CITY OF UNION POINT, GEORGIA

INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

CITY OF UNION POINT, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the
City of Union Point, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Union Point, Georgia (the "City") as of and for the fiscal year ended September 30, 2017, 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 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

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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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Union Point, Georgia, as of September 30, 2017, and the respective changes in financial position, and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof and for the fiscal 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 management's discussion and analysis information on pages 4 through 12, the schedule of changes in the net pension liability and related ratios on page 51, the schedule of contributions on page 52 and the notes to the required supplementary information on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers them 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Union Point, Georgia's basic financial statements. The schedule of project expenditures with special sales tax proceeds, and the City of Union Point Downtown Development Authority financial statements, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2018 on our consideration of City of Union Point's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Union Point, Georgia's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Union Point, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
February 16, 2018

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the City of Union Point, Georgia we present management's analysis of the City's financial condition and activities for the fiscal year ended September 30, 2017. This information should be read and considered in conjunction with the financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2017 by $8,477,869 (total net position).
- Of this amount, $1,302,994 (unrestricted net position) was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position decreased by $193,750.
- At the close of fiscal year 2017, the City's governmental funds reported combined ending fund balances of $399,382. Of this amount, $192,808 or 48.28% is available for spending at the government's discretion (Unassigned fund balance).

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to the City of Union Point's basic financial statements. The City's basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A should be read and considered with the basic audited financial statements and supplementary information.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the City's finances in a manner similar to commercial enterprises.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two being reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected property taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and housing and development. The business-type activities of the City include water and sewer and natural gas.

The component unit, the Downtown Development Authority of the City of Union Point, Georgia, is reported in a separate column because it is legally separate from the City. The Authority's governing board is appointed by the Mayor and Council, and the City funds a significant portion of the Authority's budget.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into governmental funds and proprietary funds.

Governmental Funds. Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains two individual governmental funds. Information on the major fund is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances. The major fund is the General Fund, and the non-major fund is the Public Safety SPLOST Fund.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement for this fund has been provided to demonstrate compliance with this budget. Project length budgets were adopted for the Capital Project Funds.

Proprietary Funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer system operations and its natural gas system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Water and Sewer Fund and the Natural Gas Fund. These funds are considered to be major funds of the City.

Notes to the Financial Statements. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide information about the City's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's obligation in funding pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The assets exceeded the liabilities at the close of fiscal year 2017 by $8,477,869.

The largest component of net position, which may be used to meet the City's ongoing obligations to its citizens and creditors, is unrestricted net position in the amount of $1,302,994 or 6.51% of total net position. Of the unrestricted net position, $2,197,409 or 25.92% of total net position is in joint venture (Tri-County Natural Gas). Another component of the City's net position is investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that are still outstanding, which comprises $6,414,200 or 75.66% of total net position. The City uses these capital assets to provide services to its citizens; consequently these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Union Point Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Assets						
Current assets	$ 481,747	$ 697,384	$ 652,162	$ 935,567	$ 1,133,909	$ 1,632,951
Restricted assets	-	-	760,590	746,908	760,590	746,908
Other assets	-	-	2,197,409	2,197,644	2,197,409	2,197,644
Capital assets	1,365,019	1,263,359	7,100,435	7,198,220	8,465,454	8,461,579
Total assets	1,846,766	1,960,743	10,710,596	11,078,339	12,557,362	13,039,082
resources						
Related to pensions	36,333	41,778	35,324	38,391	71,657	80,169
Liabilities						
Current liabilities	79,676	25,735	239,231	473,703	318,907	499,438
Long-term liabilities	82,993	97,242	3,714,369	3,833,488	3,797,362	3,930,730
Total liabilities	162,669	122,977	3,953,600	4,307,191	4,116,269	4,430,168
Deferred inflows of resources						
Related to pensions	17,686	9,101	17,195	8,363	34,881	17,464
Net position						
Net investment in capital assets	1,365,019	1,263,359	5,049,181	5,102,295	6,414,200	6,365,654
Restricted for:						
Capital outlay	85	85	567,014	565,332	567,099	565,417
Debt services	-	-	193,576	181,576	193,576	181,576
Unrestricted	337,640	606,999	965,354	951,973	1,302,994	1,558,972
Total net position	$ 1,702,744	$ 1,870,443	$ 6,775,125	$ 6,801,176	$ 8,477,869	$ 8,671,619

An additional portion of the City's net position, $567,009 (6.69%), and $193,576 (2.28%), represent resources that are subject to external restrictions on how they may be used. The $193,576 represents water and sewer reserve accounts set aside as funds for one year's obligation for the City's outstanding water and sewer revenue bonds. The $567,099 represents funds set aside for capital outlay.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as whole, as well as for its separate governmental and business-type activities.

Governmental Activities. Governmental activities decreased the City's net position by $167,699.

City of Union Point Changes in Net Position

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues						
Charges for service	$ 36,880	$ 29,310	$ 1,048,608	$ 1,070,898	$1,085,488	$ 1,100,208
Operating grants and contributic	113,049	88,018	-	-	113,049	88,018
Capital grants and contributions	225,734	-	276,116	2,107,287	501,850	2,107,287
General revenues						
Property tax	220,944	231,051	-	-	220,944	231,051
Sales tax	373,302	342,609	-	-	373,302	342,609
Other taxes	207,065	196,483	-	-	207,065	196,483
Investment earnings	1,291	2,119	1,447	4,454	2,738	6,573
Miscellaneous	29,944	19,795	35,964	5,145	65,908	24,940
Total revenue	1,208,209	909,385	1,362,135	3,187,784	2,570,344	4,097,169
Expenses:						
General government	450,827	239,317	-	-	450,827	239,317
Judicial	22,884	22,729	-	-	22,884	22,729
Public safety	508,885	471,449	-	-	508,885	471,449
Public works	280,905	145,006	-	-	280,905	145,006
Culture and recreation	60,636	61,186	-	-	60,636	61,186
Housing and development	51,771	26,854	-	-	51,771	26,854
Water and sewer	-	-	1,047,430	930,404	1,047,430	930,404
Natural gas	-	-	340,756	374,543	340,756	374,543
Total expenses	1,375,908	966,541	1,388,186	1,304,947	2,764,094	2,271,488
Change in net position	(167,699)	(57,156)	(26,051)	1,882,837	(193,750)	1,825,681
Net position - beginning of year	1,870,443	1,927,599	6,801,176	4,918,339	8,671,619	6,845,938
Net position - end of year	$ 1,702,744	$ 1,870,443	$ 6,775,125	$ 6,801,176	$8,477,869	$ 8,671,619

Revenues. Property taxes of $220,944, sales tax of $373,302 and other taxes of $207,065 accounted for 66.32% of total governmental revenues.

Operating grants and contributions consisted of the following:

- Public safety received operating grants and contributions from the Governor's Office of Highway Safety in the amount of $13,928. These funds were for the revolving reimbursement grant the Police Department is in charge of for three years.

- Public safety received operating grants and contributions from the Greene County Board of Commissioners totaling $24,617 for the purpose of providing fire protection to a designated service area in Greene County.

- Public works received funds in the amount of $26,561 from the Georgia Department of Transportation's Local Maintenance and Improvement Grant program.

- Housing and development received operating grants and contributions totaling $38,660. Under an intergovernmental agreement with the City of Greensboro and Greene County, the City receives one third of the City of Greensboro's property taxes and Greene County's property taxes for the property in the Greene County Industrial Park. Greene County, the City of Greensboro, and the City of Union Point own the Greene County Industrial Park in equal shares and have an intergovernmental agreement to share equally in the tax proceeds from the Industrial Park.

- The Mainstreet/DDA was inactivated and the funds were transferred to the City of Union Point to continue their operations. Funds received were for a total of $9,283.

Expenses. The total expense for the governmental activities is $1,375,908. The largest single expenditure activity is public safety. Public safety includes the police department, the fire department, prisoner expenses, and animal control. The total public safety expense is $508,885 or 36.99% of total governmental activity expense.

