

CITY OF BROOKLET, GEORGIA

FINANCIAL REPORT

**FOR THE YEAR ENDED
JUNE 30, 2017**

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REDDICK, RIGGS, AND HUNTER P.C.

CERTIFIED PUBLIC ACCOUNTANTS

TERRELL T. REDDICK
1947-2005
JAMES S. RIGGS
PATRICIA H. HUNTER

INDEPENDENT AUDITORS' REPORT

Mayor and City Council
City of Brooklet, Georgia
Brooklet, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City of Brooklet, Georgia (the City), as of and for the year ended June 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 basic financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 assessing the accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall basic financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the remaining fund information of the City of Brooklet, Georgia as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended, in conformity 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 and required supplementary data on pages 3 through 9 and pages 38 through 39, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's response 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 Brooklet, Georgia's basic financial statements. The combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying Schedule of Projects Constructed with Special Purpose Local Option Tax Proceeds is presented for purposes of additional analysis and is also not a required part of the basic financial statements of the City of Brooklet, Georgia.

The combining and individual fund financial statements, and the Schedule of Projects Constructed with Special Purpose Local Option Tax Proceeds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated November 2, 2017, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Brooklet, Georgia's internal control over financial reporting and compliance.

Reddick, Riggs and Hunter, P. C.

Statesboro, Georgia
November 2, 2017

CITY OF BROOKLET, GEORGIA
Management's Discussion and Analysis
June 30, 2017

This discussion and analysis is intended to be an easily readable analysis of the City of Brooklet, Georgia's (the City's) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Overview of the Financial Statements

The City's basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the basic financial statements. The *government-wide financial statements* present an overall picture of the City's financial position and results of operations. The *fund financial statements* present financial information for the City's major funds. The *notes to financial statements* provide additional information concerning the City's finances that are not disclosed in the government-wide or fund financial statements.

Government-wide Financial Statements

The City's financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business. The *Statement of Activities* reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

In the Statement of Net Position and Statement of Activities, the City is divided into two kinds of activities:

- *Governmental activities* - Most of the City's basic services are reported here, including the police, community development, street services and general administration. These activities are primarily supported by property taxes, sales taxes, other taxes, federal and state grants, and charges for services.
- *Business-type activities* - Business-type activities include the City's water system and sanitation activities. These activities are supported by charges to the users of the activities.

The government-wide financial statements are presented on pages 10 and 11 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

Overview of the Financial Statements (continued)

Fund Financial Statements (continued)

The City has two kinds of funds:

Governmental Funds: The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances of spendable resources available at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Position and Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 12 through 16 of this report.

The City maintains two major and one non-major governmental funds. The City's major governmental funds are the General Fund and the SPLOST 2013 Fund. The City's non-major governmental fund is the Cemetery Fund.

Proprietary Funds: The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and Statement of Activities. In fact, the City's enterprise funds are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the fund essentially encompasses the same functions reported as business-type activities in the government-wide statements.

The basic enterprise fund financial statements are presented on pages 17 through 19 of this report.

The City maintains two enterprise funds: Water and Sanitation.

Notes to the Basic Financial Statements

The notes to the financial statements explain some of the information in the financial statements and provide information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes begin on page 20 of this report.

Budgetary Presentations

A budgetary comparison statement is included as "basic financial statements" for the General Fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the City's adopted and final revised budget.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements and schedules for non-major funds are presented as supplementary financial information of this report beginning on page 40.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is \$2,939,878, as compared to \$3,041,240 at June 30, 2016. The following table provides a summary of the City's net position.

