

City of Barnesville, Georgia

Financial Statements for the
Fiscal Year Ended September 30, 2018
Independent Auditor's Report



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City of Barnesville, Georgia
Annual Financial Report
For the Year Ended September 30, 2018

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Independent Auditor's Report

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Independent Auditor's Report

Honorable Mayor and
Members of the Council City of
Barnesville, 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 aggregate remaining fund information as of and for the fiscal year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise the City of Barnesville, Georgia's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The City of Barnesville'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 on the effectiveness of the City'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 opinions, 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 aggregate remaining fund information of the City of Barnesville as of September 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, beginning on page three, Georgia Members Employees Benefit System Schedule of Net Pension Liability and Contributions on page 42, the Georgia Firefighters Pension Fund's Schedule of the Proportionate Share of Net Liability on page 43 and the budgetary comparisons beginning on page 44 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Auditing 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. 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 by us. We have also applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of Barnesville. The combining and individual fund statements, budgetary schedules, SPLOST schedule, and other schedules, *Audits of State and Local Governments and Non-Profit Organizations* are presented for purposes of additional analysis and are not a required part of the basic Financial statements.

The combining and individual fund statements, budgetary schedules, SPLOST schedule, and other schedules, are the responsibility of management and were 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 by us. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund statements, budgetary schedules, and other schedules 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 March 16, 2019 on our consideration of the City of Barnesville'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 Barnesville's internal control over financial reporting and compliance.

J. Robyn Underwood, CPA
Barnesville, Georgia
March 16, 2019

Management's Discussion and Analysis

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2018

As management of City of Barnesville, Georgia, we offer readers of our financial statements this narrative overview and analysis of the financial activities of City of Barnesville for the fiscal year ended September 30, 2018. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

Financial Highlights

Key financial highlights for FYE 2018 are as follows:

The City's combined net positions totaled \$31.6 million. Of this amount, unrestricted net positions amounted to \$3.2 million.

Combined revenue totaled \$16.9 million.

Overall expenses totaled \$16.2 million.

Overall the net change in fund balance was a decrease of \$441,632.

The net change in the General Fund balance was an increase of \$45,051 due to an increase in revenues.

As of September 30, 2018, the City's General Fund reported an unassigned fund balance of \$436,406.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to City of Barnesville, Georgia's basic financial statements. The City's basic financial statements consist of the following elements:

Government-wide Financial Statements

Government-wide financial statements provide both long-term and short-term information about the City's overall financial condition. Changes in the City's financial position may be measured over time by increases and decreases in the Statement of Net Positions. Information on how the City's net positions changed during the fiscal year is presented in the Statement of Activities.

Fund Financial Statements

Fund financial statements focus on individual parts of the City, reporting the City's operations in more detail than the government-wide financial statements. Fund financial statements include the statements for governmental and proprietary funds.

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2018

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the government-wide and fund financial statements.

Refer to Note 1 to the financial statements for more detailed information on the elements of the financial statements. Table 1 (shown below) summarizes the major features of the basic financial statements.

Table 1: Major Features of the Basic Financial Statements

	Government-wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire State government (except fiduciary funds) and the City's component units	<ul style="list-style-type: none"> Activities of the City that are not proprietary or fiduciary 	Activities of the City that are operated similar to private business
Required Financial Statements	<ul style="list-style-type: none"> Statement of Net Positions Statement of Activities 	<ul style="list-style-type: none"> Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances 	<ul style="list-style-type: none"> Statement of Net Positions Statement of Revenues, Expenditures, and Changes in Net Positions Statement of Cash Flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	<ul style="list-style-type: none"> Revenues for which cash is received during or soon after the end of the year Expenditures when goods or services have been received and payment is due during the year or soon thereafter 	All revenues and expenses during the year, regardless of when cash is received or paid

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2018

Government-wide Financial Analysis

Condensed Statement of Net Positions

Table 2 (shown below) presents the City's condensed statement of net positions as of September 30, 2017 and 2016.