Total expenses exceeded program revenues and general revenues by $167,699.

Business-type Activities. Business-type activities decreased the City's net position by $26,051.

Revenues. Water and sewer revenue was $821,333. Water and sewer revenue is derived from the sale of water and sewer services to the citizens of the City.

The Water and Sewer System received $171,915 in grant funds from the USDA Rural Development Water and Wastewater Program for the upgraded to the wastewater treatment plant. This project was completed in fiscal year 2017.

Natural gas revenue was $264,686. Natural gas revenue is derived from the sale of natural gas to the citizens of the City.

The natural gas system received $104,201 in funds from Tri-County Natural Gas. These funds were reimbursed to the City for a bond issue principal and interest payment. The bonds were used to extend the Tri-County Natural Gas line along Highway 44 to Lake Oconee and to complete a bypass through the City of Greensboro.

During the prior fiscal year, the Natural Gas System did not receive a distribution from the Tri-County Natural Gas System. During the current fiscal year, the Natural Gas System did not receive a distribution from Tri-County.

Expenses. Water and sewer expense was $1,047,430. Natural gas expense was $340,756.

Financial Analysis of the Government's Funds

The City of Union Point uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $399,382. Exactly 48.28% of this amount or $192,808 constitutes unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the City. At September 30, 2017, unassigned fund balance of the General Fund was $192,808. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balances to total fund expenditures.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at September 30, 2017 amounted to a deficit of $26,514; those of the Natural Gas Fund amounted to $991,868. The total change in Water and Sewer net position was a decrease of $54,182; the change in Natural Gas net position was an increase of $28,131.

General Fund Budgetary Highlights

Differences between the original budgeted expenditures and the final amended budgeted expenditures are an increase of approximately 199,513 or 18.90% of the original budget. The increase in the budgeted expenditures is attributable to an overall increase in expenses as well as legal services for the current lawsuit against Greene County. Budgeted revenue increased from the original budget in the amount of $108,460. The increase in budgeted revenue was due an increase in overall estimated actual revenues.

- The City received the third installment of funds from the Georgia Department of Transportation LMIG Grant for resurfacing in the amount of $26,561. These funds were escrowed for a period of three years, in order to have enough funds available for a resurfacing project. The total LMIG Grant funds available from prior years were $38,414. The selected streets were resurfaced in fiscal year 2017 for the total balance of funds totaling $64,975. The City's match was thirty percent of the funds received during the three year period.

City of Union Point Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Land	$ 21,040	$ 17,665	$ 22,044	$ 22,044	$ 43,084	$ 39,709
Site improvements	115,391	123,408	4,425	4,425	119,816	127,833
Construction in progres:	-	54,860	48,343	3,206,595	48,343	3,261,455
Infrastructure	374,952	413,944	6,862,958	3,793,601	7,237,910	4,207,545
Buildings	713,968	532,824	49,335	52,801	763,303	585,625
Equipment	124,987	64,030	72,063	98,774	197,050	162,804
Vehicles	14,681	56,628	41,267	19,980	55,948	76,608
Total	$1,365,019	$ 1,263,359	$7,100,435	$ 7,198,220	$ 8,465,454	$ 8,461,579

Proprietary Funds.

In FY 2017, the City expended $27,301 in engineering fees for the proposed new water treatment plant. USDA Rural Development issued a Letter of Conditions for the bond issue to upgrade the Water Plant and the City executed the Request for Obligation of Funds to be held for the project in FY 2016 and the project will begin construction in FY 2018. The estimated cost of the project is $3,620,000. $2,173,000 will be a loan and $1,447,000 will be a grant.

Long-term Debt. At the end of the current fiscal year, the City had total outstanding revenue bond and loan indebtedness in the amount of $3,756,255. USDA Farmers Home Administration (Rural Development) Water and Sewerage Revenue Bonds account for $1,776,677, Georgia Environmental Facilities water and sewer loan accounts for $274,578, and $1,705,000 accounts for Greene County Development Authority Series 2013 issued by the City of Union Point for the payment of one half of the expenses on the extension of Tri-County Natural Gas high pressure line to the Lake Oconee Parkway Area. The water and sewerage revenue bonds represent bonds secured solely by a specified revenue source (water and sewer revenue).

City of Union Point Outstanding Debt
Revenue Bonds and GEFA Loan

	Governmental Activites		Business-Type Activities		Totals	
	2017	2016	2017	2016	2017	2016
Revenue Bonds	$ -	$ -	$ 3,481,677	$ 3,576,019	$ 3,481,677	$ 3,576,019
GEFA Loan	-	-	274,578	289,906	274,578	289,906
Total	$ -	$ -	$ 3,756,255	$ 3,865,925	$ 3,756,255	$ 3,865,925

Readers should refer to the notes to the financial statements for more detail on capital assets and long-term debt activity.

Capital Leases

During the fiscal year 2017 the City of Union Point did not have any capital leases.

Economic Factors

USDA Rural Development issued a Letter of Conditions for the bond issue to upgrade the Water Plant and the City executed the Request for Obligation of Funds to be held for the project in FY 2016 and the project will begin construction in FY 2018. The water rates will increase to help with the expenses of this project.

City's tax millage rate is 9.799 mills for the current fiscal year.

Water and sewer revenue decreased by $1,829,167 or 64.8086%. This amount is mainly due to FY 2016 including USDA Rural Development funds in the amount of $2,002,034. Operating revenue increased by $1,058 or 0.13%. The water and sewer expense increased by $117,026 or 11.17%. The increase in expense was due to an increase in overall expenses and largely due to depreciation.

Natural gas revenue increased by $3,753 or 1.03%. Natural gas expense decreased by $33,552 or 9.84%.

With the economic slowdown that has occurred in prior fiscal years, the City will need to monitor its revenue collections. The revenue sources that the City should be most concerned with will be the property tax collections, the Local Option Sales Tax collections, and natural gas sales and revenue. Lack of industry and commercial businesses has placed a burden on all of the City's funding.

During the current fiscal year Local Option Sales Tax collections increased by $30,302 or 8.12% over the collections for the previous fiscal year. During fiscal year 2014 and until fiscal year 2023, Local Option Sales Tax collections may decrease by approximately $96,560 per year based on fiscal year 2013 collections. The reason for the reduction is due to the decennial renegotiation of the Local Option Sales Tax as required by Georgia law. The population in unincorporated Greene County increased and the population in the City of Union Point decreased according the 2010 Census. The City of Union Point's share of the LOST distribution decreased from 11.6% to 8.83% effective in November 2012.

The tax mill rate has decreased from 9.810 mills in fiscal year 2016 to 9.799 mills or .011 mills (.11%) less during the current year. Property tax revenue decreased from $231,051 in 2016 to $220,944 in 2017 for a decrease of $10,107 or 4.57%. Other taxes increased by $10,582 or 5.11%.

During this fiscal year, the Natural Gas System has experienced increased revenue and decreased expenses. Several factors have contributed to the overall increase in net position.

The City is still working toward is the consolidation of operations of the Tri-County Natural Gas System, the City of Greensboro Natural Gas System and the City of Union Point Natural Gas System. We have already identified at least $45,000 in savings for all three systems.

The management of the City of Union Point is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the financial position (net assets) of the City or results of operations (revenues, expenses, and other changes in net assets) of the City.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Clerk and Treasurer, City of Union Point, P. O. Box 233, Union Point, Georgia, 30669.

