from Other Governments	9,069	4,054	-	13,123
Interfund Receivable	(6,901)	-	12,448	5,547
Inventory - Gasoline	7,291	-	-	7,291
Total Assets	$ 312,207	$ 73,995	$ 12,448	$ 398,650
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	$ 20,729	$ -	$ -	$ 20,729
Due to Other Governments	4,476	-	-	4,476
Deferred Revenue	5,956	-	-	5,956
Employee Withholdings Payable	2,596	-	-	2,596
Total Liabilities	33,757	-	-	33,757
Fund Balances:				
Nonspendable	7,291	-	-	7,291
Restricted: Special Revenue Projects	-	-	-	-
Restricted: Capital Projects	-	73,995	12,448	86,443
Restricted: Drug Seizure Funds	1,565	-	-	1,565
Restricted: USDA Grant Funds	1,013	-	-	1,013
Restricted: Cemetery Plots	3,275	-	-	3,275
Unassigned	265,306	-	-	265,306
Total Fund Balances	278,450	73,995	12,448	364,893
Total Liabilities and Fund Balances	$ 312,207	$ 73,995	$ 12,448	$ 398,650

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013

Exhibit A-4

Total Fund Balances for Governmental Funds			$ 364,893
Total net position reported for governmental activities in the statement of net position is different because: Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:			
Land	$ 45,000		
Construction in progress	1,700		
Other capital assets, net of $955,888 of accumulated depreciation	574,568		
Total capital assets			621,268
Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of the City's year end			5,956
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not 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 postion. Balances at December 31, 2013 are:			
Notes Payable	(10,231)		
Total long-term liabilites			(10,231)
Total Net Position of Governmental Activities			$ 981,886

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit A-5

	General Fund	Special Purpose Sales Tax Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 207,660	$ -	$ -	$ 207,660
Licenses & Permits	1,045	-	-	1,045
Fines & Forfeitures	416,823	-	-	416,823
Charges for Services	75,475	-	-	75,475
Intergovernmental	3,978	50,009	73,082	127,069
Interest	545	145	-	690
Miscellaneous	9,259	-	-	9,259
Total Revenues	714,785	50,154	73,082	838,021
Expenditures:				
Current:				
General Government	115,864	-	-	115,864
Public Safety	361,601	-	34,038	395,639
Public Works	215,454	-	-	215,454
Culture and Recreation	5,246	-	-	5,246
Capital Outlay:				
Capital Expenditures	-	11,662	30,000	41,662
Debt Service:				
Principal	9,798	-	-	9,798
Interest	887	-	-	887
Total Expenditures	708,850	11,662	64,038	784,550
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,935	38,492	9,044	53,471
Other Financing Sources (Uses):				
Transfers In (Out)	(3,404)	-	3,404	-
Total Other Financing Sources and Uses	(3,404)	-	3,404	-
Net Changes in Fund Balances	2,531	38,492	12,448	53,471
Fund Balances - Beginning	$ 275,919	$ 35,503	$ -	$ 311,422
Fund Balances - Ending	$ 278,450	$ 73,995	$ 12,448	$ 364,893

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit A-6

Net Changes in Fund Balances - Total Governmental Funds	$	53,471
The changes in net position reported for governmental activities in the statement of activities is different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of which depreciation expense ($78,899) was greater than capital outlays ($44,073).		(34,826)
Because some property taxes will not be collected for several months after the City's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Deferred tax revenues decreased by this amount this year.		(2,069)
Some capital additions were financed through long-term debt. In governmental funds, a long-term debt payment is considered a principal payment, but in the statement of net position, the payment is considered a reduction of debt. This is the amount of long-term debt payments in 2013.		9,798
Change in Net Position of Governmental Activities	$	26,374

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND
DECEMBER 31, 2013

Exhibit A-7

	Water Fund
Assets	
Current Assets:	
Cash	$ 45,890
Restricted Cash for Debt Service	17,004
Accounts Receivable	13,149
Due from Other Governments	2,303
Total Current Assets	78,346
Long-Term Assets:	
Restricted Cash for Debt Service	9,336
Restricted Cash for Capital Projects	5,000
Construction in Progress	7,304
Capital Assets, Net of Accumulated Depreciation	772,209
Total Long-Term Assets	793,849
Total Assets	$ 872,195
Liabilities	
Current Liabilities:	
Accounts Payable	$ 14,639
Interfund Payable	5,547
Payroll Taxes Payable	25
Payable from Restricted Assets:	
Current Portion of Long-Term Debt	17,004
Total Current Liabilities	37,215
Long-Term Liabilities:	
Long-Term Debt	170,468
Total Long-Term Liabilities	170,468
Total Liabilities	207,683
Net Position	
Net Investment in Capital Assets	592,041
Restricted for Debt Service	26,340
Restricted for Capital Projects	5,000
Unrestricted	41,131
Total Net Position	$ 664,512

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit A-8

	Water Fund
Operating Revenues:	
Water Sales	$ 112,744
New Connect Fees	4,055
Other Income	5,718
Total Operating Revenues	122,517
Operating Expenses:	
Personal Services and Employee Benefits	16,590
Purchased/Contracted Services	50,902
Supplies	17,568
Other	340
Depreciation and Amortization	29,613
Total Operating Expenses	115,013
Operating Income (Loss)	7,504
Non Operating Revenues (Expenses)	
Interest Expense	(5,104)
Total Non Operating Revenues (Expenses)	(5,104)
Income (Loss) Before Contributions and Transfers	2,400
CDBG Capital Grant	7,303
Change in Net Assets	9,703
Total Net Position - Beginning	$ 654,809
Total Net Position - Ending	$ 664,512

See accompanying notes to financial statements.

