

# CITY OF BLOOMINGDALE, GEORGIA

Annual Financial Report

For the Fiscal Year Ended June 30, 2015



# City of Bloomingdale, Georgia

## Annual Financial Report

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For the Year Ended June 30, 2015

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CITY OF BLOOMINGDALE, GEORGIA

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## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomingdale, Georgia (*the City*), as of and for the year ended June 30, 2015, 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***

The City's 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 of the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomingdale, Georgia, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the Schedule of Changes in the City's Net Pension Liability and Related Ratios and the Schedule of City Contributions on pages 34 and 35 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. Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Our opinion on the basic financial statements are not affected by the missing information. We have applied certain limited procedures to the schedule of funding progress 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.

#### *Emphasis of Matter*

As described in Note 4, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. These standards significantly changed the accounting of the City's net pension liability and the related disclosures. Our opinion is not modified with respect to this matter.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bloomingdale, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and the schedule of projects constructed with special purpose local option sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2015 on our consideration of the City of Bloomingdale, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Bloomingdale, Georgia's internal control over financial reporting and compliance.

KRT, CPAs P.C.

KRT, CPAs P.C.

Savannah, Georgia  
December 29, 2015

CITY OF BLOOMINGDALE, GEORGIA

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**City of Bloomingdale, Georgia**  
Statement of Net Position  
June 30, 2015

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 748,669	\$ 496,878	\$ 1,245,547
Investments.....	647,750	287,902	935,652
Receivables.....	348,285	54,354	402,639
Internal balances.....	(37,219)	37,219	-
Inventories.....	42,799	-	42,799
Restricted cash and cash equivalents:			
Customer deposits.....	10,510	34,427	44,937
Capital assets			
Land, improvements, and construction in progress.....	1,762,684	59,335	1,822,019
Other capital assets, net of depreciation.....	5,333,586	2,044,587	7,378,173
Other assets.....	-	1,190,369	1,190,369
<b>Total assets.....</b>	<b>8,857,064</b>	<b>4,205,071</b>	<b>13,062,135</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions.....	34,042	2,374	36,416
<b>Total assets and deferred outflows of resources.....</b>	<b>8,891,106</b>	<b>4,207,445</b>	<b>13,098,551</b>
<b>LIABILITIES</b>			
Accounts payable.....	107,642	26,515	134,157
Accrued payables.....	36,122	2,638	38,760
Customer deposits payable.....	10,510	34,427	44,937
Long-term liabilities:			
Due within one year.....	148,766	1,089	149,855
Due in more than one year.....	599,294	1,333	600,627
Net pension liability.....	145,622	10,157	155,779
<b>Total liabilities.....</b>	<b>1,047,956</b>	<b>76,159</b>	<b>1,124,115</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions.....	37,456	2,612	40,068
<b>Total liabilities and deferred inflows of resources.....</b>	<b>1,085,412</b>	<b>78,771</b>	<b>1,164,183</b>
<b>NET POSITION</b>			
Net investment in capital assets.....	6,426,483	2,103,922	8,530,405
Restricted for			
Capital projects.....	522,896	-	522,896
Public safety.....	4,720	-	4,720
Unrestricted.....	851,595	2,024,752	2,876,347
<b>Total net position.....</b>	<b>\$ 7,805,694</b>	<b>\$ 4,128,674</b>	<b>\$ 11,934,368</b>

**City of Bloomingdale, Georgia**  
Statement of Activities  
For the Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:							
General government.....	\$ 605,921	\$ 176,719	\$ 6,778	\$ 28,219	\$ (394,205)		\$ (394,205)
Judiciary.....	43,772	-	-	-	(43,772)		(43,772)
Public safety.....	1,676,794	910,831	61,912	298,206	(405,845)		(405,845)
Public works.....	1,507,903	297,124	-	247,770	(963,009)		(963,009)
Culture and recreation.....	242,702	50,291	-	45,367	(147,044)		(147,044)
Housing and development.....	12,544	-	-	-	(12,544)		(12,544)
Interest on long-term debt.....	22,155	-	-	-	(22,155)		(22,155)
Total governmental activities.....	<u>4,111,791</u>	<u>1,434,965</u>	<u>68,690</u>	<u>619,562</u>	<u>(1,988,574)</u>		<u>(1,988,574)</u>
Business-type activities:							
Water and Sewer.....	718,683	583,420	-	9,945	-	\$ (125,318)	(125,318)
Total business-type activities.....	<u>718,683</u>	<u>583,420</u>	<u>-</u>	<u>9,945</u>	<u>-</u>	<u>(125,318)</u>	<u>(125,318)</u>
Total.....	<u>\$ 4,830,474</u>	<u>\$ 2,018,385</u>	<u>\$ 68,690</u>	<u>\$ 629,507</u>	<u>(1,988,574)</u>	<u>(125,318)</u>	<u>(2,113,892)</u>

**GENERAL REVENUES**

Taxes:							
Sales taxes for general purposes.....					909,642	-	909,642
Intangible, transfer, and franchise taxes.....					245,487	-	245,487
Alcoholic beverage taxes.....					187,446	-	187,446
Unrestricted investment earnings.....					96	62	158
Miscellaneous.....					159,529	1,568	161,097
Total general revenues .....					<u>1,502,200</u>	<u>1,630</u>	<u>1,503,830</u>
Change in net position.....					(486,374)	(123,688)	(610,062)
Net position - beginning (restated).....					8,292,068	4,252,362	12,544,430
Net position - ending.....					<u>\$ 7,805,694</u>	<u>\$ 4,128,674</u>	<u>\$ 11,934,368</u>

# City of Bloomingdale, Georgia

## Governmental Funds

### Balance Sheet

June 30, 2015

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 260,430	\$ 479,388	\$ 8,851	\$ 748,669
Investments.....	647,750	-	-	647,750
Receivables (net of allowance).....	298,716	49,569	-	348,285
Inventories.....	42,799	-	-	42,799
Restricted cash and cash equivalents:				
Customer deposits.....	10,510	-	-	10,510
<b>Total assets.....</b>	<b><u>1,260,205</u></b>	<b><u>528,957</u></b>	<b><u>8,851</u></b>	<b><u>1,798,013</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable.....	\$ 101,581	\$ 6,061	\$ -	\$ 107,642
Accrued liabilities.....	36,122	-	-	36,122
Due to other funds.....	37,219	-	-	37,219
Payable from restricted assets:				
Customer deposits.....	10,510	-	-	10,510
<b>Total liabilities.....</b>	<b><u>185,432</u></b>	<b><u>6,061</u></b>	<b><u>-</u></b>	<b><u>191,493</u></b>
Deferred inflows of resources:				
Unavailable revenue.....	52,500	-	-	52,500
<b>Total liabilities and deferred inflows of resources.....</b>	<b><u>237,932</u></b>	<b><u>6,061</u></b>	<b><u>-</u></b>	<b><u>243,993</u></b>
Fund balances:				
Nonspendable:				
Inventories.....	42,799	-	-	42,799
Restricted for:				
Public safety.....	-	-	4,720	4,720
Capital projects.....	-	522,896	-	522,896
Assigned to:				
Public safety.....	-	-	4,131	4,131
Unassigned.....	979,474	-	-	979,474
<b>Total fund balances.....</b>	<b><u>1,022,273</u></b>	<b><u>522,896</u></b>	<b><u>8,851</u></b>	<b><u>1,554,020</u></b>
<b>Total liabilities, deferred inflows of resources and fund balances.....</b>	<b><u>\$ 1,260,205</u></b>	<b><u>\$ 528,957</u></b>	<b><u>\$ 8,851</u></b>	<b><u>\$ 1,798,013</u></b>