	Summary of Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Assets:						
Current and other assets	\$ 183,400	398,915	\$ 345,026	\$ 336,630	\$ 528,426	\$ 735,545
Capital assets	1,851,076	1,690,029	680,856	722,491	2,531,932	2,412,520
Total assets	2,034,476	2,088,944	1,025,882	1,059,121	3,060,358	3,148,065
Deferred outflows of resources	42,037	26,690	7,049	4,476	49,086	31,166
Liabilities:						
Long-term liabilities	39,017	21,601	6,202	3,270	45,219	24,871
Other liabilities	37,508	36,103	58,185	36,999	95,693	73,102
Total liabilities	76,525	57,704	64,387	40,269	140,912	97,973
Deferred inflows of resources	24,539	34,272	4,115	5,746	28,654	40,018
Net Position:						
Investment in capital assets	1,851,076	1,690,029	680,856	722,491	2,531,932	2,412,520
Restricted	19,509	92,024	-	-	19,509	92,024
Unrestricted	104,864	241,605	283,573	295,091	388,437	536,696
Total Net Position	\$ 1,975,449	\$ 2,023,658	\$ 964,429	\$ 1,017,582	\$ 2,939,878	\$ 3,041,240

The current ratio is used to measure an entity's ability to meet current obligations. The City of Brooklet, Georgia has a 4.89 to 1 ratio for governmental activities as compared to 11.05 to 1 at June 30, 2016. The current ratio for business-type activities is 5.93 to 1, as compared to 9.10 to 1 at June 30, 2016. The current ratio for governmental activities decreased due to a major property purchase as well as the planned spend down of SPLOST funds.

The City reported positive balances in net position for both governmental and business-type activities. Analyzing the net position and net expenses of governmental and business-type activities separately, the business-type activities net position is \$964,429. The table below focuses on the net position and revenues and expenses of the City's governmental and business-type activities. Net position decreased \$48,209 for governmental activities and decreased \$53,153 for business-type activities. The City's overall financial position declined during the year ended June 30, 2017.

Financial Analysis of the City as a Whole (continued)

The following table provides a summary of the City's changes in net position:

	Summary of Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program						
Charges for services	\$ 175,835	\$ 228,696	\$ 345,299	\$ 279,450	\$ 521,134	\$ 508,146
Operating grants	73,736	1,000	-	-	73,736	1,000
Capital grants / contributions	94,555	104,767	-	-	94,555	104,767
General						
Property taxes	281,610	254,300	-	-	281,610	254,300
Franchise taxes	90,860	88,188	-	-	90,860	88,188
Insurance premium taxes	87,068	80,381	-	-	87,068	80,381
Financial institution taxes	4,277	4,159	-	-	4,277	4,159
Alcoholic beverage taxes	24,231	23,794	-	-	24,231	23,794
Intangible and other taxes	4,986	6,085	-	-	4,986	6,085
Interest	381	478	523	765	904	1,243
Gain (loss) on sale of assets	6,000	11,233	-	-	6,000	11,233
Other income	3,113	6,965	-	-	3,113	6,965
Total revenues	846,652	810,046	345,822	280,215	1,192,474	1,090,261
Program expenses:						
General government	271,169	239,815	-	-	271,169	239,815
Judicial	5,000	10,000	-	-	5,000	10,000
Public safety	412,214	386,976	-	-	412,214	386,976
Public works	312,428	258,668	-	-	312,428	258,668
Water	-	-	181,062	166,924	181,062	166,924
Sanitation	-	-	111,963	92,783	111,963	92,783
Total expenses	1,000,811	895,459	293,025	259,707	1,293,836	1,155,166
Increase (decrease) in net position before transfers	(154,159)	(85,413)	52,797	20,508	(101,362)	(64,905)
Transfers	105,950	90,775	(105,950)	(90,775)	Nil	Nil
Increase (decrease) in net position	(48,209)	5,362	(53,153)	(70,267)	(101,362)	(64,905)
Beginning net position (restated for 2015)	2,023,658	2,018,296	1,017,582	1,087,849	3,041,240	3,106,145
Ending net position	\$ 1,975,449	\$ 2,023,658	\$ 964,429	\$ 1,017,582	\$ 2,939,878	\$ 3,041,240

Governmental Revenues

The City's governmental activities are heavily reliant on property taxes and sales taxes, which collectively make up 33.23% of governmental revenues. Note that program revenues made up 57.81% of the City's total revenues.