CITY OF POULAN, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit A-9

	Water Fund
Cash Flows from (Used for) Operating Activities	
Cash Received from Customers	$ 121,798
Cash Paid for Goods and Services	(52,307)
Cash Received Other Funds	176
Cash Paid to Employees	(19,527)
Net Cash Flows Provided from Operating Activities	50,140
Cash Flows From (Used for) Non-capital Financing Activities	
Transfer In	-
Net Cash Provided From Non-capital Financing Activities	-
Cash Flows from (Used for) Capital and Related Financing Activities	
Proceeds from Capital Grants	5,042
Interest Expense	(5,104)
Principle Payment on Long-Term Debt	(16,711)
Acquisition of Capital Assets	(7,303)
Net Cash Flows (Used for) Capital and Related Financing Activities	(24,076)
Cash Flows from (Used for) Investing Activities	
Interest Income	-
Net Cash Flows from Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	26,064
Cash and Cash Equivalents - Beginning of Year	51,166
Cash and Cash Equivalents - End of Year	$ 77,230
Classified as:	
Cash	$ 45,890
Restricted Cash for Debt Service	31,340
	$ 77,230
Reconciliation of Operating Income (Loss) to Net Cash	
Provided (Used) by Operating Activities	
Operating Income (Loss)	7,504
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	29,613
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(718)
Increase (Decrease) in Interfund Payable	176
Increase (Decrease) Accounts Payable and Payroll Taxes Payable	13,565
Net Cash Provided (Used) by Operating Activities	$ 50,140
Supplemental Disclosure of Cash Flow Information:	
Cash Paid for Interest	$ 5,104

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Poulan (the City) is a political subdivision of the State of Georgia. The City operates under a mayor and council form of government and provides the following services as authorized by state law: general administration, public safety, streets and roads, culture and recreation, and water and garbage services. These financial statements have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applied to government units. There are no component units operating under other boards, which should be included in the Basic Financial Statements.

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental and financial reporting. The City does not follow subsequent private-sector guidance for enterprise funds.

The accounting and reporting framework and the more significant accounting principles and practices are discussed in subsequent sections of this Note. The remainder of the Notes is organized to provide explanations, including required disclosures, of the Government's financial activities for the fiscal year ended December 31, 2013.

A. REPORTING ENTITY

For financial reporting purposes, in accordance with the criteria in GASB Standards, the City includes all funds, agencies, boards, commissions, and authorities that are within its primary government. A component unit is a legally separate organization for which elected officials of a primary government are financially accountable. There are three sets of criteria that the City evaluates to determine whether a potential component unit will be included in the reporting entity of the City of Poulan. They are (1) financial accountability; (2) financial accountability as a result of fiscal dependency; and, (3) misleading to exclude the component unit.

The reporting entity of the City of Poulan includes only the funds of the City that comprises the primary government. There are no potential component units.

A. REPORTING ENTITY – Cont.

In conclusion, the City of Poulan did not combine any component units to form the reporting entity. The reporting entity is comprised of the following major funds, all under the direct control of the Mayor and City Council:

- General Fund – This is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- Special Purpose Sales Tax Fund – This fund accounts for the City's proceeds from special purpose sales tax.

The City reports the following major enterprise funds:

- Water System – This fund accounts for the operation and maintenance of the water system and services.

RELATED ORGANIZATIONS

A related organization is defined as an organization that is financially accountable to the City because, either the City imposes its will on the organization or has a financial benefit or burden relationship with the organization. As of December 31, 2013, the City had no related organizations.

B. GOVERNMENT-WIDE AND FUND 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. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and business-type activities. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The statement of net position will include non-current assets which were previously reported in the General Fixed Assets Account Group and non-current liabilities previously reported in the General Long-Term Debt Account Group. In addition, the government-wide statement of activities reflects depreciation expense on the City's capital assets.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

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 considered program revenues are reported instead as general revenues.

The government-wide financial statements are reported using the economic resource 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. Governmental fund financial statements are reported using the current financial resources measurement focus and 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. Revenues considered susceptible to accrual are property taxes, sales taxes, franchise taxes, charges for services, fines, forfeitures and interest income. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The proprietary fund financial statements are reported using the economic resource measurement focus and the accrual basis of accounting.

The format of the fund financial statements has been modified by GASB Statement No. 34 and subsequently amended by GASB Statement No. 63. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. GASB Statement No. 34 also requires, as required supplementary information, Management's Discussion and Analysis which includes an analytical overview of the City's financial activity.

D. CASH AND INVESTMENTS

Investments are recorded at cost plus accrued interest, which approximates market value.

For the purposes of the statement of cash flows, cash and cash equivalents include all short-term highly liquid investments with original maturities of three months or less. Instruments considered to be cash equivalents include: Treasury bills, certificates of deposit, money market funds, and cash management pools.

E. CAPITAL ASSETS

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. Capitalization thresholds are based on the estimated length of useful life of the asset as well as the purchase cost of the asset. Currently management reviews capitalization of assets on a case-by-case basis. General infrastructure assets, such as roads and bridges, are reported. 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. Construction period interest is capitalized with the cost of the asset.

Capital assets utilized in Proprietary Fund activities are accounted for in the appropriate fund. Depreciation of all exhaustible capital assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on the Proprietary Fund balance sheet.

Depreciation has been provided over the estimated useful lives using the straight-line method. As a Phase 3 government, the City can elect to capitalize infrastructure from the date of inception forward. The City has elected to do so and as such, has not reported infrastructure assets acquired prior to implementation of GASB Statement 34.

The estimated useful lives are as follows:

Asset Class	Estimated Useful Lives
Infrastructure	40 years
Buildings	10-30 years
Building Improvements	10-30 years
Equipment and Vehicles	5-10 years

F. BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles. Annual appropriated budgets are adopted for the general fund. A budget is prepared for the enterprise fund as a management control device only. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

Public hearings are conducted to obtain taxpayer comments. The budgets are legally adopted through passage of an ordinance. All appropriations lapse at year's end. Budgets were adopted for the major Governmental Funds. For further information on the City's budget, see the Required Supplementary Information (RSI) Section.