FINANCIAL STATEMENTS

CITY OF UNION POINT, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2017

	Primary Government			Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	$ 235,641	$ 536,997	$ 772,638	$ -
Restricted cash	-	760,590	760,590	-
Accounts receivables, net				
Taxes	9,768	-	9,768	-
Accounts	14,614	118,342	132,956	-
Due from other governments	181,113	-	181,113	-
Internal balances	21,266	(21,266)	-	
Prepaid Items	19,345	18,089	37,434	-
Investment-joint venture	-	2,197,409	2,197,409	-
Capital assets:				
Nondepreciable assets	21,040	74,812	95,852	-
Depreciable assets, net	1,343,979	7,025,623	8,369,602	-
Total assets	1,846,766	10,710,596	12,557,362	-
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pensions	36,333	35,324	71,657	-
Total deferred outflows of resources	36,333	35,324	71,657	-

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2017
(CONTINUED)

	Primary Government			Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
LIABILITIES				
Accounts payable	69,711	4,679	74,390	-
Due to other governments	-	4,402	4,402	-
Accrued expenses	5,704	4,838	10,542	-
Accrued interest	-	15,783	15,783	-
Customer deposits	-	88,135	88,135	-
Noncurrent liabilities:				
Due within one year				
Bonds payable	-	95,144	95,144	-
Notes payable	-	15,794	15,794	-
Compensated absences	4,261	10,456	14,717	-
Due in more than one year				
Bonds payable	-	3,367,232	3,367,232	-
Notes payable	-	258,784	258,784	-
Net pension liability	82,308	80,022	162,330	-
Compensated absences	685	8,331	9,016	-
Total liabilities	162,669	3,953,600	4,116,269	-
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pensions	17,686	17,195	34,881	-
Total deferred inflows of resources	17,686	17,195	34,881	-
NET POSITION:				
Net investment in capital assets	1,365,019	5,049,181	6,414,200	-
Restricted for:				
Capital outlay	85	567,014	567,099	-
Debt service	-	193,576	193,576	-
Unrestricted	337,640	965,354	1,302,994	-
Total net position	$ 1,702,744	$ 6,775,125	$ 8,477,869	$ -

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government				
Governmental activities				
General government	$ 450,827	$ 36,880	$ 9,284	$ -
Judicial	22,884	-	-	-
Public safety	508,885	-	38,544	-
Public works	280,905	-	26,561	11,055
Culture and recreation	60,636	-	-	-
Housing and development	51,771	-	38,660	214,679
Total governmental activities	1,375,908	36,880	113,049	225,734
Business-type activities				
Water & Sewer	1,047,430	788,715	-	171,915
Natural Gas	340,756	259,893	-	104,201
Total business-type activities	1,388,186	1,048,608	-	276,116
Total primary government	$ 2,764,094	$1,085,488	$ 113,049	$ 501,850
Component Unit:				
Downtown Development Authority	$ 238,429	$ -	$ 13,185	$ -
General Revenues:				
Property taxes				
Sales taxes				
Other taxes				
Interest earnings				
Miscellaneous				
Total general revenues				
Change in net position				
Net position - beginning of year, restated				
Net position - end of year				

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

	Net (Expense) Revenue and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
	$ (404,663)	$ -	$ (404,663)	
	(22,884)	-	(22,884)	
	(470,341)	-	(470,341)	
	(243,289)	-	(243,289)	
	(60,636)	-	(60,636)	
	201,568	-	201,568	
	(1,000,245)	-	(1,000,245)	
	-	(86,800)	(86,800)	
	-	23,338	23,338	
	-	(63,462)	(63,462)	
	(1,000,245)	(63,462)	(1,063,707)	
				$ (225,244)
	220,944	-	220,944	-
	373,302	-	373,302	-
	207,065	-	207,065	-
	1,291	1,447	2,738	-
	29,944	35,964	65,908	2,185
	832,546	37,411	869,957	2,185
	(167,699)	(26,051)	(193,750)	(223,059)
	1,870,443	6,801,176	8,671,619	223,059
	$ 1,702,744	$ 6,775,125	$ 8,477,869	$ -

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2017

	General Fund	Non-Major SPLOST 2009 Fund	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 235,556	$ 85	$ 235,641
Accounts receivables (Net of allowances for uncollectibles):			
Taxes	9,768	-	9,768
Accounts	14,614	-	14,614
Due from other funds	41,266	-	41,266
Due from other governments	181,113	-	181,113
Prepaid items	19,345	-	19,345
Total Assets	$ 501,662	$ 85	$ 501,747
LIABILITIES			
Accounts payable	$ 69,711	$ -	$ 69,711
Accrued expenses	5,704	-	5,704
Due to other funds	20,000	-	20,000
Total Liabilities	95,415	-	95,415
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	6,950	-	6,950
Total Deferred Inflows of Resources	6,950	-	6,950
FUND BALANCES			
Nonspendable	19,345	-	19,345
Restricted	-	85	85
Assigned	187,144	-	187,144
Unassigned	192,808	-	192,808
Total fund balances	399,297	85	399,382
Total liabilities, deferred inflows of resources and fund balances	$ 501,662	$ 85	$ 501,747

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Amounts reported for governmental activities in the statement of net position are different because:		
Total Fund Balances - Governmental Funds	$	399,382
Capital Assets		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		1,365,019
Deferred outflows of resources		
Related to pensions		36,333
Long-term Liabilities		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:		
Compensated absences		(4,946)
Net pension liability		(82,308)
Deferred inflows of resources		
Related to pensions		(17,686)
Revenues		
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		6,950
Net position of governmental activities	$	1,702,744

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

	General Fund	Non-Major SPLOST 2009 Fund	Total Governmental Funds
REVENUES:			
Taxes	$ 802,179	$ -	$ 802,179
Licenses and permits	5,665	-	5,665
Intergovernmental	113,048	-	113,048
Charges for services	10,067	-	10,067
Fines and forfeitures	21,148	-	21,148
Interest income	1,291	-	1,291
Miscellaneous	40,999	-	40,999
Total revenues	994,397	-	994,397
EXPENDITURES:			
Current:			
General government	420,246	-	420,246
Judicial	22,884	-	22,884
Public safety	483,732	-	483,732
Public works	225,707	-	225,707
Culture and recreation	60,636	-	60,636
Housing and development	47,546	-	47,546
Total Expenditures	1,260,751	-	1,260,751
Net change in fund balances	(266,354)	-	(266,354)
Fund balances - beginning of year	665,651	85	665,736
Fund balances - end of year	$ 399,297	$ 85	$ 399,382

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	$ (266,354)
Capital Assets	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.	
Total depreciation	(113,019)
The net effect of various miscellanous transactions involving capital assets (i.e., sales and donations) is to increase net position.	214,679
Deferred outflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.	
Change in deferred outflows of resources related to pensions	(5,445)
Long-term Debt	
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:	
Compensated absences	(3,042)
Net pension liability	14,934
Deferred inflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.	
Change in deferred inflows of resources related to pensions	(8,585)
Revenues	
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(867)
Change in net position of governmental activities	$ (167,699)

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Taxes	$ 775,123	$ 804,335	$ 802,179	$ (2,156)
Licenses and Permits	8,063	5,665	5,665	-
Intergovernmental Revenues	77,881	114,123	113,048	(1,075)
Charges for Services	6,086	9,927	10,067	140
Fines and Forfeitures	12,219	22,479	21,148	(1,331)
Interest income	2,163	1,292	1,291	(1)
Contributions and Donations	-	11,056	11,055	(1)
Miscellaneous	9,304	30,422	29,944	(478)
Total Revenues	890,839	999,299	994,397	(4,902)
EXPENDITURES:				
Current				
General Government:				
Governing Body	14,698	13,070	13,069	1
Board of elections/registrations	-	13,762	13,760	2
Financial administration	195,039	366,212	366,194	18
City facilities	35,891	27,545	27,223	322
Judicial:				
Municipal court	23,712	22,920	22,884	36
Public safety:				
Police	400,074	434,935	433,578	1,357
Custody of prisoners	2,500	5,000	4,866	134
Fire administration	48,433	45,293	45,288	5
Animal control	300	-	-	-
Public works:				
Highways and streets	128,836	131,254	131,250	4
Solid waste and recycling	47,987	48,806	48,799	7
Cemetery	43,308	45,665	45,658	7
Culture and recreation:				
Parks and recreation	55,443	44,639	44,636	3
Library	17,000	16,000	16,000	-
Housing and development:				
Protective inspection administration	410	-	-	-
Economic development and assistance	41,730	26,262	26,261	1
Main Street	-	13,511	13,444	67
Special Events	-	7,978	7,841	137