Governmental Expenses

The above table presents the costs of each of the City's programs. Public safety, water, and public works were the most costly. Public safety made up 31.85% of the City's total expenses, while water and public works made up 14.00% and 24.15% respectively.

Financial Analysis of the City as a Whole (continued)

There was a deficit of \$154,159 in governmental activities and an excess of \$52,797 in business-type activities. Transfers to (from) governmental activities resulted in a net deficit in governmental activities of \$48,209 and a net deficit in business-type activities of \$53,153. The total change in net position was \$(101,362). As stated earlier, the financial position of the City declined in the year ended June 30, 2017.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financial requirements.

Governmental funds reported ending fund balances of \$122,665. Of this year-end total, \$5,002 is restricted to capital projects, \$14,507 is restricted for public safety and \$31,118 is assigned to maintenance and care of the City's cemetery. The unassigned portion of governmental fund balances was \$72,038. The total ending fund balances of governmental funds shows a decrease of \$215,767, or a 63.75% decrease.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund reported an ending fund balance of \$86,545, of which \$72,038 is unassigned. The total ending fund balance of the General Fund shows a decrease of \$135,228. The decrease in the current year was a result of the purchase of property and an increase in operating expenditures.

Total revenues of the General Fund were \$767,713, an increase of \$57,027 from fiscal year 2016. This equates to a 8.02% increase in total revenues. This increase was due to an increase in property taxes and an increase in intergovernmental revenues, primarily due to FEMA assistance following a hurricane.

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Operating revenues for the proprietary funds were \$345,299, an increase of \$65,849 over fiscal year 2016. The increase was due to an increase in water customers and the implementation of water capital improvement fees. After considering expenditures, the net income of these funds before capital contributions and transfers is \$52,797.

Budgetary Highlights

Revenues in the General Fund were under the budget by \$36,147. This decrease was due to a decrease in fees, fines and forfeitures.

Expenditures in the General Fund were over the budget by \$25,131. The increase resulted primarily from an unbudgeted purchase of property and additional salary cost.

A budget amendment was adopted during the year ended June 30, 2017 which resulted in an increase in General Fund expenditures of \$212,060.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, as of June 30, 2017, was \$2,531,932 as follows:

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Nondepreciable assets:						
Land	\$ 356,876	\$ 276,876	\$ 21,632	\$ 21,632	\$ 378,508	\$ 298,508
Book value - nondepreciable assets	<u>356,876</u>	<u>276,876</u>	<u>21,632</u>	<u>21,632</u>	<u>378,508</u>	<u>298,508</u>
Depreciable assets:						
Infrastructure	1,464,962	1,385,610	1,242,637	1,242,637	2,707,599	2,628,247
Building	605,430	524,085	56,404	56,404	661,834	580,489
Machinery and equipment	337,051	333,530	120,825	120,825	457,876	454,355
Vehicles	219,539	219,539	138,780	138,780	358,319	358,319
Total depreciable assets	2,626,982	2,462,764	1,558,646	1,558,646	4,185,628	4,021,410
Less accumulated depreciation	<u>1,132,782</u>	<u>1,049,611</u>	<u>899,422</u>	<u>857,787</u>	<u>2,032,204</u>	<u>1,907,398</u>
Book value - depreciable assets	<u>1,494,200</u>	<u>1,413,153</u>	<u>659,224</u>	<u>700,859</u>	<u>2,153,424</u>	<u>2,114,012</u>
Percentage depreciated	<u>43.12 %</u>	<u>42.62 %</u>	<u>57.71 %</u>	<u>55.03 %</u>	<u>48.55 %</u>	<u>47.43 %</u>
Total Capital Assets	<u>\$ 1,851,076</u>	<u>\$ 1,690,029</u>	<u>\$ 680,856</u>	<u>\$ 722,491</u>	<u>\$ 2,531,932</u>	<u>\$ 2,412,520</u>

For more information on the changes in capital assets, see Note 3.D.