G. ENCUMBRANCES

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting--under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation--is not utilized in the Governmental Fund types. Encumbrances outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

There were no material purchase orders, contracts, or other commitments at year-end, which should have been encumbered.

H. CAPITALIZATION OF INTEREST COST

The City follows the policy of recognizing interest as an expenditure in Governmental Funds and an expense in Proprietary Funds.

I. COMPENSATED ABSENCE

Accumulated sick pay benefits have not been recorded as a liability because these benefits are paid only upon the illness of an employee, and the amount of such payments cannot be reasonably estimated. They are not paid upon termination of employment.

Cost of vacation pay is not recorded until such benefits are paid. GASB Standards require that vacation pay be accrued when:

- The employer's obligation to employees' right to receive compensation for future benefits is attributable to employees' service already rendered.
- The obligation related to rights that vest or accumulate.
- Payment of the compensation is probable
- The amount can be reasonably estimated.

J. RECEIVABLES AND PAYABLES

Outstanding balances resulting in transactions between funds are reported as "interfund."

Receivables are stated net of an allowance for uncollectible accounts. Accounts receivable in excess of 60 days comprise the allowance for uncollectibles. Delinquent taxes receivable are offset by the deferral of the related revenues until payment is received except amounts received within 60 days of the balance sheet date.

Property taxes are administered on a calendar year basis subject to the following dates:

Lien Date	January 1
Levy Date	July 1
Collection Period	July 1 – December 20
Due Date	December 20
Delinquent Date	December 21

K. INVENTORIES

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method.

L. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations of the City of Poulan, numerous transactions have occurred between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund" on the balance sheet.

M. ADVANCES TO OTHER FUNDS

It is the policy of the City of Poulan that noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a Fund Balance Committed Account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

N. PREPAID ITEMS

Payments made to vendors for services that will benefit periods beyond December 31, 2013, are recorded as prepaid items.

O. LONG-TERM OBLIGATIONS

Long-term obligations are reported on the government-wide financial statements. All long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements. Loans and capital leases are recognized as a liability on the fund financial statements when due.

P. COMPARATIVE DATA

Comparative total data for the prior year has not been presented in the accompanying financial statements.

Q. STATEMENT OF CASH FLOWS

The City considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

R. FUND EQUITY

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net position."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balance 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. The City does not have a formal process in place 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.

R. FUND EQUITY (Cont.)

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

Net Position – Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Net investment in capital assets, 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 spent) and adjusted for any deferred outflows or deferred inflows of resources used for the acquisition, construction or improvement of those assets. Components of net position are 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 components of net position are available.

S. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund increase expenditures/expenses in the reimbursing fund and are accounted for as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

T. MANAGEMENT ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amount of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - LEGAL COMPLIANCE - BUDGETS

Prior to January 1 of each year, the City Clerk asks department heads for requests for appropriations to the City's mayor so that a budget may be prepared. The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

NOTE 2 - LEGAL COMPLIANCE – BUDGETS (cont.)

Before January 1, the proposed budget is presented to the City's council for review. The City's council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Government's mayor or the revenue estimates must be changed by an affirmative vote of majority of the Government's council.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level within departments.

Formal budgetary integration is employed as a management control device during the year for the General and Proprietary Funds. Budgets for the General Fund are adopted on the modified accrual basis (GAAP). Budgets for the Proprietary Funds are adopted on the accrual basis (GAAP).

Budgeted amounts are as originally adopted, or as amended, by the Council. Appropriations lapse at year's end.

There were no material supplementary appropriations made during the year.

The actual results of operations are presented in the Required Supplementary Information section in order to provide a meaningful comparison of actual results with the budget.

NOTE 3 - DEPOSITS AND INVESTMENTS

Georgia law authorizes local governments to invest in the following types of obligations:

1. Obligations of the State of Georgia or of any other states;
2. Obligations issued by the United States;
3. Obligations fully insured or guaranteed by the United States government or governmental agency;
4. Obligations of any corporation of the United States government;
5. Prime banker's acceptances;
6. Georgia Fund 1 state investment pool;
7. Repurchase agreements; and
8. Obligations of other political subdivisions of the State of Georgia.

Any bank deposit in excess of the total FDIC insured amount must be secured by an equivalent amount of State or U.S. obligations.

It is the investment policy of the City of Poulan, Georgia to invest all of its cash into checking accounts, certificates of deposits, and the Georgia Department of Administrative Services Local Government Investment Pool (L.G.I.P.). These accounts are reported at cost which equals market value. The City follows OCGA 36-83-4 for its investing objectives.

The L.G.I.P., created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, it operates in a manner consistent with rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The Office of the State Treasurer is the oversight agency for the pool. The Pool's primary objectives are safety of capital, investment income, liquidity, and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

NOTE 3 - DEPOSITS AND INVESTMENTS (cont.)

At year end, the carrying amount of the City's deposits and cash on hand was $424,828. The breakdown between the balances of bank deposits and investments for the City is as follows:

Bank Deposits (checking accounts, saving accounts, and certificates of deposits) and Cash on Hand	$ 364,661
Local Government Investment Pool	60,167
Total	$ 424,828

Credit Risk:
The City limits the credit risk of the primary government and agency funds by investing its cash with the Office of State Treasurer Georgia Fund One investment pool, an AAAm rated investment pool by Standard and Poors, and bank deposits which are covered by federal depository insurance.

Interest Rate Risk:
The investments of the City are invested in highly liquid investments to limit the risk of interest rate fluctuations. All bank certificates of deposit have varying maturity dates of one year or less. The local government investment pool's assets have a weighted average maturity of 24 days.

Custodial Credit Risk:
Custodial credit risk is the risk that in the event of a bank failure, the government's deposits (in excess of FDIC insurance) may not be returned to the City. The City was not exposed custodial risk due to deposits being below FDIC insurance.

The City does not have a deposit policy for custodial credit risk.