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

	Budget			Variance with
	Original	Final	Actual	Final Budget
Total Expenditures	$ 1,055,361	$ 1,262,852	$ 1,260,751	$ 2,101
Net change in fund balance	(164,522)	(263,553)	(266,354)	(2,801)
Fund Balance - Beginning of Year	665,651	665,651	665,651	-
Fund Balance - End of Year	$ 501,129	$ 402,098	$ 399,297	$ (2,801)

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2017

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 325,893	$ 211,104	$ 536,997
Restricted cash	193,576	567,014	760,590
Accounts receivable (net of allowance for uncollectibles)	106,148	12,194	118,342
Due from other funds	-	320,882	320,882
Prepaid items	13,089	5,000	18,089
Total current assets	638,706	1,116,194	1,754,900
Long-term assets:			
Investment-joint venture	-	2,197,409	2,197,409
Capital assets:			
Nondepreciable assets	74,812	-	74,812
Depreciable assets, net	6,934,566	91,057	7,025,623
Total long-term assets	7,009,378	2,288,466	9,297,844
Total assets	7,648,084	3,404,660	11,052,744
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	28,259	7,065	35,324
Total deferred outflows of resources	$ 28,259	$ 7,065	$ 35,324

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
LIABILITIES			
Current liabilities:			
Accounts payable	$ 586	$ 4,093	$ 4,679
Salaries and benefits payable	3,486	1,352	4,838
Accrued interest	3,044	12,739	15,783
Due to other funds	341,111	1,037	342,148
Due to other governments	-	4,402	4,402
Customer deposits	60,454	27,681	88,135
Bonds payable	30,144	65,000	95,144
Notes payable	15,794	-	15,794
Compensated absences	7,686	2,770	10,456
Total current liabilities	462,305	119,074	581,379
Long-term liabilities:			
Bonds payable	1,746,532	1,620,700	3,367,232
Notes payable	258,784	-	258,784
Net pension liability	64,018	16,004	80,022
Compensated absences	5,762	2,569	8,331
Total long-term liabilities	2,075,096	1,639,273	3,714,369
Total liabilities	2,537,401	1,758,347	4,295,748
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	13,756	3,439	17,195
Total deferred inflows of resources related to pensions	13,756	3,439	17,195
NET POSITION			
Net investment in capital assets	4,958,124	91,057	5,049,181
Restricted:			
Debt service	193,576	-	193,576
Capital outlay	-	567,014	567,014
Unrestricted	(26,514)	991,868	965,354
Total net position	$ 5,125,186	$ 1,649,939	$ 6,775,125

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

	Business-type Activities - Enterprise Funds		
Operating Revenues:	Water and Sewer Fund	Natural Gas Fund	Total
Charges for services	$ 788,715	$ 259,893	$ 1,048,608
Miscellaneous	32,618	3,346	35,964
Total operating revenues	821,333	263,239	1,084,572
Operating Expenses:			
Personal services	237,326	89,671	326,997
Purchased/contracted services	209,483	75,224	284,707
Supplies and materials	178,074	91,646	269,720
Depreciation	351,538	19,277	370,815
Other costs	-	13,453	13,453
Total Operating Expenses	976,421	289,271	1,265,692
Operating Income (Loss)	(155,088)	(26,032)	(181,120)
Non-Operating Revenues (Expenses):			
Investment earnings	-	1,682	1,682
Investment income-joint venture	-	(235)	(235)
Intergovernmental revenue	171,915	104,201	276,116
Interest expense	(71,009)	(51,485)	(122,494)
Total Non-Operating Revenues (Expenses)	100,906	54,163	155,069
Change in net position	(54,182)	28,131	(26,051)
Net position - beginning of year	5,179,368	1,621,808	6,801,176
Net position - end of year	$ 5,125,186	$ 1,649,939	$ 6,775,125

The accompanying notes are an integral part of these financial statements.

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CITY OF UNION POINT, GEORGIA

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

	Business-type Activities - Enterprise Funds		
Cash Flows from Operating Activities:	Water and Sewer Fund	Natural Gas Fund	Total
Cash received from customers	$ 1,185,346	$ 253,236	$ 1,438,582
Cash paid to suppliers for good and services	(628,758)	(179,171)	(807,929)
Cash paid to employees	(237,746)	(90,472)	(328,218)
Net Cash Provided by (Used for) Operating Activities	318,842	(16,407)	302,435
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of assets	(267,655)	(5,374)	(273,029)
Principal paid on debt	(44,671)	(65,000)	(109,671)
Intergovernmental revenue	171,915	104,201	276,116
Interest paid on debt	(71,045)	(51,005)	(122,050)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(211,456)	(17,178)	(228,634)
Cash Flows from Investing Activities:			
Interest received	-	1,682	1,682
Net Cash Provided by (Used for) Investing Activities	-	1,682	1,682
Net Increase (Decrease) in Cash and Cash Equivalents	107,386	(31,903)	75,483
Cash and Cash Equivalents - Beginning of Year	412,083	810,021	1,222,104
Cash and Cash Equivalents - End of Year	$ 519,469	$ 778,118	$ 1,297,587

The accompanying notes are an integral part of these financial statements.

CITY OF UNION POINT, GEORGIA

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

	Business-type Activities - Enterprise Funds		
	Water and Sewer Fund	Natural Gas Fund	Total
Reconciliation of Cash Equivalents:			
Cash	$ 325,893	$ 211,104	$ 536,997
Restricted cash	193,576	567,014	760,590
Total Cash and Cash Equivalents	$ 519,469	$ 778,118	$ 1,297,587
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Operating Income (Loss)	$ (155,088)	$ (26,032)	$ (181,120)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation	351,538	19,277	370,815
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivables	(8,712)	(4,188)	(12,900)
(Increase) decrease in due from other funds	-	(7,578)	(7,578)
(Increase) decrease in due from other governments	338,962	-	338,962
(Increase) decrease in prepaids	(1,821)	(301)	(2,122)
(Increase) decrease in deferred outflows of resources	2,228	839	3,067
Increase (decrease) in accounts payable	(239,380)	416	(238,964)
Increase (decrease) in due to other funds	27,807	1,037	28,844
Increase (decrease) in customer deposits	5,956	1,763	7,719
Increase (decrease) in accrued expenses	(2,821)	(964)	(3,785)
Increase (decrease) in net pension liability	(6,942)	(2,393)	(9,335)
Increase (decrease) in deferred inflows of resources	7,115	1,717	8,832
Total adjustments	473,930	9,625	483,555
Net Cash Provided by (Used for) Operating Activities	$ 318,842	$ (16,407)	$ 302,435

The accompanying notes are an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Union Point, Georgia was incorporated under the laws of the State of Georgia in 1904 and operates under a mayor-council form of government. The Mayor and a six-member council govern the City and are elected for four-year terms. The Mayor and the Council all serve on a part-time basis. The Mayor and Council appoint a City Clerk who is responsible for the daily operations of the City.

The financial statements of the City of Union Point, Georgia (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The component unit discussed below is included in the City's reporting entity because of the significance of their operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the City's relationships with other governments and agencies have been examined.

Discretely Presented Component Units – The component units' columns in the government-wide Statement of Net Position and Statement of Activities include the financial data of the City's component unit. This unit is reported in a separate column to emphasize that it is legally separate from the City.

Downtown Development Authority of the City of Union Point, Georgia – The Downtown Development Authority's governing board is appointed by the Mayor and Council. In addition, the City funds a significant portion of the Downtown Development Authority's budget. The Downtown Development Authority of the City of Union Point, Georgia does not issue separate financial statements. The Downtown Development Authority has a September 30 fiscal year end. The Downtown Development Authority was dissolved during fiscal year 2017.

B. Basis of Presentation, Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities report information on all the non-fiduciary activities of the primary government (the City). These statements include the financial activities of the overall government. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include (a) fees, fines and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. The City first uses restricted assets for expenses incurred for which both restricted and unrestricted assets are available. The City may defer the use of restricted assets based on a review of the specific transaction.