## City of Bloomingdale, Georgia

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2015

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Total Governmental Fund Balances.....	\$ 1,554,020
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported on the governmental funds balance sheet (net of accumulated depreciation of \$2,867,526).....	7,096,270
Other long-term assets are not available to pay for current period expenditures and therefore are deferred on the governmental funds balance sheet.....	52,500
Deferred outflows and inflows of resources related to pensions are applicable to future periods and are therefore not reported on the governmental funds balance sheet.....	(3,414)
Net pension liability is not due and payable in the current period and therefore is not reported on the governmental funds balance sheet.....	(145,622)
Long-term and related liabilities are not due and payable in the current period and therefore are not reported on the governmental funds balance sheet.....	(748,060)
Net Position of Governmental Activities.....	<u>\$ 7,805,694</u>

**City of Bloomingdale, Georgia**

Governmental Funds

Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2015

	General	SPLOST	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes.....	\$ 1,357,415	\$ -	\$ -	\$ 1,357,415
Licenses and permits.....	11,055	-	-	11,055
Intergovernmental.....	64,285	616,573	-	680,858
Charges for services.....	679,735	-	-	679,735
Fines and forfeitures.....	703,345	-	2,989	706,334
Investment earnings.....	96	-	-	96
Contributions and donations.....	-	-	4,405	4,405
Miscellaneous.....	154,590	-	-	154,590
Total revenues.....	<u>2,970,521</u>	<u>616,573</u>	<u>7,394</u>	<u>3,594,488</u>
<b>EXPENDITURES</b>				
Current				
General government.....	503,694	-	-	503,694
Judicial.....	43,772	-	-	43,772
Public safety.....	1,487,383	-	4,431	1,491,814
Public works.....	783,045	-	-	783,045
Culture and recreation.....	183,925	-	-	183,925
Housing and development.....	12,544	-	-	12,544
Capital Outlay.....	-	795,165	-	795,165
Debt Service				
Principal.....	-	101,004	-	101,004
Interest.....	-	22,155	-	22,155
Total expenditures.....	<u>3,014,363</u>	<u>918,324</u>	<u>4,431</u>	<u>3,937,118</u>
Excess (deficiency) of revenues over (under) expenditures.....	<u>(43,842)</u>	<u>(301,751)</u>	<u>2,963</u>	<u>(342,630)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in.....	-	176,536	-	176,536
Transfers out.....	-	-	(176,536)	(176,536)
Insurance recoveries.....	-	24,012	-	24,012
Proceeds from capital lease.....	-	407,000	-	407,000
Sale of surplus property.....	7,649	-	-	7,649
Total other financing sources (uses).....	<u>7,649</u>	<u>607,548</u>	<u>(176,536)</u>	<u>438,661</u>
Net Changes in fund balances.....	(36,193)	305,797	(173,573)	96,031
Fund balances at beginning of year.....	1,058,466	217,099	182,424	1,457,989
Fund balances at end of year.....	<u>\$ 1,022,273</u>	<u>\$ 522,896</u>	<u>\$ 8,851</u>	<u>\$ 1,554,020</u>

**City of Bloomingdale, Georgia**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund  
Balances of Governmental Funds to the Statement of Activities

For the Year Ended June 30, 2015

Net change in Fund Balances - Total Governmental Funds.....	\$	96,031
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:</p>		
Capital outlays.....	\$ 380,009	
Depreciation expense.....	<u>(503,872)</u>	(123,863)
<p>In the statement of activities, pension expense represents the change in net pension liability from the beginning of the year to the end of the year. However, in the governmental funds, pension expense is measured by the amount of financial resources used (amount actually paid). This is the amount by which pension contributions paid in the current period exceeded the change in net pension liability.....</p>		
		(149,036)
<p>Governmental funds report debt service as expenditures. However, in the statement of activities, long-term debt is recognized as a liability. ....</p>		
		101,004
<p>Governmental funds report debt proceeds as current financial resources. However, in the statement of activities, the issuance of debt is recognized as a liability.....</p>		
		(407,000)
<p>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:</p>		
Compensated absences.....		<u>(3,510)</u>
Change in Net Position of Governmental Activities.....	\$	<u><u>(486,374)</u></u>

## City of Bloomingdale, Georgia

### General Fund

#### Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes.....	\$ 1,228,639	\$ 1,339,305	\$ 1,357,415	\$ 18,110
Licenses and permits.....	9,325	10,895	11,055	160
Intergovernmental revenues.....	70,000	70,000	64,285	(5,715)
Charges for services.....	670,074	716,805	679,735	(37,070)
Fines and forfeitures.....	775,000	747,500	703,345	(44,155)
Investment income.....	100	100	96	(4)
Miscellaneous.....	103,780	110,272	154,590	44,318
Total revenues.....	2,856,918	2,994,877	2,970,521	(24,356)
<b>EXPENDITURES</b>				
Current operating:				
General government				
Mayor and Council.....	13,800	13,800	13,800	-
Administration.....	497,349	530,284	489,894	40,390
Judicial				
Municipal Court .....	42,340	42,340	43,772	(1,432)
Public safety				
Police.....	1,156,865	1,320,060	1,306,533	13,527
Fire.....	191,114	184,683	180,850	3,833
Public works				
Public maintenance.....	763,394	805,409	783,045	22,364
Culture and recreation				
Recreation.....	177,006	183,476	183,925	(449)
Housing and development				
Building and zoning.....	17,050	17,050	12,544	4,506
Total expenditures.....	2,858,918	3,097,102	3,014,363	82,739
Excess (deficiency) of revenues over (under) expenditures.....	(2,000)	(102,225)	(43,842)	58,383
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of surplus property.....	2,000	7,648	7,649	1
Total other financing sources (uses).....	2,000	7,648	7,649	1
Net change in fund balance.....	-	(94,577)	(36,193)	58,384
Fund balance, beginning of year.....	1,058,466	1,058,466	1,058,466	-
Fund balance, end of year.....	\$ 1,058,466	\$ 963,889	\$ 1,022,273	\$ 58,384

**City of Bloomingdale, Georgia**

Proprietary Funds  
Statement of Net Position  
June 30, 2015

	<u>Business-type Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents.....	\$ 496,878
Investments.....	287,902
Receivables (net of allowance).....	54,354
Due from other funds.....	37,219
Restricted cash and cash equivalents:	
Customer deposits .....	34,427
Total current assets.....	<u>910,780</u>
Noncurrent Assets:	
Capital assets:	
Land, improvements, and construction in progress.....	59,335
Other capital assets, net of depreciation.....	<u>2,044,587</u>
Total capital assets (net of accumulated depreciation).....	2,103,922
Other noncurrent assets:	
Unamortized costs: treatment plant.....	<u>1,190,369</u>
Total noncurrent assets.....	<u>3,294,291</u>
Total assets.....	<u>4,205,071</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions.....	<u>2,374</u>
Total assets and deferred outflows of resources.....	<u>4,207,445</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payables.....	26,515
Accrued payables.....	2,638
Compensated absence.....	1,089
Payable from restricted assets:	
Customer deposits payable.....	34,427
Total current liabilities.....	<u>64,669</u>
Noncurrent liabilities:	
Compensated absence.....	1,333
Net pension liability.....	10,157
Total noncurrent liabilities.....	<u>11,490</u>
Total liabilities.....	<u>76,159</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions.....	<u>2,612</u>
Total liabilities and deferred inflows of resources.....	<u>78,771</u>
<b>NET POSITION</b>	
Investment in capital assets.....	2,103,922
Unrestricted.....	2,024,752
Total net position.....	<u><u>\$ 4,128,674</u></u>