NOTE 4- RESTRICTED ASSETS

The City's Water Fund restricted cash consists of cash used for payment of its long-term debt and for a water system improvement capital project funded by a CDBG capital grant.

NOTE 5 - INTERFUND RECEIVABLES / PAYABLES

Fund	Receivable	Payable
General Fund	$ 5,547	$ 12,448
Capital Projects Funds:		
LMIG Grant	12,448	-
Enterprise Funds:		
Water Fund	-	5,547
	$ 17,995	$ 17,995

The above interfund balances were created from the General Fund paying invoices on behalf of the Water Fund and the LMIG Grant fund paying invoices on behalf of the General Fund. The above balances are to be paid within one year.

NOTE 6 – LONG-TERM OBLIGATIONS

Governmental Activities: Notes Payable	1/1/2013	Increases	Decreases	12/31/2013	Amounts Due Within One Year
1. United States Department of Agriculture Police Vehicles for Police Department Due in annual installments of $6,129 through September 2014 at 4.375% Original Amount of $27,000	11,498	-	5,626	5,872	5,872
2. United States Department of Agriculture Chipper/Shredder for Street Department Due in annual installments of $4,556 through May 2014 at 4.50% Original Amount of $20,000	8,531	-	4,172	4,359	4,359
Total Notes Payable Governmental Funds	$ 20,029	$ -	$ 9,798	$ 10,231	$ 10,231
Business-Type Activities: Notes Payable					
1. Georgia Environmental Facilities Authority for water improvements Due in monthly installments of $579 through March 2017 at 0.0% Original Amount of $220,854	$ 29,507	$ -	$ 6,943	$ 22,564	$ 6,943
2. Georgia Environmental Facilities Authority for water improvements Due in monthly installments of $1,239 through June 2027 at 3.0% Original Amount of $240,337	174,676	-	9,768	164,908	10,061
Total Notes Payable Business-Type Activities	$ 204,183	$ -	$ 16,711	$ 187,472	$ 17,004

NOTE 6 – LONG-TERM OBLIGATIONS (cont.)

The City obtained financing for water system improvements from the Georgia Environmental Facilities Authority (GEFA) under a construction financing loan. At December 31, 2011, the total outstanding of this loan was $231,385. The City obtained an additional $8,952 in financing through this loan during 2012. $60,888 of the loan was forgiven during 2012 through a principal-forgiveness grant offered through the GEFA loan. The remaining portion of the loan was converted to a fixed rate loan at 3.0% interest rate amortized over 180 months.

The annual requirements to amortize the note payable obligations, as of December 31, 2013, are as follows:

Governmental-Type Activities

Year Ended December 31,	Principle Amount	Interest Amount	Total Amount
2014	10,231	453	10,684
2015	-	-	-
2016	-	-	-
2017	-	-	-
2018	-	-	-
	$ 10,231	$ 453	$ 10,684

Business-Type Activities

Year Ended December 31,	Principle Amount	Interest Amount	Total Amount
2014	17,004	4,810	21,814
2015	17,310	4,504	21,814
2016	17,626	4,188	21,814
2017	12,743	3,863	16,606
2018	11,342	3,529	14,871
2019-2023	62,102	12,253	74,355
2024-2028	49,345	2,697	52,042
	$ 187,472	$ 35,844	$ 223,316

NOTE 7 – ACCOUNTS RECEIVABLES

Accounts receivable in the General Fund includes accounts receivable for refuse collection of $8,356.

NOTE 8 – SUBSEQUENT EVENTS

The City Attorney represented that to the best of his knowledge there was no pending or threatened litigation against the City of Poulan and there were no unasserted claims or assessments.

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through June 9, 2014, the date the financial statements were available to be issued.

NOTE 9 - PROPERTY TAX REVENUE

Property tax bills were issued on September 20, and became past due on December 21th. Property taxes attach as an enforceable lien on property as of December 21th. The City of Poulan contracts with the County to bill and collect its property taxes. City property tax revenues are recognized when levied to the extent that they result in current receivables, i.e., are available. The property tax receivable on December 31, 2013 was $16,735.

NOTE 10 – CHANGES IN CAPITAL ASSETS

Summary of Capital Assets

The following is a summary of changes in Capital Assets follows:

	1/1/2013	Increases	Decreases	12/31/2013
Governmental Activities:				
Capital Assets not being depreciated:				
Land	$ 45,000	$ -	$ -	$ 45,000
Construction in Progress	42,858	3,778	44,936	1,700
Total Capital Assets not being depreciated	$ 87,858	$ 3,778	$ 44,936	$ 46,700
Capital Assets being depreciated:				
Building and Improvements	357,519	46,750	-	404,269
Equipment, Furniture, and Vehicles	1,047,270	5,861	-	1,053,131
Infrastructure	40,436	32,620	-	73,056
Total Capital Assets being depreciated	$ 1,445,225	$ 85,231	$ -	$ 1,530,456
Less accumulated depreciation				
Building and Improvements	60,838	11,882	-	72,720
Equipment, Furniture, and Vehicles	814,436	65,599	-	880,035
Infrastructure	1,715	1,418	-	3,133
	876,989	78,899	-	955,888
Total Capital Assets being depreciated, Net	568,236	6,332	-	574,568
Capital Assets, Net	$ 656,094	$ 10,110	$ 44,936	$ 621,268

NOTE 10 – CHANGES IN CAPITAL ASSETS (Cont.)