Fund Financial Statements: The fund financial statements provide information about the City's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The City reports the following major governmental fund:

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.

The City reports the following major enterprise funds:

Water and Sewer Fund – This enterprise fund accounts for the operation, maintenance and development of the City's water and sewer system.

Natural Gas Fund – This enterprise fund accounts for the operation, maintenance and development of the City's natural gas system.

Measurement Focus, Basis of Accounting

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions are transactions in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange. Non-exchange transactions include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements – Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes, sales taxes, insurance premium tax, franchise taxes, licenses and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

C. Budgets and Budgetary Accounting

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

1. Prior to October 1, the Treasurer and the Council Budget Committee prepare a proposed budget for the fiscal year commencing October 1.

2. The Treasurer and Council Budget Committee submit the proposed budget to the Mayor and Council.

3. Public hearings are held to obtain taxpayer's comments.
4. The budget is legally enacted through the passage of a resolution.

5. All revisions to the budget must be submitted to the City Council for approval.

6. The budget is prepared and adopted on a basis consistent with generally accepted accounting principles. An annual budget is adopted for the General Fund and Special Revenue Funds. The legal level of control for these budgets is the

department level. A project length budget is adopted for all Capital Projects Funds. An operating budget is prepared for each Enterprise Fund for planning, control, cost allocation, and evaluation purposes. Budgetary amounts are not formally integrated into the Enterprise Fund general ledgers.

7. Budgetary appropriations lapse at the end of the fiscal year.

D. Deposits and Investments

Cash consists of demand and interest-bearing deposits held in banks. All deposits with financial institutions must be collateralized in an amount equal to 110% of uninsured deposits. In lieu of a surety bond, a depository of public funds may pledge as collateral any one or more of the following securities as enumerated in OCGA 50-17-59: bonds, bills certificates of indebtedness, notes, or other direct obligations of the United States, the State of Georgia, or counties or municipalities of the State of Georgia; bonds of any public authority created by Georgia law; industrial revenue bonds or bonds of development authorities; Home Loan Mortgage Corporation and Federal National Mortgage Association.

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

Investments consist of certificates of deposit and are recorded at cost, which approximates market value.

E. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectibles, when material.

F. Property Tax Calendar

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Greene County Board of Tax Assessors.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is compiled to form the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of

fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The Greene County Tax Commissioner distributes motor vehicle tax notices and collects those tax payments. Motor vehicle taxes are due based on the birthday of the owner. Property taxes are sent out and collected by the City and are usually billed in October of each year.

The property tax calendar is as follows:

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

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period. The 2016 tax digest receivable and amounts collected at year-end are reported as deferred inflows of resources – unavailable revenues on the Governmental Fund statements.

Taxes receivable at September 30, 2017 amounted to $17,262, the estimate of uncollectible taxes was $7,494 and unavailable property tax revenue totaled $6,950.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

H. Inventories

Inventories are not maintained on the books because of the immateriality of the amounts involved; therefore, disbursements for inventory are considered expenditures at the time of purchase rather than time of use.

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (roads, bridges, sidewalks and similar items acquired subsequent to January 1, 2004), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Property, plant and equipment with individual costs that equal to or exceed $5,000 are recorded as capital assets. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their acquisition value at the time of donation. The cost of normal

maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.
Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, net of related interest earned, is included as part of the capitalized value of the assets constructed.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives
Infrastructure	15-99
Buildings and improvements	20-50
Water and sewer distribution system	20-50
Vehicles	4
Furniture and fixtures	10
Equipment	10
Computer Equipment	5
Heavy Machinery	5

J. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund financial statements consists of unpaid, accumulated annual vacation. No liability is recorded for nonvesting accumulating rights to receive sick pay benefits. Governmental activities compensated absences balances are liquidated through the General Fund.

K. Deferred Inflows / Outflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. This first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are

deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred inflow of resources relative to the differences between expected and actual experience and the net difference between projected and actual earnings on the pension plan investments. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

L. Restricted Assets

Certain proceeds of Enterprise Fund revenue bonds, as well as certain resources set aside for the repayment of the current portion of certain long-term obligations, are classified as restricted assets. At September 30, 2017, restricted assets in the Enterprise Funds consisted of $193,576 in bond sinking funds, and $567,014 in bond funds for capital outlay.

M. Net Position Flow Assumption

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

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

N. Fund Balance

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City Council. The City Council approves committed resources through a motion and vote during the voting session of City Council meetings.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The intent is expressed by the City Council. By motion, the Council has authorized the City Clerk or designee to assign fund balances.

- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes within the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of September 30, 2017:

	General Fund	Nonmajor Governmental	Total
Fund Balances			
Nonspendable:			
Prepaids	$ 19,345	$ -	$ 19,345
Restricted:			
Capital outlay	-	85	85
Assigned for:			
Equipment	1,144	-	1,144
Working capital	186,000	-	186,000
Unassigned	192,808	-	192,808
Total fund balances	$ 399,297	$ 85	$ 399,382

NOTE 2 – DEPOSITS AND INVESTMENTS

Custodial Credit Risk

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the government will not be able to recover deposits. The City's bank balances of deposits as of September 30, 2017 are entirely insured or collateralized with securities held by the City's agent in the City's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City does not have a formal policy for managing interest rate risk.

Credit Quality Risk

Georgia law authorizes local governments to invest in the following types of obligations: obligations of the State of Georgia or any other states; obligations issues by the United States; obligations fully insured or guaranteed by the United States government or governmental agency; prime banker's acceptances; State of Georgia Local Government Investment Pool; repurchase agreements; and obligations of other political subdivisions of the State of Georgia.

NOTE 3 – RECEIVABLES

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

Receivables:	General Fund	Water & Sewer Fund	Natural Gas Fund	Total
Accounts	$ 14,614	$ 153,656	$ 23,369	$ 191,639
Taxes	17,262	-	-	17,262
Intergovernmenal	181,113	-	-	181,113
Gross receivables	212,989	153,656	23,369	390,014
Less: allowance for uncollectibles	(7,493)	(47,508)	(11,175)	(66,176)
Net total receivables	$ 205,496	$ 106,148	$ 12,194	$ 323,838

NOTE 4 – INTERFUND RECEIVAVLES, AND PAYABLES

The composition of interfund balances as of September 30, 2017, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Water and Sewer	$ 40,229
	Natural Gas	1,037
Natural Gas	General Fund	20,000
	Water and Sewer	300,882
Total		$ 362,148

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Governmental activities:					
Capital assets not being depreciated:					
Land	$ 17,665	$ 3,375	$ -	$ -	$ 21,040
Construction in progress	54,860	-	-	(54,860)	-
Total capital assets not being depreciated	72,525	3,375	-	(54,860)	21,040
Capital assets being depreciated:					
Infrastructure	744,530	-	-	-	744,530
Site improvements	242,418	-	-	-	242,418
Buildings	1,157,694	211,304	-	-	1,368,998
Equipment	441,862	-	-	54,860	496,722
Vehicles	795,709	-	-	-	795,709
Total capital assets being depreciated	3,382,213	211,304	-	54,860	3,648,377
Less Accumulated Depreciation for:					
Infrastructure	330,586	38,992	-	-	369,578
Site improvements	119,010	8,017	-	-	127,027
Buildings	624,870	30,160	-	-	655,030
Equipment	377,832	29,683	-	(35,780)	371,735
Vehicles	739,081	6,167	-	35,780	781,028
Total accumulated depreciation	2,191,379	113,019	-	-	2,304,398
Total capital assets being depreciated, net	1,190,834	98,285	-	54,860	1,343,979
Governmental activities capital assets, net	$ 1,263,359	$ 101,660	$ -	$ -	$ 1,365,019