Debt Outstanding

As of June 30, 2017, the City had total outstanding long-term debt of \$45,219 as follows:

	Long-Term Debt					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Accumulated leave benefits	\$ 5,755	\$ 6,094	\$ 625	\$ 670	\$ 6,380	\$ 6,764
Net Pension Liability	<u>33,262</u>	<u>15,507</u>	<u>5,577</u>	<u>2,600</u>	<u>38,839</u>	<u>18,107</u>
Total Long-Term Debt	<u>\$ 39,017</u>	<u>\$ 21,601</u>	<u>\$ 6,202</u>	<u>\$ 3,270</u>	<u>\$ 45,219</u>	<u>\$ 24,871</u>

During the year ended June 30, 2017, the City issued no long-term debt. The City retired \$384 of existing debt.

For more information on the City's long-term debt, see Note 3.F.

Economic Conditions Affecting the City

Because the City has no new industries, the population base has not changed and is expected to remain stable. In addition, several downtown businesses have closed during recent years due to the overall downturn of the economy. Due to a relatively high median income, the City has not been successful in obtaining grants for expansion of infrastructure which could attract new business and cause population growth. Accordingly, the City depends on its remaining SPLOST monies to provide infrastructure for economic development.

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City of Brooklet at P. O. Box 67, Brooklet, Georgia 30415.

CITY OF BROOKLET, GEORGIA
Statement of Net Position
June 30, 2017

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Current Assets			
Cash	\$ 145,337	\$ 312,952	\$ 458,289
Receivables, net of allowance for uncollectibles:			
Taxes	20,586	-	20,586
Intergovernmental	6,261	-	6,261
Other	11,164	32,052	43,216
Accrued interest receivable	52	22	74
Noncurrent Assets			
Capital assets:			
Nondepreciable assets	356,876	21,632	378,508
Depreciable assets, net	1,494,200	659,224	2,153,424
Total Assets	2,034,476	1,025,882	3,060,358
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources - Pension	42,037	7,049	49,086
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	28,230	20,278	48,508
Payroll taxes payable	8,074	-	8,074
Accrued salaries	965	281	1,246
Other accrued expenses	239	-	239
Deposits to secure services	-	37,626	37,626
Noncurrent Liabilities			
Due within one year:			
Compensated absences	1,151	125	1,276
Due in more than one year:			
Compensated absences, net of current portion	4,604	500	5,104
Net pension liability	33,262	5,577	38,839
Total Liabilities	76,525	64,387	140,912
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources - Pension	24,539	4,115	28,654
<u>NET POSITION</u>			
Investment in capital assets	1,851,076	680,856	2,531,932
Restricted for:			
Capital projects	5,002	-	5,002
Public safety	14,507	-	14,507
Unrestricted	104,864	283,573	388,437
Total Net Position	\$ 1,975,449	\$ 964,429	\$ 2,939,878

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Activities
For the Year Ended June 30, 2017

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental activities:							
General government	\$ 271,169	\$ 59,448	\$ -	\$ 70,000	\$ (141,721)	\$ -	\$ (141,721)
Judicial	5,000	-	-	-	(5,000)	-	(5,000)
Public safety	412,214	101,977	-	-	(310,237)	-	(310,237)
Public works	312,428	14,410	73,736	24,555	(199,727)	-	(199,727)
Total governmental activities	1,000,811	175,835	73,736	94,555	(656,685)	Nil	(656,685)
Business-type activities:							
Water	181,062	250,497	-	-	-	69,435	69,435
Sanitation	111,963	94,802	-	-	-	(17,161)	(17,161)
Total business-type activities	293,025	345,299	Nil	Nil	Nil	52,274	52,274
Total	\$ 1,293,836	\$ 521,134	\$ 73,736	\$ 94,555	(656,685)	52,274	(604,411)