	1/1/2013	Increases	Decreases	12/31/2013
Business-type Activities:				
Capital Assets not being depreciated:				
Land	$ -	$ -	$ -	-
Construction in Progress	-	7,304	-	7,304
Capital Assets being depreciated:				
Infrastructure	1,181,235	-	-	1,181,235
Building and Improvements	3,241	-	-	3,241
Equipment, Furniture, and Vehicles	29,974	-	-	29,974
Total Capital Assets being depreciated	$ 1,214,450	$ -	$ -	$ 1,214,450
Less accumulated depreciation				
Infrastructure	381,116	29,530	-	410,646
Building and Improvements	1,538	83	-	1,621
Equipment, Furniture, and Vehicles	29,974	-		29,974
	412,628	29,613	-	442,241
Total Capital Assets being depreciated, Net	801,822	(29,613)	-	772,209
Capital Assets, Net	$ 801,822	$ (29,613)	$ -	$ 779,513

Depreciation expense was charged to functions as follows:

General Government	$ 1,176
Public Safety	60,429
Culture & Recreation	2,469
Streets & Roads	14,825
	78,899

NOTE 11 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the state and federal governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Government expects such amounts, if any, to be immaterial.

The City Council advised us that no legal actions were in progress by or against the Government at December 31, 2013 that would have any material effect on the Government's financial condition.

NOTE 12 - RISK MANAGEMENT

The City is exposed to various risks of loss for claims associated with torts, thefts of, damage to, and destruction of assets, errors and omissions, and natural disasters.

Risk Pool – The City has elected to be a member of the Georgia Interlocal Risk Management Agency (GIRMA), a risk management agency created under Georgia law. The agency established and administers one or more group self insurance funds and a risk management service to prevent or lessen incidence and severity of casualty and property losses occurring in the operation of the government. The agency is to defend and protect in accordance with the member government contracts and related coverage descriptions any member of the agency against liability or loss.

The City must participate at all times in at least one fund which is established by the agency. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due the agency at such times and in such amounts as shall be established by the agency.
- To select a person to serve as a member representative.
- To allow the agency and its agents reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of the agency.
- To allow attorneys appointed by the agency to represent the City in investigation, settlement discussions, and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the fund established by the agency.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to the agency's attorneys, claims adjusters, service company, and any agent, employee, officer or independent contractor of the agency relating to the purposes of the agency.
- To follow all loss reduction and prevention procedures established by the agency.

NOTE 12 - RISK MANAGEMENT (cont.)

- To furnish to the agency such budget, operating, and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the agency or any fund established by the agency being required to pay claim for loss or injuries to City property or injuries to persons or property when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.

The City retains the first $1,000 of each risk of loss in the form of a deductible. The City files all claims with the agency and the agency bills the City for any loss up to the $1,000 deductible.

There were no significant reductions in insurance coverage from coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Pursuant to provisions of Georgia law, the City became a member of the GMA-GSIWCF (a Worker's Compensation Self-Insurance Fund). The liability of the fund to the employees of any employer is specifically limited to such obligations as are imposed by the applicable state laws against the employer for workers' compensation and/or employers' liability.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the findings being required to pay any claims of loss. The City is also to allow the pools' agents and attorney to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding of compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false, or fraudulent. The fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

NOTE 13 - JOINT VENTURE

The Government, in conjunction with cities and counties in the Southwest Georgia area is a member of the Southwest Georgia Regional Commission (RC). Membership in an RC is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RC. The Government paid annual dues in the amount of $0 to the RC for the year ended December 31, 2013. The RC Board membership includes the chief elected official of each county. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RCs as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of an RC beyond its resources.

The Southwest Georgia Regional Commission (RC) is not considered to be a component unit of the City of Poulan. There are no financial reporting obligations between the City of Poulan and the RC. Separate financial statements may be obtained from:

Southwest Georgia Regional Commission
30 West Broad Street
P.O. Box 346
Camilla, Georgia 31730

NOTE 14 – PENSION COSTS

The City is not a trustee of any pension fund or retirement plan for the benefit of its employees. However, the following pension and retirement plans are in effect but are not under the direct control of the City:

- Peace Officer's Annuity and Benefit Fund
  Policemen are covered under separate pension plans which require that certain sums from fines or bond forfeitures be remitted by the City to the pension plan before the payment of any costs or other claims.

NOTE 15 – INTERFUND TRANSFERS

During 2013, the General Fund transferred $3,404 to the COPS Grant Special Revenue Fund (a nonmajor fund). This non-routine transfer was made for local matching purposes as required under the provisions of the COPS Grant program.

NOTE 16 – RESTRICTED AND NONSPENDABLE FUND EQUITY

The following fund balances are restricted for:

General Fund:		
Cemetery Plots Funds - used to account for funds for cemetery burial plots and upkeep of the City's cemetery	$	3,275
Drug Seizure Funds - used to account for assets seized during drug criminal cases that are used to fund public safety expeditures	$	1,565
USDA Grant Funds - used to account for previously issued grant funds that are to be used for specific projects as outlined in the grant agreement	$	1,013
Capital Projects Fund:		
Special Purpose Local Option Sales Tax Fund (SPLOST)		
Used to account for City-owned projects financed with SPLOST	$	73,995
Local Maintenance Improvement Grant Fund (LMIG)		
Used to account for LMIG funds used for City road projects and improvements	$	12,448

The following fund balances are nonspendable because they are allocated to:

General Fund:		
Inventories	$	7,291

REQUIRED SUPPLEMENTARY INFORMATION

SECTION B

CITY OF POULAN, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B-1

	Original Budget	Final Budget	Actual	Variance Over (Under)
Revenues:				
Taxes	$ 217,600	$ 217,600	$ 207,660	$ (9,940)
Licenses & Permits	700	700	1,045	345
Fines & Forfeitures	510,000	510,000	416,823	(93,177)
Charges for Services	64,000	64,000	75,475	11,475
Intergovernmental	3,000	3,000	3,978	978
Interest	100	100	545	445
Miscellaneous	7,850	7,850	9,259	1,409
Total Revenues	803,250	803,250	714,785	(88,465)
Expenditures:				
Current:				
General Government	128,750	128,750	115,864	(12,886)
Public Safety	411,093	410,689	367,730	(42,959)
Public Works	252,507	252,507	220,010	(32,497)
Culture and Recreation	7,900	7,900	5,246	(2,654)
Total Expenditures	800,250	799,846	708,850	(90,996)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,000	3,404	5,935	2,531
Other Financing Sources (Uses):				
Transfers Out	(3,000)	(3,404)	(3,404)	-
Total Other Financing Sources and Uses	(3,000)	(3,404)	(3,404)	-
Net Changes in Fund Balances	-	-	2,531	2,531
Fund Balances - Beginning	$ -	$ -	$ 275,919	$ 275,919
Fund Balances - Ending	$ -	$ -	$ 278,450	$ 278,450