Business-type Activities:	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	$ 22,044	$ -	$ -	$ -	$ 22,044
Site improvements	4,425	-	-	-	4,425
Construction in progress	3,206,595	236,609	-	(3,394,861)	48,343
Total capital assets not being depreciated	3,233,064	236,609	-	(3,394,861)	74,812
Capital assets being depreciated:					
Infrastructure	7,454,172	-	-	3,394,861	10,849,033
Buildings	94,183	-	-	-	94,183
Equipment	822,117	5,374	-	-	827,491
Vehicles	204,587	31,045	-	-	235,632
Total capital assets being depreciated	8,575,059	36,419	-	3,394,861	12,006,339
Less Accumulated Depreciation for:					
Infrastructure	3,660,571	325,504	-	-	3,986,075
Buildings	41,382	3,466	-	-	44,848
Equipment	723,343	32,085	-	-	755,428
Vehicles	184,607	9,758	-	-	194,365
Total accumulated depreciation	4,609,903	370,813	-	-	4,980,716
Total capital assets being depreciated, net	3,965,156	(334,394)	-	3,394,861	7,025,623
Business-type activities capital assets, net	$ 7,198,220	$ (97,785)	$ -	$ -	7,100,435
				Less related long-term debt oustanding *	(2,051,254)
				Net investment in capital assets	$ 5,049,181

* - The capital assets associated with the Series 2013 Bonds in the Natural Gas Fund are reported as a part of Tri-County Natural Gas System, a joint venture of the City and, therefore, the Series 2013 bonds payable amount of $1,705,000 is not included in the related long-term debt outstanding for the calculation of the net investment in capital assets.

Depreciation expense for governmental activities was charged to functions as follows:

General government	$ 28,443
Public safety	25,153
Public works	55,198
Housing and development	4,225
Total governmental activities depreciation expense	$ 113,019

Depreciation expense for business-type activities was charged to functions as follows:

Water and sewer	$ 351,537
Natural gas	19,276
Total business-type activities depreciation expense	$ 370,813

NOTE 6 – INVESTMENTS – JOINT VENTURE

The City is a member of a joint venture, Tri-County Natural Gas System, with the City of Greensboro, Georgia. The purpose of Tri-County Natural Gas is to acquire, construct, and operate a gas transmission line that passes through the City of Crawford, the City of Lexington and the City of Arnoldsville, all located in Oglethorpe County, the City of Crawfordville, located in Taliaferro County, and the City of Woodville located in Greene County. These cities are referred to as "Franchise Cities". The "Franchise Cities" obtain natural gas for their residents from the Tri-County Natural Gas System.

The City of Union Point, Georgia's investment in Tri-County Natural Gas System is as follows:

Investment, October 1	$ 2,197,644
Union Point's share of net income	(235)
Investment, September 30	$ 2,197,409

NOTE 7 – LONG-TERM DEBT

Categories of debt

Revenue bonds

The City of Union Point, Georgia has three series of bonds outstanding at September 30, 2017. The purpose of the bonds was to finance construction projects to expand existing wastewater treatment facilities and to expand existing natural gas pipelines.

2008 Series

Under the terms of the Bond Ordinance, the Series 2008 Bonds are secured by a pledge of and lien on the revenues of the water and sewer system. This lien is ranked in pari passu with the lien of the Series 1974 and 1985 Bonds.

The Series 2008 Bonds are limited obligations of the City and are payable, together with any additional bonds, solely from the revenues of the water and sewer system. The Series 2008 Bonds do not constitute a debt or a general obligation or a pledge of the faith and credit of the State of Georgia or any political subdivision thereof, including the City, and do not obligate such State or City to levy or to pledge any form of taxation for the payment of amounts due thereon; nor shall the Series 2008 Bonds constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City, except for the funds pledged to the payment thereof. The Series 2008 Bonds are not secured by a lien on the real or personal property constituting the System.

The Series 2008 Bonds were issued in the original amount of $694,000 bearing interest at 4.5%. Principal and interest are payable monthly installments of $3,151. Total interest paid for fiscal year 2017 was $28,691. Annual debt service requirements to maturity for this bond issue are as follows:

	Business-type Activities	
Year Ending	2008 Revenue Bonds	
September 30,	Principal	Interest
2018	$ 9,541	$ 28,271
2019	9,980	27,832
2020	10,439	27,373
2021	10,919	26,893
2022	11,421	26,391
2023-2027	65,485	123,575
2028-2032	81,995	107,065
2033-2037	102,667	86,393
2038-2042	128,551	60,509
2043-2047	160,961	28,099
2048-2049	39,908	1,057
Total	$ 631,867	$ 543,458

2013 Series

Under the terms of the Bond Ordinance, the Series 2013 Bonds are secured by a pledge of and lien on the revenues of the natural gas system. This lien is ranked in pari passu with the lien of the Series 2008 Bonds.

The Series 2013 Bonds are limited obligations of the City and are payable, together with any additional bonds, solely from the revenues of the natural gas system. The Series 2013 Bonds do not constitute a debt or a general obligation or a pledge of the faith and credit of the State of Georgia or any political subdivision thereof, including the City, and do not obligate such State or City to levy or to pledge any form of taxation for the payment of amounts due thereon; nor shall the Series 2013 Bonds constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City, except for the funds pledged to the payment thereof. The Series 2013 Bonds are not secured by a lien on the real or personal property constituting the System.

The Series 2013 Bonds were issued in the original amount of $1,985,000 bearing interest at 2%. Principal and interest are payable in annual installments ranging from $45,000 to $90,000. During FY 2017, the City received $104,201 from Tri-County Natural Gas as reimbursement for principal and interest paid by the City on these bonds. This revenue is reflected as intergovernmental revenue on the Statement of Revenues, Expenses, and Changes in Net Position. Total interest paid for fiscal year 2017 was $63,819. Annual debt service requirements to maturity for this bond issue are as follows:

Year Ending September 30,	Business-type Activities 2013 Revenue Bonds Principal	Interest
2018	$ 65,000	$ 52,519
2019	65,000	61,178
2020	75,000	59,316
2021	75,000	56,972
2022	75,000	54,628
2023-2027	295,000	239,234
2028-2032	255,000	193,575
2033-2037	320,000	135,556
2038-2042	390,000	62,006
2043-2047	90,000	1,913
Total	$ 1,705,000	$ 916,897

2015A Series and 2015B Series

Under the terms of the Bond Ordinance, the Series 2015 Bonds are secured by a first lien on the net revenues of the System which lien shall rank on a parity with the liens of the outstanding City of Union Point, Georgia Water System Revenue Bond, Series 2008, issued pursuant to an ordinance adopted by the City of Union Point.

The Series 2015 Bonds are limited obligations of the City and are payable, together with any additional bonds, solely from the revenues of the water and sewer system. The Series 2015 Bonds do not constitute a debt or a general obligation or a pledge of the faith and credit of the State of Georgia or any political subdivision thereof, including the City, and do not obligate such State or City to levy or to pledge any form of taxation for the payment of amounts due thereon; nor shall the Series 2015 Bonds constitute a charge, lien, or encumbrance, legal or equitable, upon any property of the City, except for the funds pledged to the payment thereof. The Series 2015 Bonds are not secured by a lien on the real or personal property constituting the System.