General Revenues

Property taxes	281,610	-	281,610
Franchise taxes	90,860	-	90,860
Insurance premium taxes	87,068	-	87,068
Financial institution taxes	4,277	-	4,277
Alcoholic beverage taxes	24,231	-	24,231
Intangible and other taxes	4,986	-	4,986
Interest	381	523	904
Other revenues	3,113	-	3,113
Gain (loss) on sale of assets	6,000	-	6,000
Total general revenues	502,526	523	503,049
Transfers	105,950	(105,950)	-
Total general revenues and transfers	608,476	(105,427)	503,049
Change in net position	(48,209)	(53,153)	(101,362)
Net position, beginning of year	2,023,658	1,017,582	3,041,240
Net position, end of year	\$ 1,975,449	\$ 964,429	\$ 2,939,878

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Balance Sheet
Governmental Funds
June 30, 2017

	<u>General Fund</u>	<u>SPLOST 2013 Fund</u>	<u>Other Governmental Funds Cemetery Fund</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>				
Cash	\$ 105,919	\$ 5,002	\$ 34,416	\$ 145,337
Receivables:				
Taxes receivable	20,586	-	-	20,586
Intergovernmental receivables	6,261	-	-	6,261
Other receivables	11,164	-	-	11,164
Accrued interest receivable	50	-	2	52
Total Assets	\$ 143,980	\$ 5,002	\$ 34,418	\$ 183,400
<u>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</u>				
Accounts payable	\$ 24,929	\$ -	\$ 3,300	\$ 28,229
Payroll taxes payable	8,074	-	-	8,074
Accrued salaries	965	-	-	965
Other liabilities	239	-	-	239
Total Liabilities	34,207	Nil	3,300	37,507
Deferred Inflows of Resources	23,228	Nil	Nil	23,228
Total Liabilities and Deferred Inflows of Resources	57,435	Nil	3,300	60,735
<u>FUND BALANCES</u>				
Restricted for:				
Capital projects	-	5,002	-	5,002
Public safety	14,507	-	-	14,507
Assigned to:				
Cemetery maintenance	-	-	31,118	31,118
Unassigned	72,038	-	-	72,038
Total Fund Balances	86,545	5,002	31,118	122,665
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 143,980	\$ 5,002	\$ 34,418	\$ 183,400

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities*
 June 30, 2017

Total Governmental Fund Balances	\$	122,665
<i>Amounts reported in governmental activities in the statements of net position are different because:</i>		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		
Cost	\$	2,983,858
Accumulated depreciation	<u>(1,132,783)</u>	1,851,075
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
Property taxes		23,228
Deferred outflows are not current assets or financial resources and deferred inflows are not due and payable in the current period and are therefore not reported in governmental funds.		
Deferred outflows	\$	42,037
Deferred inflows	<u>(24,539)</u>	\$ 17,498
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Compensated absences	\$	(5,755)
Net pension liability	<u>(33,262)</u>	<u>(39,017)</u>
Total Net Position of Governmental Activities		<u>\$ 1,975,449</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2017

	<u>General Fund</u>	<u>SPLOST 2013 FUND</u>	<u>Other Governmental Funds Cemetery Fund</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes:				
Property taxes	\$ 247,406	\$ -	\$ -	\$ 247,406
Motor vehicle taxes	34,348	-	-	34,348
Mobile home taxes	1,367	-	-	1,367
Franchise taxes	90,860	-	-	90,860
Alcoholic beverage taxes	24,231	-	-	24,231
Business and occupation taxes	11,003	-	-	11,003
Insurance premium taxes	87,068	-	-	87,068
Financial institution taxes	4,277	-	-	4,277
Other taxes	4,986	-	-	4,986
Licenses and permits	43,896	-	-	43,896
Intergovernmental revenues	95,538	-	-	95,538
Charges for services	17,760	-	1,200	18,960
Fees, fines and forfeitures	101,977	-	-	101,977
Investment income	244	54	137	435
Contributions from private sources	-	-	2,700	2,700
Other revenues	2,752	-	-	2,752
	<u>767,713</u>	<u>54</u>	<u>4,037</u>	<u>771,804</u>
EXPENDITURES				
Current operations:				
General city government	266,804	-	-	266,804
Judicial	5,000	-	-	5,000
Public safety	388,975	-	-	388,975
Public works	353,712	-	5,676	359,388
Capital:				
General city government	-	31,603	-	31,603
Public works	-	47,751	-	47,751
	<u>1,014,491</u>	<u>79,354</u>	<u>5,676</u>	<u>1,099,521</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(246,778)	(79,300)	(1,639)	(327,717)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	6,000	-	-	6,000
Transfers in	119,909	-	400	120,309
Transfers out	(14,359)	-	-	(14,359)
NET CHANGE IN FUND BALANCES	(135,228)	(79,300)	(1,239)	(215,767)
FUND BALANCES, beginning of year	<u>221,773</u>	<u>84,302</u>	<u>32,357</u>	<u>338,432</u>
FUND BALANCES, end of year	<u>\$ 86,545</u>	<u>\$ 5,002</u>	<u>\$ 31,118</u>	<u>\$ 122,665</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
*Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2017*