**City of Bloomingdale, Georgia**  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position  
For the Year Ended June 30, 2015

	Business-type Activities
<b>OPERATING REVENUES</b>	
Charges for services:	
Water charges.....	\$ 192,949
Sewer Charges.....	345,015
Other income.....	47,024
Total operating revenues.....	584,988
<b>OPERATING EXPENSES</b>	
<u>Water</u>	
Personnel services.....	101,678
Purchased and contracted services.....	33,262
Materials and supplies.....	30,504
Interfund charges.....	71,789
Depreciation.....	66,039
Total operating expenses - water.....	303,272
<u>Sewer</u>	
Personnel services.....	48,132
Purchased and contracted services.....	98,523
Materials and supplies.....	89,923
Interfund charges.....	77,160
Depreciation.....	68,010
Amortization.....	33,663
Total operating expenses - sewer.....	415,411
Total operating expenses.....	718,683
Operating income (loss).....	(133,695)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings.....	62
Total nonoperating revenues (expenses).....	62
Income before capital contributions.....	(133,633)
Capital contributions - governmental funds.....	407,000
Capital contributions - connection fees.....	9,945
Change in net position.....	283,312
Net position, beginning of year.....	3,845,362
Net position, end of year.....	\$ 4,128,674

**City of Bloomingdale, Georgia**

Proprietary Funds

Statement of Cash Flows

For the Year Ended June 30, 2015

	<u>Business-type Activities</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers.....	\$ 583,508
Cash payments to suppliers for goods and services.....	(384,756)
Cash payments to employees for services.....	(144,825)
	<u>53,927</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Interfund borrowing (repayments).....	77,953
	<u>77,953</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions - connection fees.....	9,945
	<u>9,945</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earned on cash and investments.....	62
Purchase of investments.....	(53,557)
	<u>(53,495)</u>
Net cash provided (used) by investing activities.....	<u>(53,495)</u>
Net increase (decrease) in cash and cash equivalents.....	88,330
Cash and cash equivalents, beginning of year.....	<u>517,413</u>
Cash and cash equivalents, end of year.....	<u><u>\$ 605,743</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	
Operating income (loss).....	<u>\$ (133,695)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization.....	167,712
Change in assets and liabilities:	
Decrease (increase) in accounts receivables.....	(3,852)
(Decrease) increase in accounts payable.....	16,351
(Decrease) increase in compensated absence.....	(5,410)
(Decrease) increase in customer deposits.....	2,426
(Decrease) increase in net pension liability and deferred inflows/outflows.....	10,395
	<u>187,622</u>
Total adjustments.....	<u>187,622</u>
Net cash provided (used) by operating activities.....	<u><u>\$ 53,927</u></u>
<b>NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital assets constructed or acquired with SPLOST revenues.....	<u><u>\$ 407,000</u></u>

**City of Bloomingdale, Georgia**  
 Fiduciary Funds  
 Statement of Fiduciary Net Position  
 June 30, 2015

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	<u>Employees' Retirement Program Pension Trust Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ 494,836
Investments, at fair value:	
Stocks and options.....	785,359
Fixed income securities.....	125,973
	<u>                    </u>
Total assets.....	<u>\$ 1,406,168</u>
 <b>NET POSITION</b>	
Held in trust for pension benefits (see Schedule of Funding Progress on page 30).....	<u>\$ 1,406,168</u>

**City of Bloomingdale, Georgia**  
 Fiduciary Funds  
 Statement of Changes in Fiduciary Net Position  
 For the Year Ended June 30, 2015

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	<u>Employees' Retirement Program Pension Trust Fund</u>
Additions	
Contributions:	
Employer (including life insurance premiums).....	\$ 124,920
Total contributions.....	<u>124,920</u>
Investment earnings:	
Net appreciation (depreciation) in fair value of investments.....	54,710
Net investment earnings.....	<u>54,710</u>
Total additions.....	<u>179,630</u>
Deductions	
Benefits paid to plan participants.....	80,855
Administrative expense.....	13,900
Total deductions.....	<u>94,755</u>
Net increase (decrease) for the year in plan net position.....	84,875
Net position - beginning.....	<u>1,321,293</u>
Net position - ending.....	<u>\$ 1,406,168</u>

# City of Bloomingdale, Georgia

## Notes to the Financial Statements

June 30, 2015

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### NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

#### B. Reporting Entity

The City of Bloomingdale, Georgia (government) is a municipal corporation governed by an elected mayor and six-member governing council (council). The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Currently, the City has no blended component units. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. Currently, the City has no discretely presented component units.

#### C. Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. The government participates in the following joint venture:

*Coastal Regional Commission* – Under Georgia law, the City, in conjunction with other governments in the region, is a member of the Coastal Regional Commission (RC) is required to pay annual dues thereto. During its year ended June 30, 2015, the City paid \$2,713 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 an 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 the RC. Management believes that the RC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from: Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521

#### D. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from the governmental funds, while the business-type activities incorporate data from the government's enterprise fund. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

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

## City of Bloomingdale, Georgia

Notes to the Financial Statements

June 30, 2015

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### E. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – 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 nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

- The *general fund* is the City's primary operating fund. It accounts for all financial resources of the City, except for those required to be accounted for in another fund.
- The *Special Purpose Local Option Sales Tax (SPLOST) capital projects fund* accounts for the receipt and use of local government shared revenues (SPLOST proceeds) to be used for the acquisition, construction, or improvement of capital facilities approved in the City's intergovernmental agreement with Chatham County, Georgia.

The City reports the following major proprietary fund:

- The *water and sewer enterprise fund* operates the sewage treatment plant, sewage pumping stations and collection systems, and the distribution of water. The operations of this fund are financed and operated in a manner similar to private business.

Additionally, the City reports the following fund types:

- *Special revenue funds* account for revenue sources that are legally restricted to expenditure for specific purposes.
- *Pension trust fund* is used to account for the accumulation of resources for pension benefit payments to qualified employees.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e. governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between funds included in business-type activities (i.e. enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

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#### **F. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within thirty (30) days of the end of the current fiscal period. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as, expenditures related to compensated absences and claims and judgments, are reported only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Sales taxes, franchise fees, sanitation fees, and interest associated with the current fiscal period are susceptible to accrual. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period (within 30 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary fund is reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

#### **G. Restatement of Prior Year Net Position**

For fiscal year 2015, the City made a prior period adjustment due to the adoption of GASB Statement No. 68 and GASB Statement No. 71, as described in "New Accounting Pronouncements" below, which require the restatement of the June 30, 2014, net position in Governmental Activities. The result is a decrease in net position at July 1, 2014 of \$542,982. This change is in accordance with generally accepted accounting principles.

For fiscal year 2015, the City made a prior period adjustment to net position of governmental activities for uncollected fine and forfeiture revenue incorrectly recognized as revenue in prior fiscal years. The result is a decrease in net position at July 1, 2014 of \$194,225. This change is in accordance with generally accepted accounting principles.

#### **H. New Accounting Pronouncements**

In fiscal year 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions. The provisions of this Statement establish accounting and financial reporting standards for pensions that are provided to the employees of state and local governmental employers through pension plans that are administered through trusts. Implementation of this statement requires a restatement to beginning net position. The adoption of this statement has a significant impact on the City's financial statements.