The Series 2015A Bonds were issued in the original amount of $976,000 bearing interest at 1.875%. Principal and interest are payable monthly installments of $2,899. The Series 2015B Bonds were issued in the original amount of $199,000 bearing interest at 1.875%. Principal and interest are payable monthly installments of $592. Total interest paid for fiscal year 2017 for the Series 2015A Bonds was $18,001 and for the Series 2015B Bonds was $3,670. Annual debt service requirements to maturity for this bond issue are as follows:

Year Ending September 30,	Business-type Activities			
	2015A Revenue Bonds		2015B Revenue Bonds	
	Principal	Interest	Principal	Interest
2018	$ 17,104	$ 17,684	$ 3,499	$ 3,605
2019	17,428	17,360	3,565	3,539
2020	17,758	17,030	3,632	3,472
2021	18,093	16,695	3,701	3,403
2022	18,436	16,397	3,771	3,343
2023-2027	97,541	76,399	19,953	15,620
2028-2032	107,120	77,820	21,912	13,608
2033-2037	117,640	56,390	24,064	11,455
2038-2042	129,193	44,711	26,427	8,281
2043-2047	141,880	32,060	29,023	6,401
2048-2052	155,813	18,118	31,873	3,649
2053-2056	112,931	3,674	22,453	711
Total	$ 950,937	$ 394,338	$ 193,873	$ 77,087

Notes Payable

The Water and Sewer Fund is obligated to the Georgia Environmental Facilities Authority under a note in the original amount of $378,825. The original note bore interest at 4.8% and was payable in installments of $8,893. On February 1, 2005, the note was revised to monthly payments of $2,954 and a final payment of $2,932. The note was used to finance certain water and sewer improvements. Total interest paid for fiscal year 2017 for the GEFA loan was $8,488. Annual debt service requirements to maturity for this bond issue are as follows:

Year Ending September 30,	Business-type Activities	
	GEFA Note	
	Principal	Interest
2018	$ 15,794	$ 8,021
2019	16,274	7,541
2020	16,769	7,046
2021	17,279	6,536
2022	17,805	6,010
2023-2027	97,485	21,591
2028-2032	93,172	6,061
Total	$ 274,578	$ 62,806

Long-term Obligation Activity

Changes in long-term obligations for the year ended September 30, 2017 are as follows:

	Restated Beginning Balance	Increases	Decrease	Ending Balance	Due within One Year
Governmental activities:					
Net pension liability	$ 97,242	$ -	$ 14,934	$ 82,308	$ -
Compensated absences	1,904	6,376	3,334	4,946	4,261
Total governmental activities	$ 99,146	$ 6,376	$ 18,268	$ 87,254	$ 4,261
Business-type activities:					
Revenue bonds					
2008 Bonds	$ 640,988	$ -	$ 9,121	$ 631,867	$ 9,541
2013 Bonds	1,770,000	-	65,000	1,705,000	65,000
2013 Bond Discount	(20,043)	-	(743)	(19,300)	-
2015A Bonds	967,724	-	16,787	950,937	17,104
2015B Bonds	197,307	-	3,434	193,873	3,499
Notes payable	289,906	-	15,328	274,578	15,794
Net pension liability	89,357	-	9,335	80,022	-
Compensated absences	18,694	9,604	9,512	18,786	10,456
Total business-type activities	$ 3,953,933	$ 9,604	$ 127,774	$ 3,835,763	$ 121,394

For the governmental activities, compensated absences are generally liquidated by the General Fund. For the business-type activities, long-term liabilities are liquidated by the Water and Sewer Fund and Natural Gas Fund.

Capitalization of Interest

Interest costs incurred in the Water & Sewer Proprietary Fund during construction are capitalized, net of interest income from proceeds of related tax-exempt debt, as part of the cost of the related assets of the Water and Sewer Proprietary Fund. The amount capitalized for the fiscal year ended September 30, 2017 was $0.

NOTE 8 – RETIREMENT BENEFITS

Plan Description

The City's defined benefit pension plan, City of Union Point Retirement Plan, (the Plan) was established by an adoption agreement executed by City Council. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

Plan Membership

As of September 30, 2016, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retires and beneficiaries currently receiving benefits	11
Terminated vested participants not yet receiving benefits	13
Active vested employees	10
Active noninvested employees	10
	44

Benefits Provided

The GMEBS Plan provides retirement, disability and death benefits to plan members and beneficiaries. Effective January 1, 2017, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 5.53% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

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

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

For the year ended September 30, 2017, the City recognized pension expense relative to GMEBS in the amount of $30,158. At September 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 18,825	$ 7,048
Changes of assumptions	-	4,004
Net difference between projected and actual earnings on pension plan investments	22,674	23,829
Employer contributions subsequent to the measurement date	30,158	-
	$ 71,657	$ 34,881

City contributions subsequent to the measurement date of September 30, 2016 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Year ended September 30:	
2018	$ 2,171
2019	2,171
2020	6,213
2021	(3,937)

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

Inflation	3.25%
Salary increase	3.25%, plus service based merit increases
Investment rate of return	7.75%, On-going basis, based on long-term expected rate of return of pension plan investments

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

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

Net Pension Liability:

Changes in the Net Pension Liability:	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
Balances at September 30, 2016	$ 766,935	$ 580,336	$ 186,599
Changes for the year:			
Service cost	13,317	-	13,317
Interest	57,885	-	57,885
Difference between expected and actual experience	(9,398)	-	(9,398)
Contributions - employer	-	24,837	(24,837)
Net investment income	-	63,962	(63,962)
Benefit payments	(40,063)	(40,063)	-
Administrative expense	-	(2,726)	2,726
Net changes	21,741	46,010	(24,269)
Balance at September 30, 2017	$ 788,676	$ 626,346	$ 162,330

The City's net pension liability is recorded in the government-wide statement of net position in the amounts of $82,308 and $80,022 respectively. The beginning net position balances for the Natural Gas Fund have been restated to remove the Tri-County Natural Gas's portion of the net pension liability, deferred outflow or resources related to pensions, and the deferred inflow of resources related to pension.

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

Asset class	Target allocation	Long-term Expected Real Rate of Return
Domestic Equity	45%	6.75%
International Equity	20%	7.45%
Real estate	10%	4.55%
Global Fixed Income	5%	3.30%
Domestic Fixed Income	20%	1.75%
Cash	0%	
Total	100%	

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

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

	1% Decrease (6.75%)	Current discount rate (7.75%)	1% Increase (8.75%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	$ 264,880	$ 162,330	$ 76,615

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

Defined Contribution Plan

The employees of the City may also participate in the City of Union Point Money Purchase Plan, a defined contribution pension plan established under Section 457 of the Internal Revenue Code. The plan administrator, the City of Union Point, has appointed Nationwide Retirement Solutions to provide record keeping and administrative services related to the plan. The Plan was established to provide supplemental benefits at retirement to the City's employees. All employees with 5 years of service are eligible to participate in the plan. Eligible employees are fully vested upon admission to the plan. At December 31, 2016, there were 3 active participants and 5 terminated participants. Under the terms of the plan, the City will make a contribution to eligible participants equal to 50% of the employee's contribution to the Section 401 Deferred Compensation Plan, up to a maximum of 4% of salary. Total contributions by Union Point for 2016 were $130 by the employer and $260 by employees. The City's total payroll for the year ended December 31, 2016 was $603,193. Plan provisions and contribution requirements are established and may be amended by the Mayor and Council of the City of Union Point, Georgia.

NOTE 9 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLANS

A. Georgia Firefighters' Pension Fund

The City's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Union Point's financial statements.

B. Peace Officers' Annuity and Benefit Fund of Georgia

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

NOTE 10 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these various risks with a deductible as follows: contractor's equipment protection - $500, public official liabilities - $5,000, police professional liability - $5,000, all other risks have a deductible of $1,000.

The City participates in the Georgia Municipal Association Worker's Compensation Self Insurance Fund. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for Workers' Compensation Self Insurance Fund (WCSIF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association operates the risk pool.

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

The fund is to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of

Georgia. The fund is to pay all cost 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.

Settled claims in the past three years have not exceeded coverage.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that will impair the City's financial position as of the date of this audit report.

NOTE 12 – JOINT VENTURES

A joint venture has the following characteristics:

1. It is a legal entity that results from a contractual arrangement.
2. It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control.
3. Participants retain an ongoing financial interest or an ongoing financial responsibility.

Northeast Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the 12 county Northeast Georgia area is a member of the Northeast Georgia Regional Commission (the "RC") and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the RC's administrative office at 305 Research Drive, Athens, Georgia 30610.

NOTE 13 – RELATED ENTITY

On September 10, 1957, the City of Union Point, Georgia entered into a cooperative agreement with the Housing Authority of the City of Union Point, Georgia (the "Housing Authority"). Under the terms of this agreement, the Housing Authority agrees to endeavor to secure a contract with the Public Housing Authority (the "PHA") for loans and annual contributions and agrees to endeavor to develop and administer one or more projects. The obligations of the parties apply only to projects aggregating not more than 200 units of low-rent housing located within the corporate limits of the City of Union Point. Under the constitution and statutes of the State of Georgia, all projects are exempt from all real and personal property taxes levied or imposed by any taxing body.