Net change in fund balances - total governmental funds		\$ (215,767)
<i>Amounts reported in the Statement of Activities are different because:</i>		
Governmental funds report capital outlay as expenditures. However, in the government-wide statement of activities and changes in net position, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.		174,219
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.		(83,173)
Capital assets contributed.		70,000
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Deferred property taxes at June 30, 2017	\$ 23,228	
Deferred property taxes at June 30, 2016	<u>(24,379)</u>	(1,151)
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds.		
Change in net pension liability and related deferred inflows and outflows of resources		7,324
Compensated absences reported in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Liability at June 30, 2017	\$ (5,755)	
Liability at June 30, 2016	<u>6,094</u>	<u>339</u>
Change in net position in governmental funds		<u><u>\$ (48,209)</u></u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
General Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual
For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes:				
Property taxes	\$ 229,500	\$ 278,250	\$ 247,406	\$ (30,844)
Motor vehicle taxes	36,000	30,000	34,348	4,348
Mobile home taxes	1,250	25,000	1,367	(23,633)
Franchise taxes	86,500	90,500	90,860	360
Alcoholic beverage taxes	25,000	20,000	24,231	4,231
Business and occupation taxes	15,000	16,000	11,003	(4,997)
Insurance premium taxes	87,000	91,410	87,068	(4,342)
Financial institution taxes	4,500	4,500	4,277	(223)
Other taxes	6,000	6,000	4,986	(1,014)
Licenses and permits	28,250	34,525	43,896	9,371
Intergovernmental revenues	22,000	34,000	95,538	61,538
Charges for services	15,000	12,000	17,760	5,760
Fees, fines and forfeitures	139,500	161,000	101,977	(59,023)
Investment income	200	75	244	169
Other revenues	600	600	2,752	2,152
	<u>696,300</u>	<u>803,860</u>	<u>767,713</u>	<u>(36,147)</u>
EXPENDITURES				
Current operations:				
General city government	227,885	249,910	266,804	(16,894)
Judicial	10,500	8,500	5,000	3,500
Public safety	351,965	427,400	388,975	38,425
Public works	186,950	303,550	353,712	(50,162)
	<u>777,300</u>	<u>989,360</u>	<u>1,014,491</u>	<u>(25,131)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(81,000)	(185,500)	(246,778)	(61,278)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,000	500	6,000	5,500
Transfers in	80,000	185,000	119,909	(65,091)
Transfers out	-	-	(14,359)	(14,359)
	<u>Nil</u>	<u>Nil</u>	<u>(135,228)</u>	<u>(135,228)</u>
NET CHANGE IN FUND BALANCES	Nil	Nil	(135,228)	(135,228)
FUND BALANCES, beginning of year	221,773	221,773	221,773	Nil
FUND BALANCES, end of year	<u>\$ 221,773</u>	<u>\$ 221,773</u>	<u>\$ 86,545</u>	<u>\$ (135,228)</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Net Position
Proprietary Funds
June 30, 2017