Table 2: Condensed Statement of Net Positions

	Governmental Activities	
	2018	2017
Assets		
Current and Other Assets	\$ 1,792,179	\$ 1,964,028
Capital Assets	<u>8,874,969</u>	<u>8,965,704</u>
Total Assets	<u>\$ 10,667,148</u>	<u>\$ 10,929,732</u>
Deferred Outflows of Resources	<u>\$ 642,195</u>	<u>\$ 620,188</u>
Liabilities		
Other Liabilities	\$ 156,712	\$ 718,288
Long-term Liabilities	<u>1,513,292</u>	<u>1,066,554</u>
Total Liabilities	<u>\$ 1,670,004</u>	<u>\$ 1,784,842</u>
Deferred Inflows of Resources	<u>\$ 640,330</u>	<u>\$ 321,575</u>
Net Positions		
Net Investment in Capital Assets	\$ 8,874,969	\$ 8,965,704
Restricted	367,702	854,385
Unrestricted	<u>< 367,702 ></u>	<u>< 376,586 ></u>
Total Net Positions	<u>\$ 8,981,008</u>	<u>\$ 9,443,503</u>

The largest component of the City's net positions is its investment in capital assets (e.g. land, infrastructure, buildings, equipment, and others), less any related debt outstanding that was needed to acquire or construct the assets. The City uses these capital assets to provide services to the citizens and businesses in the City; consequently, these net positions are not available for future spending. Restricted net positions represent resources that are subject to external restrictions, constitutional provisions, or enabling legislation on how they can be used. The remaining portion of net positions is unrestricted, which can be used to finance government operations. The City implemented GASB Statement 68 in 2014-2015. With the new reporting change, the City allocated its net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. Decisions regarding the allocations are made by the administrators of the pension plan, not by the City's management.

	Business-Type Activities	
	2018	2017
Assets		
Current and Other Assets	\$ 8,770,774	\$ 8,189,669
Capital Assets	<u>41,970,524</u>	<u>42,576,792</u>
Total Assets	<u>\$ 50,741,298</u>	<u>\$ 50,766,461</u>
Deferred Outflows	<u>\$ 59,015</u>	<u>\$ 58,949</u>
Liabilities		
Other Liabilities	\$ 1,355,864	\$ 1,203,145
Long-term Liabilities	<u>26,629,592</u>	<u>27,394,433</u>
Total Liabilities	<u>\$ 27,985,456</u>	<u>\$ 28,597,578</u>
Deferred Inflows of Resources	<u>\$ 158,099</u>	<u>\$ 75,986</u>
Net Positions		
Net Investment in Capital Assets	\$ 15,222,016	\$ 15,332,876
Restricted	3,992,553	3,284,054
Unrestricted	<u>3,442,189</u>	<u>3,534,916</u>
Total Net Positions	<u>\$ 22,656,758</u>	<u>\$ 22,151,846</u>

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2018

Condensed Statement of Activities

Table 3 (shown below) presents the City's condensed statement of activities for the year ended September 30, 2017 and 2016. Over time, increases and decreases in net positions measure whether the City's financial position is improving or deteriorating.

Table 3: Condensed Statement of Activities
(Expressed in thousands of dollars)

	Governmental Activities	Business Activities	Total	Prior Year Governmental Activities	Prior Year Business Activities
Revenues:					
Program:					
Charges for Services	\$ 897	\$ 13,113.5	\$ 14,010.5	\$ 678	\$ 13,728
Operating Grants & Contributions	40.5	-----	40.5	13	-----
Capital Grants & Contributions	521	-----	521	765	-----
General:					
Property Taxes	591	-----	591	594	-----
Sales Taxes	660.5	-----	660.5	623	-----
Other Taxes	987.5	-----	987.5	885.5	-----
Interest	1	48.5	49.5	.5	24
Other	37	-----	37	27	-----
Total Revenues	\$ 3735.5	\$ 13,162	\$ 16897.5	\$ 3,586	\$ 13,752
Program Expenses:					
General Government	\$ 1,429.5	\$ -----	\$ 1,429.5	\$ 1,371	\$ -----
Police	1,547.5	-----	1,547.5	1,551	-----
Fire	385	-----	385	403.2	-----
Street and Right of Way	1,045	-----	1,045	979	-----
Cemetery	53	-----	53	52	-----
Culture and Recreation	397	-----	397	405	-----
Interest on Debt	-----	-----	-----	-----	-----
Industrial Development	-----	57.5	57.5	-----	70
Water and Sewer	-----	3,618	3,618	-----	3,936
Electric	-----	7,099.5	7,099.5	-----	7,229
Sanitation	-----	652	652	-----	664
Total Expenses	\$ 4,857	\$ 11,427	\$ 16,284	\$ 4,761.2	\$ 11,899
Excess (deficiency) Special Items	\$< 1,121.5> -----	\$ 1,735 -----	\$ 613.5 -----	\$< 1,175.2> -----	\$ 1,853 279.5
Transfers	659	< 1,230>	< 571>	1,314.5	< 1,314.5>
Change in Net Positions	\$< 462>	\$ 505	\$ 42.5	\$ 139.3	\$ 818
Beginning Net Positions	\$ 9,443.5	\$ 22,152	\$ 31,595.5	\$ 8,846	\$ 21,792
Restatement	-----	-----	-----	458.2	< 458>
Ending Net Positions	\$ 8,981 =====	\$ 22,657 =====	\$ 31,638 =====	\$ 9,443.5 =====	\$ 22,152 =====