The City agrees that it will not levy or impose real or personal taxes or special assessments upon such projects or upon the Housing Authority with respect thereto as long as:

- The projects are owned by a public body or government agency,
- A contract exists between the Housing Authority and the PHA,
- Bonds issued in connection with such project are outstanding.

During such period, the Housing Authority shall make "Payments in Lieu of Taxes" in lieu of such taxes and special assessments and in payment for the public services and facilities from time to time without other cost or charge or with respect to such project. The payment in lieu of taxes shall be lower of either ten percent (10%) of the aggregate Shelter Rent actually collected but in no event to exceed the Shelter Rent charged by the Local Authority in respect to such project during the fiscal year or the amount permitted to be paid by applicable state law. For the fiscal year ended September 30, 2017, the Authority made payments of $8,609 "in lieu of taxes".

NOTE 14 – EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through February 16, 2018, the date which the financial statements were available to be issued.

NOTE 15 – RESTATEMENT OF EQUITY BALANCES – DOWNTOWN DEVELOPMENT AUTHORITY

The Authority determined that a prior period adjustment was needed for the Downtown Development Authority, a component unit of the City of Union Point. During the close out of the Downtown Development Authority it was determined that the Authority had not recorded the value of a building purchased and the donation of land during a prior year.

The effect of this adjustment is as follows:

	Downtown Development Authority
Net position September 30, 2016, as previously reported	$ 163,684
Restated	59,375
Net position September 30, 2016, restated	$ 223,059

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF UNION POINT, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS

	2017	2016	2015
Total pension liability			
Service cost	$ 13,317	$ 12,768	$ 11,682
Interest on total pension liability	57,885	54,568	51,591
Difference between expected and actual experience	(9,398)	15,102	19,527
Changes of assumptions	-	-	(8,007)
Benefit payments, including refunds of employee contributions	(40,065)	(39,201)	(33,562)
Net change in total pension liability	21,739	43,237	41,230
Total pension liability - beginning of year	766,935	723,698	682,468
Total pension liability - ending (a)	$ 788,674	$ 766,935	$ 723,698
Plan fiduciary net position			
Contributions - employer	$ 24,837	$ 23,658	$ 22,858
Net investment income	63,962	7,341	61,788
Benefit payments, including refunds of member contributions	(40,065)	(39,201)	(33,562)
Administrative expenses	(2,726)	(3,147)	(2,571)
Net change in plan fiduciary net position	46,008	(11,349)	48,514
Plan fiduciary net position - beginning of year	580,336	591,685	543,171
Plan fiduciary net position - ending (b)	$ 626,344	$ 580,336	$ 591,685
City's net pension liability (asset) - ending (a) - (b)	$ 162,330	$ 186,599	$ 132,013
Plan fiduciary net position as a percentage of the total pension liability	79.42%	75.67%	81.76%
Covered-employee payroll	457,750	532,647	491,383
Net pension liability as a percentage of covered-employee payroll	35.46%	35.03%	26.87%

Note 1: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

CITY OF UNION POINT, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

SCHEDULE OF CITY CONTRIBUTIONS

	2017	2016	2015
Actuarially determined contributions	$ 30,158	$ 24,837	$ 23,658
Contributions in relation to the actuarially determined contribution	30,158	24,837	23,470
Contribution deficiency (excess)	$ -	$ -	$ 187
City's covered-employee payroll	457,750	532,647	491,383
Contributions as a percentage of covered-employee payroll	6.59%	4.66%	4.78%

Note 1: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Changes of assumptions:

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

Benefit Changes:

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

SUPPLEMENTARY INFORMATION

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CITY OF UNION POINT, GEORGIA

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

Project	Original Estimated Budget	Expenditures Prior Years	Expenditures Current Year	Total
2009 Referendum				
Fire Protection Facilities and Equipment	$ 300,000	$ 298,834	$ -	$ 298,834
Total	$ 300,000	$ 298,834	$ -	$ 298,834

CITY OF UNION POINT, GEORGIA

BALANCE SHEET
CITY OF UNION POINT DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
SEPTEMBER 30, 2017

ASSETS	
Cash and cash equivalents	$ -
Accounts receivable	-
Total Assets	$ -
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	$ -
Due to other governments	-
Total Liabilities	$ -
Fund Balance:	
Unassigned	-
Total Fund Balance	-
Total Liabilities and Fund Balance	$ -

CITY OF UNION POINT, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CITY OF UNION POINT DOWNTOWN DEVELOPMENT AUTHORITY
COMPONENT UNIT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

Revenues:		
Intergovernmental	$	13,000
Special events		185
Miscellaneous income		2,185
Total Revenues		15,370
Expenditures:		
Salaries		9,334
Communications		330
Advertising		75
Fees & Dues		1,061
Other Purchased Services		80
Supplies		639
Electricity		2,099
Repairs and maintenance		850
Intergovernmental		9,282
Total Expenditures		23,750
Net change in fund balance		(8,380)
Fund Balance, beginning of year		8,380
Fund Balance, end of year	$	-

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GOVERNMENTAL REPORT

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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 Union Point, 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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Union Point, Georgia as of and for the fiscal year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the City of Union Point, Georgia's basic financial statements, and have issued our report thereon dated February 16, 2018.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City'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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. 2017-001, and 2017-002

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Union Point, 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 are required to be reported under *Government Auditing Standards*.

City of Union Point, Georgia's Responses to Findings

City of Union Point, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. City of Union Point, Georgia's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purposes.

Macon, Georgia
February 16, 2018

FINANCIAL STATEMENT FINDINGS

Findings noted on the "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*":

COMPONENT UNIT – DOWNTOWN DEVELOPMENT AUTHORITY

2017-001 Restatement – Capital Assets

CRITERIA
Accounting and control procedures should be designed to insure that capital asset activity is recorded and reported in the government-wide financial statements. Capital asset records must be supported by detailed records that include location, department, cost, estimated useful life, depreciation, and other detail supporting documentation.

CONDITION
The Authority understated their capital assets for the fiscal year ended September 30, 2016.

CONTEXT
The Authority failed to record the purchase of the old movie theater during fiscal year 2007 and the donation of a vacant lot during fiscal year 2015.

EFFECT
Material adjustments were required to adjust the beginning capital asset balances for the Authority as follows:

- During fiscal year 2007, the Authority purchased the old movie theater for $70,000. A restatement of the beginning capital asset balances was required to record the cost of the movie theater at $70,000 and accumulated depreciation of $14,000.
- During fiscal year 2015, a vacant lot valued at $3,375 was donated to the Authority. A restatement of the beginning capital asset balances was required to record the donated value of the vacant lot.

CAUSE
The Authority employees had not been adequately trained in capital asset accounting.

RECOMMENDATION
No additional action is required.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The City concurs with the finding. Since the DDA was dissolved in FY 2017 no further action is required.

2017-002 General Ledger Maintenance

CRITERIA
Timely and accurate financial reports are essential in order to perform analysis of the financial condition of the Authority, review data for accuracy and completeness, and to prepare annual financial statements.

CONDITION
The beginning FY 2017 fund balance did not agree with the prior year audit.

CONTEXT
Material audit adjustments were required as follows:

- Material audit adjustment of $2,511 was necessary to reconcile beginning fund balance to prior year reported ending fund balance.
- Material audit adjustment of $7,112 was necessary to reverse out prior year accounts payable activity.

EFFECT
The Authority produced financial reports, which contained material errors.

CAUSE
The Authority did not have adequate accounting procedures in place to insure the accuracy and completeness of the financial reports produced for the year ending September 30, 2017.

RECOMMENDATION
The Authority was dissolved during the fiscal year ending September 30, 2017. Therefore, no additional action is required.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS
The City concurs with the finding. Since the DDA was dissolved in FY 2017 no further action is required.