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current Assets			
Cash	\$ 312,952	\$ -	\$ 312,952
Accounts receivable	21,812	10,240	32,052
Accrued interest receivable	22	-	22
Total current assets	334,786	10,240	345,026
Noncurrent Assets			
Capital assets:			
Nondepreciable assets	6,632	15,000	21,632
Depreciable assets, net	656,261	2,963	659,224
Total noncurrent assets	662,893	17,963	680,856
Total Assets	997,679	28,203	1,025,882
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Pension related deferred outflows of resources	4,074	2,975	7,049
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	14,364	5,914	20,278
Accrued salaries	91	190	281
Compensated absences	72	53	125
Deposits to secure service	37,626	-	37,626
Total current liabilities	52,153	6,157	58,310
Noncurrent Liabilities			
Compensated absences	288	212	500
Net pension liability	3,223	2,354	5,577
Total noncurrent liabilities	3,511	2,566	6,077
Total Liabilities	55,664	8,723	64,387
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pension related deferred inflows of resources	2,378	1,737	4,115
<u>NET POSITION</u>			
Investment in capital assets	662,893	17,963	680,856
Unrestricted	280,818	2,755	283,573
Total Net Position	\$ 943,711	\$ 20,718	\$ 964,429

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2017

	<u>Water Fund</u>	<u>Sanitation Fund</u>	<u>Total</u>
OPERATING REVENUES			
Customer charges	\$ 218,757	\$ 94,802	\$ 313,559
Installation charges	5,900	-	5,900
Tap fees	14,400	-	14,400
Penalties	11,098	-	11,098
Miscellaneous	342	-	342
	<u>250,497</u>	<u>94,802</u>	<u>345,299</u>
Total operating revenues			
OPERATING EXPENSES			
Salaries	31,067	25,368	56,435
Employee benefits	11,678	10,116	21,794
Contractual services	15,996	74,008	90,004
Repairs, maintenance and other contractual services	11,642	-	11,642
Liability and property insurance	3,052	600	3,652
Travel and training	20	-	20
Supplies and materials	45,619	185	45,804
Utilities	16,710	-	16,710
Vehicle gasoline	2,481	904	3,385
Depreciation	41,061	574	41,635
Other expenses	1,736	208	1,944
	<u>181,062</u>	<u>111,963</u>	<u>293,025</u>
Total operating expenses			
OPERATING INCOME (LOSS)	<u>69,435</u>	<u>(17,161)</u>	<u>52,274</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earned on investments	523	-	523
	<u>523</u>	<u>Nil</u>	<u>523</u>
Total nonoperating revenues (expenses)			
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	<u>69,958</u>	<u>(17,161)</u>	<u>52,797</u>
Transfers in	-	13,959	13,959
Transfers out	(119,909)	-	(119,909)
CHANGE IN NET POSITION	<u>(49,951)</u>	<u>(3,202)</u>	<u>(53,153)</u>
NET POSITION, beginning of year	<u>993,662</u>	<u>23,920</u>	<u>1,017,582</u>
NET POSITION, end of year	<u>\$ 943,711</u>	<u>\$ 20,718</u>	<u>\$ 964,429</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2017

	Water Fund	Sanitation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 241,870	\$ 93,100	\$ 334,970
Cash paid for goods and services	(98,502)	(81,259)	(179,761)
Cash paid to employees for services	(31,255)	(25,800)	(57,055)
Customer deposits received (refunded)	5,606	-	5,606
	<u>117,719</u>	<u>(13,959)</u>	<u>103,760</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Net transfers in (out)	(119,909)	13,959	(105,950)
	<u>(119,909)</u>	<u>13,959</u>	<u>(105,950)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Dividends and interest earned	544	-	544
	<u>544</u>	<u>Nil</u>	<u>544</u>
NET IN CASH AND CASH EQUIVALENTS	(1,646)	Nil	(1,646)
CASH AND EQUIVALENTS, beginning of year	314,598	Nil	314,598
CASH AND EQUIVALENTS, end of year	<u>\$ 312,952</u>	<u>\$ Nil</u>	<u>\$ 312,952</u>
 <i>Reconciliation of net income (loss) to net cash provided (used) by operating activities:</i>			
OPERATING INCOME (LOSS)	\$ 69,435	\$ (17,161)	\$ 52,274
ADJUSTMENTS TO RECONCILE NET INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Provision for losses on receivables	58	208	266
Depreciation	41,061	573	41,634
Decrease (increase) in operating assets:			
Accounts receivable	(8,627)	(1,701)	(10,328)
Pension related deferred outflows of resources	(1,488)	(1,086)	(2,574)
Increase (decrease) in operating liabilities:			
Accounts payable	11,083	5,073	16,156
Accrued salaries	(224)	(351)	(575)
Accrued leave benefits	37	(81)	(44)
Deposits for services	5,606	-	5,606
Net pension liability (benefit)	1,721	1,256	2,977
Pension related deferred inflows of resources	(943)	(689)	(1,632)
	<u>48,284</u>	<u>3,202</u>	<u>51,486</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 117,719</u>	<u>\$ (13,959)</u>	<u>\$ 103,760</u>