NOTES TO

REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles. Annual appropriated budgets are adopted for the general fund and special revenue fund. A budget is prepared for the enterprise fund as a management control device only. Each fund's appropriated budget is prepared on a detailed line item basis. Revenues are budgeted by source. Expenditures are budgeted by department. This constitutes the legal level of control. Expenditures may not exceed appropriations at this level. All budget revisions at this level are subject to final review by the City Council. Within these control levels, management may transfer appropriations without Council approval. All annual appropriations lapse at fiscal year end. Project-length financial plans are adopted for all capital projects funds.

Public hearings are conducted to obtain taxpayer comments. The budgets are legally adopted through passage of an ordinance. All appropriations lapse at year's end. Budgets were adopted for the Governmental Funds.

NOTE 2 - LEGAL COMPLIANCE - BUDGETS

Prior to January 1 of each year, the City Clerk asks department heads for requests for appropriations to the Government's mayor so that a budget may be prepared. The budget is prepared by fund, function and activity and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

Before January 1, the proposed budget is presented to the Government's council for review. The Government's council holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated as available by the Government's mayor or the revenue estimates must be changed by an affirmative vote of majority of the Government's council.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is at the department level within departments.

Formal budgetary integration is employed as a management control device during the year for the General and Proprietary Funds. Budgets for the General Fund and Special Revenue Fund are adopted on the modified accrual basis (GAAP). Budgets for the Proprietary Funds are adopted on the accrual basis (GAAP).

Budgeted amounts are as originally adopted, or as amended, by the Council. Individual amendments were not material in relation to the original appropriations, which were amended. Appropriations lapse at year's end.

There were no material supplementary appropriations made during the year.

NOTE 2 - LEGAL COMPLIANCE – BUDGETS (Cont.)

The actual results of operations on the budgetary basis are presented in the Schedules of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual (GAAP) General Fund in order to provide a meaningful comparison of actual results with the budget.

General Fund budgetary comparison schedules are presented at the legal level of control.

SUPPLEMENTARY INFORMATION

FINANCIAL STATEMENTS
OF
INDIVIDUAL FUNDS

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION C

NONMAJOR GOVERNMENTAL FUNDS – COMBINING STATEMENTS

CITY OF POULAN, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit C-1

	Special Revenue Fund	Capital Projects Fund	
	COPS Grant	LMIG Grant	Total Nonmajor Governmental Funds
Assets			
Cash	$ -	-	$ -
Interfund Receivable	-	12,448	12,448
Total Assets	$ -	$ 12,448	$ 12,448
Liabilities & Fund Balance			
Liabilities:			
Interfund Payable	-	-	-
Total Liabilities	-	-	-
Fund Balances:			
Fund Balance - Restricted	-	12,448	12,448
Total Liabilities & Fund Balance	$ -	$ 12,448	$ 12,448

CITY OF POULAN, GEORGIA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit C-2

	Special Revenue Fund	Capital Projects Fund	
	COPS Grant	LMIG Grant	Total Nonmajor Governmental Funds
Revenues:			
Intergovernmental Revenues	$ 30,634	$ 42,448	$ 73,082
Miscellaneous	-	-	-
Total Revenues	30,634	42,448	73,082
Expenditures:			
Current:			
General Government	-	-	-
Public Safety	34,038	-	34,038
Capital Outlay:			
Public Works	-	30,000	30,000
Total Expenditures	34,038	30,000	64,038
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,404)	12,448	9,044
Other Financing Sources (Uses):			
Transfers In	3,404	-	3,404
Transfers (Out)	-	-	-
Total Other Financing Sources and Uses	3,404	-	3,404
Net Changes in Fund Balances	-	12,448	12,448
Fund Balances - Beginning	$ -	$ -	$ -
Fund Balances - Ending	$ -	$ 12,448	$ 12,448

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION D

GENERAL FUND

General Fund – to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY OF POULAN, GEORGIA
GENERAL FUND
BALANCE SHEET
FOR THE ENDED DECEMBER 31, 2013

Exhibit D-1

	General Fund
Assets	
Cash	$ 277,657
Taxes Receivable	16,735
Due from Other Governments	9,069
Accounts Receivable	8,356
Interfund Receivable	5,547
Inventory - Gasoline	7,291
Total Assets	$ 324,655
Liabilities and Fund Balances	
Liabilities:	
Accounts Payable	$ 20,729
Interfund Payable	12,448
Due to Other Governments	4,476
Deferred Revenue	5,956
Employee Withholdings Payable	2,596
Total Liabilities	46,205
Fund Balances:	
Nonspendable	7,291
Restricted	5,853
Unassigned	265,306
Total Fund Balances	278,450
Total Liabilities and Fund Balances	$ 324,655

CITY OF POULAN, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit D-2

	General Fund
Revenues:	
Taxes	$ 207,660
Licenses & Permits	1,045
Fines & Forfeitures	416,823
Charges for Services	75,475
Intergovernmental	3,978
Interest	545
Miscellaneous	9,259
Total Revenues	714,785
Expenditures:	
Current:	
General Government	115,864
Public Safety	361,601
Public Works	215,454
Culture and Recreation	5,246
Debt Service:	
Principal	9,798
Interest	887
Total Expenditures	708,850
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,935
Other Financing Sources (Uses):	
Transfers Out	(3,404)
Total Other Financing Sources and Uses	(3,404)
Net Changes in Fund Balances	2,531
Fund Balances - Beginning	$ 275,919
Fund Balances - Ending	$ 278,450

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION E

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds – These funds are used to report governmental operations where statutory, regulatory, or grant requirement provisions require separate accountability.