During the year ending September 30, 2018, the net positions of the government activities decreased \$462,495 or 4.9%. Total revenues for FYE 2018 increased by \$149,719 or 4.17%. The increase was due to an increase in charges for services received and various other tax revenues. Total expenses for FYE 2018 decreased by \$10457, or .21%. The departments that experienced increases in expenses in FYE 2018 were the General Government, and Public Works.

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2018

Approximately 15.82% of the City's governmental revenues came from property taxes and approximately 44.12% came from other taxes. Approximately 24% of the City's revenues came from charges for services and approximately 16% came from grants and other revenues. Although a majority of the City's expenses are financed by property taxes and other taxes, the City continues to rely heavily on revenues from charges for services to fund its budget. The City's expenses cover a range of services with 39.79% related to public safety, 21.52% related to public works, 29.43% related to general governmental activities. Although total expenses have increased there has only been a minor shift in the allocation of resources.

Program Expenses and Charges for Services for Governmental Activities

Table 4 (shown below) presents program expenses and charges for services for governmental activities for the year ended September 30, 2018 and 2017.

Table 4: Program Expenses and Charges for Services for Governmental Activities

2018		
Programs	Program Expenses	*Net Program Expenses (Charges for Services)
General Government	\$ 1,429.5	\$ 1,028.5
Public Safety	1,932.5	1,559.5
Public Works	1,045	986.5
Culture and Recreation	397	352
Cemetery	53	33
Totals	\$ 4,857 =====	\$ 3,959.5 =====
2017		
Programs	Program Expenses	*Net Program Expenses (Charges for Services)
General Government	\$ 1,371	\$ 748
Public Safety	1,954.2	1,558
Public Works	979	775
Culture and Recreation	405	191
Cemetery	52	33
Interest on Debt		
Totals	\$ 4,761.2 =====	\$ 3,305 =====

* Net program expenses are mainly supported by taxes.

The cost of all proprietary (business-type) activities this year was \$11,426,840 and additionally the business-type activities earned \$48,567 in interest from idle cash and investments. Within the total business-type activities of the City, these activities reported a \$1,686,726 operating gain.

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2018

Financial Analysis of the City's Funds

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

As of the close of the year, the City's governmental funds reported a combined ending fund balance of \$804,108 with \$367,702 reported as restricted, \$104,955 reported as assigned, and \$331,451 as unassigned fund balance.

The General Fund is the operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$331,145 and total fund balance was \$426,406. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance to total fund expenditures. Unassigned fund balance represents 7.05% of total General Fund expenditures, while total fund balance represents 9.3%. The net change in the General Fund's fund balance for the year ended September 30, 2018 was an increase of \$45,051 or 11.5%. The reason for the increase in the fund balance was mainly due to increases in revenues.

General Fund Budgetary Highlights

During the year, the City revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; 3) increases in appropriations that become necessary to maintain services. The year ended September 30, 2018 budget was amended.

The actual operating revenues of the General Fund did not exceed the final budgeted amounts.

The actual operating expenditures of the General Fund did not exceed the final budgeted amounts.

Capital Asset and Long-term Debt Activity

At September 30, 2018, the City reported \$8,874,969 in capital assets for governmental activities and \$41,970,524 for business-type activities. Major capital asset transactions during the year were street paving, Library renovations, Building Improvements and water system improvements. Also, equipment and vehicles were purchased for the police department, fire department and public works. Refer to Note 3-D to the financial statements for additional information on capital assets.

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2018

Economic Factors and Next Year's Budget and Rates

At the time of budget preparation for fiscal year 2018, the economic outlook for the City was considered to be stable. The General Fund Budget for fiscal year 2018 of \$4,130,989 was adopted as balanced.

Unemployment in the City of Barnesville/Lamar County is 4.3% as compared to 5.68% for the prior year, indicating a trend toward slight economic recovery after the great recession.

Sales tax collections were consistent in 2018 as compared to fiscal year 2017.