The Notes to Financial Statements are an integral part of these statements.

CITY OF BROOKLET, GEORGIA
Notes to Financial Statements
June 30, 2017

Note 1. Summary of Significant Accounting Policies

The City of Brooklet, Georgia was incorporated in 1906 under the laws of the State of Georgia and operates under an elected Mayor-Council form of government. The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November, 1989, provided they do not conflict with or contradict GASB pronouncements. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds and departments that are not legally separate from the City.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

Using the above criteria, the City has no potential component units which should be considered for inclusion in the reporting entity.

The following are joint ventures or jointly governed organizations which are excluded from the reporting entity:

Coastal Georgia Regional Commission - Under Georgia law, the City, in conjunction with other cities and counties in a 10-county region in the coastal area of Georgia, is a member of the Coastal Regional Commission (RC) and is required to pay annual dues thereto. During the year ended June 30, 2017, the City paid \$1,814 in such dues. 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. Financial statements for the Commission may be obtained directly from the RC at 127 F Street, Brunswick, Georgia 31520.

Note 1. **Summary of Significant Accounting Policies (continued)**

B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide financial statements - The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government. As a general rule, the effect of interfund activity, within the governmental and business-type activities, has been removed from these statements. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and intergovernmental revenues, from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

Fund financial statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at a more detailed level. Each fund is considered to be a separate accounting entity with a self-balancing set of accounts. Fund financial statements are provided for governmental and proprietary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds.

Governmental Funds - Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The City's major governmental funds are:

General Fund - The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's unassigned fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

SPLOST 2013 Fund - This fund is used to account for the proceeds of a Special Purpose Local Option Sales Tax received under an intergovernmental agreement with Bulloch County, Georgia. Proceeds are restricted to use for certain public facility improvements, including water facilities or improvements, and the related debt.

Note 1. **Summary of Significant Accounting Policies (continued)**

B. Basis of Presentation (continued)

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. Proprietary funds are classified as enterprise funds.

Water Fund - This fund is used to account for the operation of the City's water system which renders services to the residents and businesses located within the City.

Sanitation Fund - This fund is used to account for the operation of the City's solid waste and sanitation program.

C. Measurement Focus

Government-wide Financial Statements - The government-wide statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statements of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses), in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial statements and reported on the financial statement. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. The City considers revenues to be available if they are collected within 60 days after year end.

Note 1. Summary of Significant Accounting Policies (continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property taxes, grants and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the calendar year for which the taxes are levied. Revenue from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected by year end or within 60 days) before it can be recognized. Under the modified accrual basis, the revenues susceptible to accrual are property taxes, franchise taxes, licenses and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

E. Assets, Liabilities and Net Position or Equity

1. Cash, Cash Equivalents and Investments

The City's cash and equivalents are considered to be cash on hand, demand deposits and short-term investments with a maturity date within three months of the date acquired by the government.

State statute authorizes municipalities to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporations of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

It is the City's policy to invest all cash in insured deposit accounts. Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U. S. obligations.

2. Receivables

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