LMIG Capital Projects Fund – This fund is used to report the receipt and disbursement of the Georgia Department of Transportation's Local Maintenance Improvement Grant (LMIG) proceeds for road projects.

CITY OF POULAN, GEORGIA
NONMAJOR SPECIAL REVENUE FUND
BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit E-1

	COPS Grant
Assets	
Cash	$ -
Interfund Receivable	-
Total Assets	$ -
Liabilities & Fund Balance	
Liabilities:	
Interfund Payable	-
Total Liabilities	-
Fund Balances:	
Fund Balance - Restricted	-
Total Liabilities & Fund Balance	$ -

CITY OF POULAN, GEORGIA
NONMAJOR SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit E-2

	COPS Grant
Revenues:	
Intergovernmental Revenues	$ 30,634
Miscellaneous	-
Total Revenues	30,634
Expenditures:	
Current:	
General Government	-
Public Safety	34,038
Total Expenditures	34,038
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,404)
Other Financing Sources (Uses):	
Transfers In	3,404
Transfers (Out)	-
Total Other Financing Sources and Uses	3,404
Net Changes in Fund Balances	-
Fund Balances - Beginning	$ -
Fund Balances - Ending	$ -

CITY OF POULAN, GEORGIA
NONMAJOR CAPITAL PROJECTS FUND
BALANCE SHEET
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit E-3

	LMIG Grant
Assets	
Cash	-
Interfund Receivable	12,448
Total Assets	$ 12,448
Liabilities & Fund Balance	
Liabilities:	
Interfund Payable	-
Total Liabilities	-
Fund Balances:	
Fund Balance - Restricted	12,448
Total Liabilities & Fund Balance	$ 12,448

CITY OF POULAN, GEORGIA
NONMAJOR CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit E-4

	LMIG Grant
Revenues:	
Intergovernmental Revenues	$ 42,448
Miscellaneous	-
Total Revenues	42,448
Expenditures:	
Current:	
Capital Outlay:	
Public Works	30,000
Total Expenditures	30,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,448
Other Financing Sources (Uses):	
Transfers In	-
Transfers (Out)	-
Total Other Financing Sources and Uses	-
Net Changes in Fund Balances	12,448
Fund Balances - Beginning	$ -
Fund Balances - Ending	$ 12,448

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION F

MAJOR GOVERNMENTAL FUND

SPECIAL PURPOSE SALES TAX CAPITAL PROJECTS FUND

Special Purpose Sales Tax Capital Projects Fund – These funds are used to report the receipt and disbursement of Special Purpose Local Option Sales Tax (SPLOST) proceeds.

CITY OF POULAN, GEORGIA
SPECIAL PURPOSE SALES TAX CAPITAL PROJECTS FUND
BALANCE SHEET
FOR THE ENDED DECEMBER 31, 2013

Exhibit F-1

	Special Purpose Sales Tax Fund
Assets	
Cash	$ 69,941
Special Purpose Sales Tax Receivable	4,054
Total Assets	$ 73,995
Liabilities and Fund Balances	
Liabilities:	
Interfund Payable	-
Total Liabilities	-
Fund Balances:	
Restricted: For Special Purpose Sales Tax Projects	73,995
Total Fund Balance	73,995
Total Liabilities and Fund Balance	$ 73,995

CITY OF POULAN, GEORGIA
SPECIAL PURPOSE SALES TAX CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit F-2

	Special Purpose Sales Tax Fund
Revenues:	
Intergovernmental Revenue:	
Special Purpose Sales Tax	$ 50,009
Interest	145
Total Revenues	50,154
Expenditures:	
Current:	
General Government	
Capital Outlay:	
Capital Expenditures	8,978
Public Works	
Capital Outlay:	
Capital Expenditures	2,684
Total Expenditures	11,662
Excess (Deficiency) of Revenues Over (Under) Expenditures	38,492
Net Changes in Fund Balances	38,492
Fund Balances - Beginning	$ 35,503
Fund Balances - Ending	$ 73,995

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION G

ENTERPRISE FUND

Enterprise Fund – This fund is used account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collecting.

CITY OF POULAN, GEORGIA
PROPRIETARY FUND
STATEMENT OF NET POSITION
DECEMBER 31, 2013

Exhibit G-1

	Water Fund
Assets	
Current Assets:	
Cash	$ 45,890
Restricted Cash for Debt Service	17,004
Accounts Receivable	13,149
Due from Other Governments	2,303
Total Current Assets	78,346
Long-Term Assets:	
Restricted Cash for Debt Service	9,336
Restricted Cash for Capital Projects	5,000
Construction in Progress	7,304
Capital Assets, Net of Accumulated Depreciation	772,209
Total Long-Term Assets	793,849
Total Assets	$ 872,195
Liabilities	
Current Liabilities:	
Accounts Payable	$ 14,639
Interfund Payable	5,547
Payroll Taxes Payable	25
Payable from Restricted Assets:	
Current Portion of Long-Term Debt	17,004
Total Current Liabilities	37,215
Long-Term Liabilities:	
Long-Term Debt	170,468
Total Long-Term Liabilities	170,468
Total Liabilities	207,683
Net Position	
Net Investment in Capital Assets	592,041
Restricted for Debt Service	26,340
Restricted for Capital Projects	5,000
Unrestricted	41,131
Total Net Position	$ 664,512

CITY OF POULAN, GEORGIA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit G-2