# City of Bloomingdale, Georgia

## Notes to the Financial Statements

June 30, 2015

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### **I. Assets, Liabilities and Equity**

#### *1. Cash and Cash Equivalents*

The City's cash and cash equivalents consists of cash on hand and on deposit with financial institutions. For purposes of reporting cash on the statement of net position, the City considers all unrestricted highly liquid investments with original maturities of three months or less from the date of acquisition to be cash equivalents.

State statutes authorize the City to invest in obligations of or obligations guaranteed by the U.S. Government and agencies or corporations of the U.S. Government; obligations of any state; obligations of any political subdivision of any state; certificates of deposit or time deposits of any national state bank or savings and loan which have deposits insured by the FDIC of FSLIC; prime bankers acceptances; repurchase agreements; and the Local Government Investment Pool of the State of Georgia.

All investments are reported at fair value, which is based on quoted market prices.

#### *2. Receivables and payables*

In the fund financial statements, material receivables in governmental funds include revenue accruals such as franchise fees, grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are deferred in the fund financial statements. Accounts receivable comprise the majority of proprietary fund receivables. Trade receivables are shown net of an allowance for uncollectibles.

#### *3. Inventories and prepaid items*

All inventories are valued at cost using the first-in / first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

#### *4. Restricted assets*

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or are imposed by law through constitutional provisions or enabling legislation. Restricted assets represent cash and cash equivalents set aside for repayment of deposits to utility customers.

#### *5. Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003. The City is only reporting general infrastructure assets and related depreciation expense on general infrastructure assets prospectively, that is general infrastructure assets acquired prior to July 1, 2003 and are not reported in the basic financial statements.

# City of Bloomingdale, Georgia

## Notes to the Financial Statements

June 30, 2015

All capital assets, including infrastructure assets, are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of its donation.

Property, plant, and equipment are depreciated using the straight-line method over the following useful lives:

Assets	Years
Buildings and system.....	50
Improvements other than buildings.....	20
Machinery and equipment.....	5 - 30
Vehicles.....	6
Infrastructure.....	10 - 65

### 6. *Compensated absences*

Employees earn vacation leave at the rate of six days per year for the first year of service up to a maximum of twenty-five days per year after five years of service. A maximum of twenty days may be carried over into an employee's next service year. Any unused, accrued vacation leave in excess of twenty days from service year to service year will be forfeited. Employees resigning voluntarily and in good standing will be paid for earned but unused vacation leave. All vacation leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Employees accrue personal leave at the rate of four hours per month to a maximum of forty-eight hours per year. Employees are allowed to carry eighty to one hundred and sixty hours personal leave based on year of services. An employee who resigns or is discharged from city service will not be paid for any unused personal leave. The City does not record a liability for vested personal leave benefits. Expenses are recognized in the financial statements at the time of payment.

### 7. *Long-term obligations*

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, or business-type activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

### 8. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

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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 the acquisition of net position that applies to a future period(s) as so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, unavailable revenue, that qualifies for reporting in this category and which arises only under a modified accrual basis of accounting. Accordingly, this item is reported only in the governmental funds balance sheet and is comprised of one source: franchise fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide statements and proprietary fund type in the fund financial statements have an additional deferred outflows of resources and deferred inflows of resources not reported on the modified accrual basis. These deferred outflows of resources and deferred inflows of resources related to pensions, result from changes in net pension liability not included in pension expense due to effects in actuarial differences, changes in assumptions, and differences between actual and projected earnings on plan investments.

#### 9. *Equity classifications*

Equity is classified as net position and displayed in three components in the government-wide financial statements and in the proprietary fund type in the fund financial statements.

*Net investment in capital assets* consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.

*Restricted net position* consist of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

*Unrestricted net position* consists of all other net position that do not meet the definition of “restricted” or “net investment in capital assets”.

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources. The *nonspendable fund balance* classification includes amounts that cannot be spent because they are either (a) not in spendable form – prepaid items or inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

*Restricted fund balance* reflects constraints imposed on resources either (a) externally by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

*Committed fund balance* can only be used for specific purposes pursuant to constraints imposed by formal resolutions of the city council – the government’s highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the city council removes the specified use by taking the same type of action imposing the commitment. This classification also includes contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

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*Assigned fund balance* reflects the amounts constrained by the city's "intent" to be used for specific purposes, but are neither restricted nor committed. The city's fund balance policy provides city council the authority to assign amount to be used for specific purposes. The authority for assigned fund balance may be delegated to some other body or official other than city council. Assigned fund balances include all remaining amounts (except negative balances) that are reported in governmental funds, other than the general fund, that are not classified as nonspendable and are neither restricted nor committed.

*Unassigned fund balance* is the residual classification for the general fund. It is also used to report negative fund balances in other governmental funds.

#### 10. *Net position flow assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted 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.

#### 11. *Fund balance flow assumption*

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental 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 fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### 12. *Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and the related notes. Actual results may differ from these estimates.

## **J. Revenues and Expenditures/Expenses**

#### 1. *Program Revenues*

Amounts reported as *program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenue.

#### 2. *Proprietary funds operating and nonoperating revenues and expenses*

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

**City of Bloomingdale, Georgia**

Notes to the Financial Statements

June 30, 2015

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

All governmental fund budgets are prepared on a basis consistent with generally accepted accounting principles.

The appropriated budget is prepared by fund, function, and department. The City Council may transfer funds from one object or purpose to another within the same department. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The City Council may amend the budget by motion during the fiscal year.

Budget appropriations presented in this report include all legally adopted appropriations as amended during the fiscal year. For the year ended June 30, 2015, supplemental increases in appropriations were \$238,184 in the General Fund. There were no budgeted amounts adopted within the Forfeiture Account and Fire Department funds.

**B. Excess of Expenditures over Appropriations**

For the year ended June 30, 2015, expenditures exceeded appropriations in the following funds and departments (the legal level of budgetary control):

**General Fund:**

Municipal Court.....	\$	1,432
Recreation.....		449

**Forfeiture Account Fund**

Public Safety.....	\$	266
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**Fire Department Fund**

Public Safety.....	\$	4,165
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These over expenditures were funded primarily by unbudgeted revenues and fund balance.

**NOTE 3 – DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

At June 30, 2015, the City had the following investments and maturities:

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 3	4 - 5	Greater than 5
<b>General Fund</b>						
Cerificates of deposit.....	N/A	\$ 935,652	\$ 935,652	\$ -	\$ -	\$ -
<b>Pension Trust Fund</b>						
Stocks and options.....		763,643	763,643	-	-	-
Corporate bonds						
Various.....	A-	20,432	20,432	-	-	-
Various.....	BBB+	42,540	20,509	-	-	22,031
Various.....	BBB	27,504	20,891	-	-	6,613
Various.....	BBB-	35,497	-	-	35,497	-
Preferreds/fixed rate cap secs.....	NR	21,716	21,716	-	-	-
		<u>\$ 1,846,984</u>	<u>\$ 1,782,843</u>	<u>\$ -</u>	<u>\$ 35,497</u>	<u>\$ 28,644</u>

**City of Bloomingdale, Georgia**

Notes to the Financial Statements

June 30, 2015

*Interest rate risk* is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk is the risk that an issuer or counterparty to an investment will not fulfill its obligations. State law governs the investment of retirement funds (O.C.G.A. 47-20-84) and limits investments to maximum concentrations by investment category (at cost). The City has no formal investment policy that would further limit its investment choices.

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. The Official Code of Georgia Annotated (OCGA) Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days, a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged, shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The City has no custodial credit risk policy that would require additional collateral requirements. At year-end the carrying amount of the City's deposits was \$2,719,972 and the bank balance was \$2,726,448. As of June 30, 2015 the entire bank balance was insured and collateralized with securities held by the government or its agent in the City's name.