Rates in the utility funds may require increases to cover operating and future capital investment in the future.

The Splost 2011 Project was completed and closed during the fiscal year ending September 30, 2018. The City began collecting the Special Purpose Sales Tax for the 2017 Project during the fiscal year 2017-2018.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions about this report or requests for additional financial information may be addressed to:

City of Barnesville
109 Forsyth Street
Barnesville, Georgia 30204
Telephone: (770) 358 – 0181
Website: www.cityofbarnesville.com

Basic Financial Statements

Government-wide Financial Statements

City of Barnesville
STATEMENT OF NET POSITIONS
September 30, 2018

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 352,086	\$ 2,554,584	\$ 2,906,670
Temporary Cash Investments	-----	131,682	131,682
Receivables (Net)	1,072,390	1,938,499	3,010,889
Inventories	-----	303,776	303,776
Total Current Assets	<u>\$ 1,424,476</u>	<u>\$ 4,928,541</u>	<u>\$ 6,353,017</u>
NonCurrent Assets			
Restricted Cash and Cash Equivalents	\$ 367,702	\$ 528,557	\$ 896,259
Investments	-----	2,482,318	2,482,318
Internal Balances	< 831,358>	831,358	-----
Capital Assets			
Land	1,246,681	1,049,085	2,295,766
Depreciable Buildings, Property, and Equipment (Net)	<u>7,628,288</u>	<u>40,921,439</u>	<u>48,549,727</u>
Total NonCurrent Assets	<u>\$ 8,411,313</u>	<u>\$ 45,812,757</u>	<u>\$ 54,224,070</u>
TOTAL ASSETS	<u>\$ 9,835,789</u>	<u>\$ 50,741,298</u>	<u>\$ 60,577,087</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension Costs	\$ 456,782	\$ -----	\$ 456,782
Current Year Pension Contributions	<u>167,413</u>	<u>59,015</u>	<u>226,428</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 642,195</u>	<u>\$ 59,015</u>	<u>\$ 683,210</u>
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 108,797	\$ 630,331	\$ 739,128
Employee Christmas Fund	47,915	-----	47,915
Current Portion of Long-Term Obligations	-----	649,990	649,990
Accrued Interest Payable	-----	75,543	75,543
Total Current Liabilities	<u>\$ 156,712</u>	<u>\$ 1,355,864</u>	<u>\$ 1,512,576</u>
NonCurrent Liabilities			
Deposits-Utilities	\$ -----	\$ 362,083	\$ 362,083
NonCurrent Portion of Long-Term Obligations	-----	26,022,975	26,022,975
Net Pension Liability	<u>681,934</u>	<u>244,534</u>	<u>926,468</u>
Total NonCurrent Liabilities	<u>\$ 681,934</u>	<u>\$ 26,629,592</u>	<u>\$ 27,311,526</u>
TOTAL LIABILITIES	<u>\$ 838,646</u>	<u>\$ 27,985,456</u>	<u>\$ 28,824,102</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions Cost	<u>\$ 640,330</u>	<u>\$ 158,099</u>	<u>\$ 798,429</u>
NET POSITIONS			
Net Investment in Capital Assets	\$ 8,874,969	\$ 15,222,016	\$ 24,096,985
Restricted For:			
Operating Reserves	-----	2,323,134	2,323,134
Debt Service	-----	1,669,419	1,669,419
Capital Projects	367,702	-----	367,702
Unrestricted	< 261,663>	3,442,189	3,180,526
Total Net Position	<u>\$ 8,981,008</u>	<u>\$ 22,656,758</u>	<u>\$ 31,637,766</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,459,984</u> =====	<u>\$ 50,800,313</u> =====	<u>\$ 61,260,297</u> =====