	Water Fund
Operating Revenues:	
Water Sales	$ 112,744
New Connect Fees	4,055
Other Income	5,718
Total Operating Revenues	122,517
Operating Expenses:	
Personal Services and Employee Benefits	16,590
Purchased/Contracted Services	50,902
Supplies	17,568
Other	340
Depreciation and Amortization	29,613
Total Operating Expenses	115,013
Operating Income (Loss)	7,504
Non Operating Revenues (Expenses):	
Interest Expense	(5,104)
Total Non Operating Revenues (Expenses)	(5,104)
Income (Loss) Before Contributions and Transfers	2,400
CDBG Capital Grant	7,303
Change in Net Assets	9,703
Total Net Position - Beginning	$ 654,809
Total Net Position - Ending	$ 664,512

CITY OF POULAN, GEORGIA
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit G-3

	Water Fund
Cash Flows from (Used for) Operating Activities	
Cash Received from Customers	$ 121,798
Cash Paid for Goods and Services	(52,307)
Cash Received from Other Funds	176
Cash Paid to Employees	(19,527)
Net Cash Flows Provided from Operating Activities	50,140
Cash Flows From (Used for) Non-capital Financing Activities	
Transfer In	-
Net Cash Provided From Non-capital Financing Activities	-
Cash Flows from (Used for) Capital and Related Financing Activities	
Proceeds from Capital Grants	5,042
Interest Expense	(5,104)
Principle Payment on Long-Term Debt	(16,711)
Acquisition of Capital Assets	(7,303)
Net Cash Flows (Used for) Capital and Related Financing Activities	(24,076)
Cash Flows from (Used for) Investing Activities	
Interest Income	-
Net Cash Flows from Investing Activities	-
Net Increase (Decrease) in Cash and Cash Equivalents	26,064
Cash and Cash Equivalents - Beginning of Year	51,166
Cash and Cash Equivalents - End of Year	$ 77,230
Classified as:	
Cash	$ 45,890
Restricted Cash	31,340
	$ 77,230
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating Income (Loss)	7,504
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	29,613
Changes in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	(718)
Increase (Decrease) in Interfund Payable	176
Increase (Decrease) in Accounts Payable and Payroll Taxes Payable	13,565
Net Cash Provided (Used) by Operating Activities	$ 50,140
Supplemental Disclosure of Cash Flow Information:	
Cash Paid for Interest	$ 5,104

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION H

Hudson & NeSmith, CPAs

Ronald D. Hudson, CPA, CFP®

John A. NeSmith, Jr., CPA

Member
American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants
Private Companies Practice Section

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

Independent Auditor's Report

Honorable Mayor
and Members of the City Council
City of Poulan, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Poulan, Georgia as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Poulan's basic financial statements, and have issued our report thereon dated June 9, 2014.

Internal Control over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Poulan'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 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.

Hudson & NeSmith, CPAs

Hudson & NeSmith, CPAs
Sylvester, Georgia
June 9, 2014

CITY OF POULAN, GEORGIA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2013

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Poulan, Georgia.

2. No material weaknesses were disclosed during the audit of the basic financial statements as reported in the "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."

3. No instances of noncompliance, material to the basic financial statements of the City of Poulan, Georgia, were disclosed during the audit.

CITY OF POULAN, GEORGIA
STATUS OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2013

Audit Reference Number	Status
2013-01	Corrected

CITY OF POULAN, GEORGIA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

SECTION I

CITY OF POULAN, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2013

2011 Referendum

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures: Prior Years	Expenditures: Current Years	Expenditures: Total	Estimated Percentage Completion
Water System Improvements	$ 20,000	$ 20,000	$ -	$ -	$ -	0.0%
Governmental Buildings	45,000	45,000	41,222	3,778	45,000	100.0%
Public Safety	25,000	25,000	-	-	-	0.0%
Cemetery, Parks & Recreation	45,000	45,000	-	-	-	0.0%
Capital Equipment	70,000	70,000	-	5,200	5,200	0.0%
Roads, Streets, Bridges, Drainage & Walkways	220,000	220,000	1,636	2,684	4,320	2.0%
Total	$ 425,000	$ 425,000	$ 42,858	$ 11,662	$ 54,520	

CITY OF POULAN, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETED AND ACTUAL
CDBG PROGRAM NO. 13p-x-159-2-5601
FOR THE GRANT PERIOD AUGUST, 2013 THROUGH DECEMBER 31, 2013
PROJECT COST SCHEDULE

	Project Budget	Actual to Date	Variance
Revenues:			
Federal Government:			
Georgia Department of Community Affairs - Community Development			
Block Grant	$ 366,404	$ 7,303	$ (359,101)
Miscellaneous	-	-	-
Total Revenues	366,404	7,303	(359,101)
Expenditures:			
Water Improvements	313,279	7,303	305,976
Administration	21,984	-	21,984
Contingencies	31,141	-	31,141
Total Expenditures	366,404	7,303	359,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	-
Other Financing Sources (Uses):			
Transfers In	-	-	-
Transfers (Out)	-	-	-
Total Other Financing and Uses	-	-	-
Net Changes in Fund Balances	-	-	-
Fund Balances - Beginning	$ -	$ -	$ -
Fund Balances - Ending	$ -	$ -	$ -

CITY OF POULAN, GEORGIA
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
SOURCE AND APPLICATION OF FUNDS SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2013

City of Poulan, Georgia
Recipient Name

13p-x-159-2-5601
CDBG Grant Number

For the Period Ending: **December 31, 2013**
(Cumulative)

Total Program Year 2013 CDBG Funds Allocated to Recipient	$	366,404
Less: Deobligations		-
Net Program Year 2013 Funds Allocated to Recipient		366,404
Less: Total Program Year 2013 Funds Drawn Down by Recipient	$	(5,000)
Funds Still Available from Program Year 2013 Resources	$	361,404
Total Program Year 2013 CDBG Funds Drawn and Received by Recipient	$	5,000
Local Matches and Other Receipts		-
Total Receipts Available for Program Year 2013 Costs		5,000
Less: Funds Applied and Expended to Program Year 2013 Costs		7,303
Total Program Year 2013 Funds Held by Recipient	$	(2,303)