Reconciliation to the basic financial statements:

**Statement of Net Position**

Cash and cash equivalents.....	\$ 1,245,547
Certificates of deposits included in investments.....	935,652
Restricted cash and cash equivalents.....	44,937

**Fiduciary Funds**

Cash and cash equivalents.....	494,836
Total cash and cash equivalents.....	<u><u>\$ 2,720,972</u></u>

**B. Receivables**

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

	<u>General</u>	<u>SPLOST</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Receivables:				
Accounts.....	\$ 181,829	\$ -	\$ 61,781	\$ 243,610
Intergovernmental.....	80,569	49,569	-	130,138
Franchise taxes.....	47,726	-	-	47,726
Fines and forfeitures.....	123,485	-	-	123,485
Gross receivables.....	<u>433,609</u>	<u>49,569</u>	<u>61,781</u>	<u>544,959</u>
Less: allowance for uncollectibles.....	<u>(134,893)</u>	<u>-</u>	<u>(7,427)</u>	<u>(142,320)</u>
Net total receivables.....	<u><u>\$ 298,716</u></u>	<u><u>\$ 49,569</u></u>	<u><u>\$ 54,354</u></u>	<u><u>\$ 402,639</u></u>

Substantially all receivables are expected to be collected within one year.

**City of Bloomingdale, Georgia**

Notes to the Financial Statements

June 30, 2015

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land.....	\$ 1,163,628	\$ -	\$ -	\$ -	\$ 1,163,628
Construction in progress.....	472,888	126,168	-	-	599,056
Total capital assets, not being depreciated.....	<u>1,636,516</u>	<u>126,168</u>	<u>-</u>	<u>-</u>	<u>1,762,684</u>
Capital assets, being depreciated					
Buildings.....	1,825,837	-	-	-	1,825,837
Improvements other than buildings.....	651,424	-	-	-	651,424
Machinery and equipment.....	817,967	175,149	-	-	993,116
Vehicles.....	868,341	78,692	15,000	-	932,033
Infrastructure.....	3,798,702	-	-	-	3,798,702
Total capital assets, being depreciated.....	<u>7,962,271</u>	<u>253,841</u>	<u>15,000</u>	<u>-</u>	<u>8,201,112</u>
Less accumulated depreciation for:					
Buildings.....	(397,181)	(50,882)	-	-	(448,063)
Improvements other than buildings.....	(195,774)	(38,960)	-	-	(234,734)
Machinery and equipment.....	(488,486)	(133,175)	-	-	(621,661)
Vehicles.....	(575,635)	(90,981)	(15,000)	-	(651,616)
Infrastructure.....	(721,578)	(189,874)	-	-	(911,452)
Total accumulated depreciation.....	<u>(2,378,654)</u>	<u>(503,872)</u>	<u>(15,000)</u>	<u>-</u>	<u>(2,867,526)</u>
Total capital assets, being depreciated, net.....	<u>5,583,617</u>	<u>(250,031)</u>	<u>-</u>	<u>-</u>	<u>5,333,586</u>
Governmental activities capital assets, net.....	<u>\$ 7,220,133</u>	<u>\$ (123,863)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,096,270</u>

Depreciation expense was charged to functions / programs of the governmental activities as follows:

**Governmental activities**

General government.....	\$ 55,483
Public safety.....	180,359
Public works.....	219,501
Culture and recreation.....	48,529
Total depreciation expense.....	<u>\$ 503,872</u>

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated					
Land.....	\$ 59,335	\$ -	\$ -	\$ -	\$ 59,335
Total capital assets, not being depreciated.....	59,335	-	-	-	59,335
Capital assets, being depreciated					
Buildings and system.....	3,719,868	-	-	-	3,719,868
Machinery and equipment.....	212,231	407,000	-	-	619,231
Vehicles.....	69,400	-	-	-	69,400
Total capital assets, being depreciated.....	4,001,499	407,000	-	-	4,408,499
Less accumulated depreciation for:					
Buildings and system.....	(2,009,147)	(77,205)	-	-	(2,086,352)
Machinery and equipment.....	(177,297)	(50,349)	-	-	(227,646)
Vehicles.....	(43,419)	(6,495)	-	-	(49,914)
Total accumulated depreciation.....	(2,229,863)	(134,049)	-	-	(2,363,912)
Total capital assets, being depreciated, net.....	1,771,636	272,951	-	-	2,044,587
Business-type activities capital assets, net.....	\$ 1,830,971	\$ 272,951	\$ -	\$ -	\$ 2,103,922

### **Wastewater Treatment Plant Costs**

The City entered into an agreement with the City of Pooler, Georgia in 1998 to defray a portion of the capital costs associated with certain improvements to the Pooler wastewater treatment plant facility. In return, the City would be permitted to connect and discharge raw sewage to the facility. The term of the agreement is for fifty years terminating on June 30, 2048. At June 30, 2015, contributions totaled \$1,190,369, net of accumulated amortization of \$492,778. Amortization expense for fiscal year 2015 was \$33,663.

### **D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2015, is as follows:

#### **Due from / to other funds:**

Receivable Fund	Payable Fund	Amount
Water and Sewer Fund	General Fund	37,219
Total.....		\$ 37,219

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The City expects to pay all interfund balances within one year.

#### **Interfund transfers:**

Transfer from	Transfer to	Amount
Non-major Funds	SPLOST	\$ 176,536
Total.....		\$ 176,536

Interfund transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them.

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

#### E. Deferred Inflows of Resources

Deferred inflows of resources are reported in the governmental funds to offset receivables that do not meet the availability criterion under the modified accrual basis of accounting. At June 30, 2015, deferred inflows of resources reported in governmental funds represented unavailable franchise tax revenues of \$52,500.

#### F. Capital Lease

On August 26, 2013, the City entered into a capital lease agreement with Community First National Bank for the purpose of purchasing SCBA gear for the fire department. The lease calls for principal payments totaling \$115,000 at an interest rate of 3.39% commencing in fiscal year 2015. The required annual payment is \$25,391, including principal and interest, for a period of five years.

On August 19, 2014, the City entered into a capital lease agreement with State Bank & Trust for the purpose of purchasing new water meters and an automatic meter reading system for the water and sewer departments. The lease calls for principal payments totaling \$407,000 at an interest rate of 3.11%, with the first payment due in September 2014. The required annual payment is \$64,810, including principal and interest, for a period of seven years.

The outstanding balance of the capital leases as of June 30, 2015 was \$456,781. Principal and interest payments are as follows:

Fiscal Year Ending June 30,	Required Payment
2016	\$ 90,201
2017	90,201
2018	90,201
2019	90,201
2020	64,810
2021-2022	75,612
Total minimum lease payments.....	501,226
Less: amount representing interest.....	(44,445)
Present value of future minimum lease payments.....	<u>\$ 456,781</u>

For the year ended June 30, 2015, depreciation expense recorded on leased assets was \$63,700. At June 30, 2015, the net book value of assets under capital lease was as follows:

Machinery and equipment.....	\$ 522,000
Accumulated depreciation.....	(86,700)
Book value.....	<u>\$ 435,300</u>

## City of Bloomingdale, Georgia

Notes to the Financial Statements

June 30, 2015

### G. Long-term Debt

#### Note Payable

On October 21, 2010 the City executed an agreement with Branch Banking and Trust (BB&T) for the purpose of purchasing land located at 5 Adams Road. The loan amount is \$370,000 and has an interest rate of 3.43%. The monthly payment is \$4,907 for a period of ten years. The balance of the loan as of June 30, 2015, was \$213,006.

#### Total Debt Service Requirements - Note Payable

Fiscal Year			
Ending	Principal	Interest	Total
2016	\$ 37,032	\$ 6,728	\$ 43,760
2017	38,323	5,437	43,760
2018	39,658	4,102	43,760
2019	41,040	2,720	43,760
2020	42,470	1,290	43,760
2021	14,483	104	14,587
Totals.....	<u>\$ 213,006</u>	<u>\$ 20,381</u>	<u>\$ 233,387</u>

#### Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
<b>Governmental activities</b>					
Note payable.....	\$ 248,791	\$ -	\$ 35,785	\$ 213,006	\$ 37,032
Capital lease payable.....	115,000	407,000	65,219	456,781	22,221
Compensated absences.....	74,763	67,064	63,554	78,273	35,224
Total governmental activities....	<u>\$ 438,554</u>	<u>\$ 474,064</u>	<u>\$ 164,558</u>	<u>\$ 748,060</u>	<u>\$ 94,477</u>
<b>Business-type activities:</b>					
Compensated absences.....	\$ 7,832	\$ 7,022	\$ 12,432	\$ 2,422	\$ 1,089
Total business-type activities....	<u>\$ 7,832</u>	<u>\$ 7,022</u>	<u>\$ 12,432</u>	<u>\$ 2,422</u>	<u>\$ 1,089</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

**City of Bloomingdale, Georgia**

Notes to the Financial Statements

June 30, 2015

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**H. Fund Balance Classifications**

Amounts for specific purposes by fund and fund classifications for the year ended June 30, 2015 are as follows:

Classification/ Fund	Purpose	Amount
Nonspendable		
General Fund	Inventories	\$ 42,799
Restricted		
Forfeiture Account Fund	U.S. Department of Justice	4,720
SPLOST Projects	Drainage and capital outlay projects	522,896
Assigned		
Fire Department Fund	Fire department operations	4,131
Unassigned		
General Fund		920,673
	Total Fund Balance.....	<u><u>\$ 1,495,219</u></u>

**NOTE 4 – OTHER INFORMATION**

**A. Employee Retirement Plan**

The City of Bloomingdale administers a defined benefit pension plan. The plan assets shall be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan.

*1. Summary of Significant Accounting Policies*

*Basis of accounting* - The Plan's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

*Method used to value investments* - Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

*2. Pension Plan Description*

*Plan administration* - The City of Bloomingdale Defined Benefit Plan (the Plan) is a single-employer defined benefit pension plan covering all full-time employees, elected officials, and appointed positions who have attained age 21 and completed one year of service. The Plan provides retirement, disability, death and termination benefits to plan members and beneficiaries. The City administers the Plan, and responsibilities include pension disbursements and general administration of the Plan through oversight of the City's Pension Board. The Pension Board has contracted with Wells Fargo Advisors to act as custodian of the assets of the Plan. The accounting and financial reporting functions are performed by the City's finance department. The City's General Fund bears most of the Plan's administrative costs.

**City of Bloomingdale, Georgia**

Notes to the Financial Statements

June 30, 2015

*Benefits provided* – The Plan provides retirement benefits for its members. Benefits vest after five (5) years of service. Normal retirement benefits for general plan members are calculated as one percent (1%) of the average monthly compensation multiplied by the number of years of service, plus three and three-quarters of one percent (0.375%) of average monthly compensation in excess of \$833.33, multiplied by the number of years of service, up to a maximum of thirty-five (35) years. Average monthly compensation is the quotient of the total compensation of a participant during the sixty (60) consecutive calendar month period of service of highest compensation.

For years of service rendered as an elected official or appointed position, the benefit shall be ten dollars (\$10) per month for each year of service earned as an elected official or appointed position prior to January 1, 2014, plus thirty dollars (\$30) per month for each year of service earned as an elected official or appointed position after December 31, 2013.

Normal retirement age is the later of attainment of age sixty-two (62) or the fifth (5th) anniversary of plan participation, or if earlier, attainment of age fifty-seven (57) and twenty-five (25) years of service. Employees who have attained age fifty-five (55) with ten (10) or more years of service have the option for early retirement benefits. The plan also provides for disability and termination benefits.

The Plan’s benefit provisions are established and amended by local ordinance.

Membership of the plan consisted of the following as of July 1, 2015, the date of the latest actuarial valuation:

Inactive employees (or their beneficiaries) currently receiving benefits.....	1
Inactive employees entitled to, but not yet receiving benefits.....	5
Active employees.....	40
Total.....	<u>46</u>

*Contributions* - The City is required to contribute at an actuarially determined rate; the current rate is 9.39 percent (9.39%) of annual covered payroll. The City contributes such additional amounts as are necessary, based on actuarial valuations, to provide the plan with sufficient assets to meet future benefit payments. In 2015, the City contributed \$124,920 (9.57% of covered payroll). Employees do not contribute to the Plan. Total payroll for employees covered under the Plan for the year ended June 30, 2015 was \$1.31 million.

The Plan’s contribution requirements are established and amended by local ordinance.

The Plan’s audited financial statements are included in the City’s annual financial report as a Pension Trust Fund. The Plan does not issue a stand-alone financial report.

**3. Information about the Net Pension Liability**

*Net pension liability* – the City’s net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015.

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

*Actuarial assumptions* – The total pension liability in the July 1, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	8.00%
Projected salary increases	4.50%
Cost of living adjustment	3.00%
Post-retirement Mortality Table	1994 Group Annuity Reserving Table, projected to 2002
Actuarial cost method	Entry age normal
Amortization method	Closed level percentage of projected payroll over 15 years

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of the last actuarial experience study dated February 19, 2014. The result was rolled forward using standard actuarial techniques to the measurement date.

*Discount rate* – The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that the City’s contributions will be made at the current contribution rate. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current and active employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Long-term expected rate of return* – The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting 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 Plan’s target asset allocation as of July 1, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Fixed income	40.00%	5.25%
Domestic equity	60.00%	9.00%
Cash	0.00%	
<b>Total</b>	<u>100.00%</u>	

*Projected cash flows* – The projection of cash flows used to determine the discount rate assumed the City would contribute 9.39 percent of projected compensation over the 15 year amortization period of the unfunded actuarial accrued liability. At the end of the 15 year period, the City will only contribute the normal cost of the remaining actives in the Plan.

*Periods of projected benefit payments* – Projected future benefit payments for all current plan members were projected through 2098.

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

*Sensitivity analysis* – The following presents the net pension liability of the Plan, calculated using the discount rate of percent, as well as what the Plan’s net pension liability would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the current rate:

	<b>1.00% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
City's net pension liability (asset).....	223,272	155,779	92,201

#### 4. *Changes in the Net Pension Liability*

Changes in the net pension liability are as follows:

	<b>Total Pension Liability (Asset) (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at June 30, 2014.....	\$ 1,422,860	\$ 1,321,294	\$ 101,566
Changes for the year:			
Service cost.....	125,698	-	125,698
Interest.....	113,165	-	113,165
Difference between expected and actual experience.....	(18,921)	-	(18,921)
Contributions, employer.....	-	124,920	(124,920)
Net investment income.....	-	54,710	(54,710)
Benefit payments.....	(80,855)	(80,855)	-
Administrative expense.....	-	(13,901)	13,901
Net changes.....	139,087	84,874	54,213
Balances at June 30, 2015.....	\$ 1,561,947	\$ 1,406,168	\$ 155,779

#### 5. *Pension Expense and Deferred Outflows Resources and Deferred Inflows of Resources Related to Pensions*

Pension expense for the year ended June 30, 2015:

Service cost.....	\$ 125,698
Interest on total pension liability (TPL).....	113,165
Differences between projected and actual experience.....	(2,208)
Expected return on assets.....	(100,229)
Differences between projected and actual earnings on plan investments.....	9,104
Administrative expenses.....	13,901
Total expense.....	\$ 159,431

The City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflow of Resources</b>	<b>Deferred Inflow of Resources</b>
Differences between expected and actual experience.....	\$ 36,416	\$ -
Net difference between projected and actual earnings on pension plan investments.....	-	40,068
Total deferred outflows/(inflows).....	\$ 36,416	\$ 40,068

## City of Bloomingdale, Georgia

### Notes to the Financial Statements

June 30, 2015

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Recognized in  
June 30,**

2016	\$	9,104	\$	(2,208)	\$	6,896
2017		9,104		(2,208)		6,896
2018		9,104		(2,208)		6,896
2019		9,104		(2,208)		6,896
2020		-		(2,208)		(2,208)
Thereafter		-		(29,028)		(29,028)
	\$	<u>36,416</u>	\$	<u>(40,068)</u>	\$	<u>(3,652)</u>

### **B. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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

The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

### **C. Commitments and Contingencies**

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under the terms of the grant. Based on prior year experiences, the City believes such disallowances, if any, will be immaterial.

**City of Bloomingdale, Georgia**  
 Required Supplementary Information  
 Schedule of Changes in the City's Net Pension Liability and Related Ratios  
 Last Two Fiscal Years  
 June 30, 2015

	2014	2015
<b>TOTAL PENSION LIABILITY</b>		
Service cost	\$ 101,543	\$ 125,698
Interest	104,899	113,165
Differences between expected and actual experience	(68,879)	(18,921)
Benefit payments	(23,198)	(80,855)
<b>Net change in total pension liability</b>	<b>114,365</b>	<b>139,087</b>
<b>Total pension liability - beginning</b>	<b>1,308,495</b>	<b>1,422,860</b>
<b>Total pension liability - ending</b>	<b>\$ 1,422,860</b>	<b>\$ 1,561,947</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions - employer	\$ 104,770	\$ 124,920
Net investment income	165,890	54,710
Benefit payments	(23,198)	(80,855)
Administrative expense	(11,635)	(13,901)
<b>Net change in plan fiduciary net position</b>	<b>235,827</b>	<b>84,874</b>
<b>Plan fiduciary net position - beginning</b>	<b>1,085,467</b>	<b>1,321,294</b>
<b>Plan fiduciary net position - ending</b>	<b>\$ 1,321,294</b>	<b>\$ 1,406,168</b>
CITY'S NET PENSION LIABILITY - ending	\$ 101,566	\$ 155,779
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	92.86%	90.03%
COVERED-EMPLOYEE PAYROLL	\$ 1,249,083	\$ 1,305,039
CITY'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	8.13%	11.94%

**NOTE:** Information prior to the fiscal year ended June 30, 2014 is not available.

**City of Bloomingdale, Georgia**  
**Required Supplementary Information**  
**Schedule of City Contributions**  
**Last Three Fiscal Years**  
**June 30, 2015**

	2013	2014	2015
Actuarially determined contribution	\$ 103,945	\$ 114,375	\$ 123,101
Contributions in relation to the actuarially determined contribution	112,964	104,770	124,920
Contribution deficiency (excess)	<u>\$ (9,019)</u>	<u>\$ 9,605</u>	<u>\$ (1,819)</u>
COVERED-EMPLOYEE PAYROLL	\$ 1,128,481	\$ 1,249,083	\$ 1,305,039
CONTRIBUTIONS AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL	10.01%	8.39%	9.57%

**Notes to Schedule**

Valuation date 7/1/2015

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Closed level percentage of projected payroll over 15 years
Remaining amortization period	15 years
Asset valuation method	Market value, including accruals
Inflation	3.00%
Salary increases	4.50%
Investment rate of return	8.00%
Retirement age	First day of the month coinciding with or following the later of age 62 or the 5th anniversary of plan participation, if earlier, age 57 and the completion of 25 years of service.
Mortality	1994 Group Annuity Reserving Table, projected to 2002

**Schedule of Investment Returns**  
**Last Three Fiscal Years**  
**June 30, 2015**

	2013	2014	2015
Annual money-weighted rate of return, net of investment expenses....	7.30%	14.88%	4.05%

**NOTE:** Information prior to the fiscal year ended June 30, 2013 is not available.

## NON-MAJOR GOVERNMENTAL FUNDS

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

- *Fire Department Fund* accounts for fund raising efforts by the City's fire department and related expenditure of those funds.
- *Forfeiture Account Fund* accounts for forfeited assets awarded to the City and the related expenditures.

### Capital Project Funds

The capital projects funds account for the acquisition and construction of major capital facilities other than those financed by other capital project funds and the water and sewer fund.

- *Special Purpose Local Option Sales Tax (SPLOST) Drainage Fund* accounts for the receipt and use of local government shared revenues (SPLOST proceeds) to be used for the acquisition, construction, or improvement of capital drainage infrastructure approved in the City's intergovernmental agreement with Chatham County, Georgia.
- *Greenspace Project Fund* accounts for the receipt and use of local government shared revenues (SPLOST proceeds) to be used for greenspace projects throughout the City.

CITY OF BLOOMINGDALE, GEORGIA

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**City of Bloomingdale, Georgia**

Non-major Governmental Funds

Combining Balance Sheet

June 30, 2015

	Non-major Special Revenue Funds		Non-major Capital Projects Funds		Total
	Fire Department	Forfeiture Account Fund	SPLOST Drainage	Green Space Projects	Non-major Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents.....	\$ 4,131	\$ 4,720	\$ -	\$ -	\$ 8,851
Total assets.....	4,131	4,720	-	-	8,851
<b>FUND BALANCES</b>					
Fund balance:					
Restricted for:					
Public safety.....	\$ -	\$ 4,720	\$ -	\$ -	\$ 4,720
Assigned to:					
Public safety.....	4,131	-	-	-	4,131
Total fund balance.....	4,131	4,720	-	-	8,851
Total liabilities and fund balance.....	\$ 4,131	\$ 4,720	\$ -	\$ -	\$ 8,851

## City of Bloomingdale, Georgia

### Non-major Governmental Funds

#### Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended June 30, 2015

	Non-major Special Revenue Funds		Non-major Capital Projects Funds		Total
	Fire Department	Forfeiture Account Fund	SPLOST Drainage	Green Space Projects	Non-major Governmental Funds
<b>REVENUES</b>					
Fines and forfeitures.....	\$ -	\$ 2,989	\$ -	\$ -	\$ 2,989
Contributions and donations.....	4,405	-	-	-	4,405
Total revenues.....	4,405	2,989	-	-	7,394
<b>EXPENDITURES</b>					
Current:					
Public safety.....	4,165	266	-	-	4,431
Total expenditures.....	4,165	266	-	-	4,431
Excess (deficiency) of revenues over (under) expenditures.....	240	2,723	-	-	2,963
<b>OTHER FINANCING SOURCES</b>					
Transfers out.....	-	-	(91,520)	(85,016)	(176,536)
Total other financing sources.....	-	-	(91,520)	(85,016)	(176,536)
Net change in fund balance.....	240	2,723	(91,520)	(85,016)	(173,573)
Fund balance, beginning of year.....	3,891	1,997	91,520	85,016	182,424
Fund balance, end of year.....	\$ 4,131	\$ 4,720	\$ -	\$ -	\$ 8,851

**City of Bloomingdale, Georgia**

Forfeiture Account Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Fines and forfeitures.....	\$ -	\$ -	\$ 2,989	\$ 2,989
Total revenues.....	-	-	2,989	2,989
<b>EXPENDITURES</b>				
Current:				
Public safety.....	-	-	266	(266)
Total expenditures.....	-	-	266	(266)
Excess revenues over (under) expenditures.....	-	-	2,723	2,723
Fund balance at beginning of year.....	1,997	1,997	1,997	-
Fund balance at end of year.....	\$ 1,997	\$ 1,997	\$ 4,720	\$ 2,723

**City of Bloomingdale, Georgia**

Fire Department Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual

For the Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Contributions and donations.....	\$ -	\$ -	\$ 4,405	\$ 4,405
Total revenues.....	-	-	4,405	4,405
<b>EXPENDITURES</b>				
Current:				
Public safety.....	-	-	4,165	(4,165)
Total expenditures.....	-	-	4,165	(4,165)
Excess revenues over (under) expenditures.....	-	-	240	240
Fund balance at beginning of year.....	-	-	3,891	(3,891)
Fund balance at end of year.....	\$ -	\$ -	\$ 4,131	\$ (3,651)

**City of Bloomingdale, Georgia**  
Schedule of Projects Constructed with  
Special Purpose Local Option Sales Tax Proceeds  
For the Year Ended June 30, 2015

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current	
<b>2003 Resolution</b>	\$ 2,800,000	\$ 2,902,165			
City Hall improvements.....	-	-	\$ 125,415	\$ -	\$ 125,415
Municipal parking lot improvements....	-	-	181,867	-	181,867
Public safety-fire equipment.....	-	-	154,614	-	154,614
Wastewater Treatment Plant.....	-	-	1,217,882	-	1,217,882
Public works facility debt service.....	-	-	43,760	-	43,760
Other capital outlay projects:					-
Bloomingdale park and ballfield.....	-	-	162,359	-	162,359
Taylor park.....	-	-	199,387	-	199,387
Office equipment.....	-	-	9,860	-	9,860
Bloomingdale fire station.....	-	-	184,056	-	184,056
Stagecoach road paving.....	-	-	466,893	-	466,893
Land purchase.....	-	-	158,477	-	158,477
History Museum.....	-	-	50,000	-	50,000
Machinery and equipment.....	-	-	284,740	-	284,740
Recreation.....	-	-	36,069	12,106	48,175
Subtotal 2003 Resolution	<u>2,800,000</u>	<u>2,902,165</u>	<u>3,275,379</u>	<u>12,106</u>	<u>3,287,485</u>
<b>2008 Resolution</b>	3,000,000	3,000,000			
General administration equipment.....	-	-	25,112	11,214	36,326
Public safety:					
Equipment.....	-	-	194,257	71,534	265,791
Equipment debt service.....	-	-	-	-	-
Facility.....	-	-	747,378	-	747,378
Public safety equipment.....					
Public works:					
Equipment.....	-	-	201,938	7,000	208,938
Facility debt service.....	-	-	43,760	-	43,760
Street resurfacing.....	-	-	57,514	69,691	127,205
Water meter replacement project.....	-	-	205	279,110	279,315
Drainage projects:					
Phase II & III project.....	-	-	245,270	30,778	276,048
Recreation:					
Veterans Monument.....	-	-	50,000	-	50,000
Rails to Trails.....	-	-	-	59,196	59,196
Recreation equipment.....	-	-	47,898	3,060	50,958
Water and sewer equipmment.....	-	-	11,539	-	11,539
Subtotal 2008 Resolution	<u>3,000,000</u>	<u>3,000,000</u>	<u>1,624,871</u>	<u>531,583</u>	<u>2,156,454</u>

*continued*

**City of Bloomingdale, Georgia**  
Schedule of Projects Constructed with  
Special Purpose Local Option Sales Tax Proceeds  
For the Year Ended June 30, 2015

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current	
<b>2014 Resolution</b>	3,200,000	3,200,000			
General administration equipment.....	-	-	-	17,048	17,048
Public safety:					
Equipment.....	-	-	-	41,300	41,300
Equipment debt service.....	-	-	-	-	-
Facility.....	-	-	-	-	-
Public safety equipment.....					
Public works:					
Equipment.....	-	-	-	25,236	25,236
Facility debt service.....	-	-	-	-	-
Street resurfacing.....	-	-	-	-	-
Water meter replacement project.....	-	-	-	128,077	128,077
Drainage projects:					
Phase III drainage project.....	-	-	-	23,903	23,903
Recreation:					
Veterans Monument.....	-	-	-	1,922	1,922
Rails to Trails.....	-	-	-	-	-
Equipment.....	-	-	-	13,990	13,990
Water and sewer equipment.....	-	-	-	-	-
Subtotal 2014 Resolution	<u>3,200,000</u>	<u>3,200,000</u>	<u>-</u>	<u>251,476</u>	<u>251,476</u>
Totals for all Resolutions	<u>\$ 9,000,000</u>	<u>\$ 9,102,165</u>	<u>\$ 4,900,250</u>	<u>\$ 795,165</u>	<u>\$ 5,695,415</u>

*Reconciliation of Schedule of Projects Constructed with Special Purpose Sales Tax Proceeds to Expenditures and Net Transfers reported in the Special Purpose Local Option Sales Tax Funds:*

Project Expenditures	
SPLOST Fund.....	\$ 795,165
Total expenditures.....	795,165
Other expenditures:	
Debt service payments related to items already included on the schedule.....	123,159
Total SPLOST expenditures.....	<u>\$ 918,324</u>

*concluded*



INDEPENDENT AUDITORS' 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*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomingdale, Georgia (the City) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 29, 2015.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are applicable in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and responses as 2015-01, which we consider to be a material weakness.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City’s financial statements are free from material misstatement, we performed test 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’s Response to Findings**

The City’s response to the finding identified in our audit are described in the accompanying schedule of findings and responses. The City’s response 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 give an opinion on the effectiveness of the entity’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KRT, CPAs P.C.

*KRT, CPAs P.C.*

Savannah, Georgia  
December 29, 2015

SCHEDULE OF FINDINGS AND RESPONSES

JUNE 30, 2015

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Finding 2015-01 Material Weakness in Internal Control Over Financial Reporting – Reconciliation of General Ledger to Monthly Bank Statements (Recurring)

*Criteria*

The City's general ledger is the official record of financial transactions.

*Condition*

Currently, monthly bank statements are reconciled to a manual ledger, but the activity in the manual ledger, nor the bank statement, is reconciled to the City's general ledger.

*Cause*

The City's monthly close process does not include reconciling bank statements to the City's general ledger.

*Effect or Possible Effect*

Audit adjustments were required to record transfer of funds between bank accounts and across funds (i.e. to/from the General Fund, to/from the Water and Sewer Fund). An accurate accounting of cash is critical to safeguarding the asset of the City and to ensure all financial activity is recorded in the official records of the City.

*Recommendation*

Management should implement formal accounting policies which address the monthly close process. All monthly activity should be reconciled to supporting documents including internally produced reports and reports provided by third-parties. If the need for a separate manual ledger for cash is justified, the activity in the manual ledger, general ledger, and bank statements should all be reconciled monthly.

*Views of Responsible Officials and Planned Corrective Actions*

Management agrees cash should be reconciled monthly to the general ledger of the City. Management will develop and document adequate monthly close procedures and ensure finance personnel adhere to such policies going forward.