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

City of Barnesville
STATEMENT OF ACTIVITIES
September 30, 2018

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Positions		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Government Activities							
General Government	\$ 1,429,625	\$ 401,140	\$ -----	\$ 367,826	\$< 660,659>	\$ -----	\$< 660,659>
Public Safety (Police)	1,547,546	370,565	12,183	-----	< 1,164,798>	-----	< 1,164,798>
Public Safety (Fire)	384,964	1,783	28,311	-----	< 354,870>	-----	< 354,870>
Public Works (Streets)	1,045,171	58,661	-----	94,356	< 892,154>	-----	< 892,154>
Cemetery	53,091	20,075	-----	-----	< 33,016>	-----	< 33,016>
Culture and Recreation	396,969	45,167	-----	58,970	< 292,832>	-----	< 292,832>
Interest on Long Term Debt	-----	-----	-----	-----	-----	-----	-----
Total Governmental Activities	<u>\$ 4,857,366</u>	<u>\$ 897,391</u>	<u>\$ 40,494</u>	<u>\$ 521,152</u>	<u>\$< 3,398,329></u>	<u>\$ -----</u>	<u>\$< 3,398,329></u>
Business-Type Activities:							
Sanitation	651,975	\$ 696,490	\$ -----	\$ -----	\$ -----	\$ 44,515	\$ 44,515
Electric	7,099,504	8,580,814	-----	-----	-----	1,481,310	1,481,210
Water and Sewer	3,617,813	3,836,262	-----	-----	-----	218,449	218,449
Industrial Development	57,548	-----	-----	-----	-----	< 57,548>	< 57,548>
Total Business-Type Activities	<u>\$11,426,840</u>	<u>\$13,113,566</u>	<u>\$ -----</u>	<u>\$ + -----</u>	<u>\$ -----</u>	<u>\$ 1,686,726</u>	<u>\$ 1,686,726</u>
Total Primary Government					<u>\$< 3,398,329></u>	<u>\$ 1,686,726</u>	<u>\$< 1,711,603></u>
General Revenues							
Taxes:							
Property					\$ 591,050	\$ -----	\$ 591,050
Franchise					122,098	-----	122,098
Hotel/Motel					15,215	-----	15,215
Sales					660,357	-----	660,357
Intangible					3,440	-----	3,440
Motor Vehicle					199,018	-----	199,018
Insurance Premium					484,334	-----	484,334
Malt Beverage					137,798	-----	137,798
Liquor					25,863	-----	25,863
Investment Earnings					844	48,567	49,411
Miscellaneous					37,040	-----	37,040
Transfers, Net					<u>658,777</u>	<u><1,230,381></u>	<u>< 571,604></u>
Total General Revenues, Special Items, and Transfers					<u>\$ 2,935,834</u>	<u>\$<1,181,814></u>	<u>\$ 1,754,020</u>
Change in Net Position					\$ <462,495>	\$ 504,912	\$ 42,417
Net Position - Beginning					<u>9,443,503</u>	<u>22,151,846</u>	<u>31,595,349</u>
Net Position - Ending					<u>\$ 8,981,008</u>	<u>\$22,656,758</u>	<u>\$ 31,637,766</u>

The accompanying notes are an integral part of the financial statements

Fund Financial Statements

Governmental Funds

City of Barnesville
BALANCE SHEET
Governmental Funds
September 30, 2018

	GOVERNMENTAL FUND TYPES			
	MAJOR FUNDS			
		CAPITAL PROJECTS		
	GENERAL	SPLOST 2011	SPLOST 2017	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents (Note 2)	\$ 352,086	\$ -----	\$ -----	\$ 352,086
Receivables				
Taxes	29,310	-----	-----	29,310
Fines	453,817	-----	-----	453,817
Other	589,263	-----	-----	589,263
Due from other Funds	15,800	-----	-----	15,800
Restricted Assets				
Cash and Cash Equivalents	-----	1	367,701	367,702
TOTAL ASSETS	\$ 1,440,276	\$ 1	\$ 367,701	\$ 1,807,978
LIABILITIES				
Accounts Payable	\$ 89,627	\$ -----	\$ -----	\$ 89,627
Christmas Fund	47,915	-----	-----	47,915
Accrued Liabilities	19,170	-----	-----	19,170
Due to Other Funds	847,158	-----	-----	847,158
TOTAL LIABILITIES	\$ 1,003,870	\$ -----	\$ -----	\$ 1,003,870
FUND BALANCES				
Restricted for Capital Projects	\$ -----	\$ 1	\$ 367,701	\$ 367,702
Assigned - Cemetery	104,955	-----	-----	104,955
Unassigned	331,451	-----	-----	331,451
TOTAL FUND BALANCES	\$ 436,406	\$ 1	\$ 367,701	\$ 804,108
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,440,276	\$ 1	\$ 367,701	\$ 1,807,978
	=====	=====	=====	=====

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

City of Barnesville
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Positions
September 30, 2018

Amounts Reported for Governmental Activities in the Statement of Net Positions are Different Because:

Total Fund Balances – Governmental Funds	\$ 804,108
Capital Assets used in Governmental Activities are not Financial Resources and therefore are not Reported in the Funds	8,874,969
Long-Term Liabilities are not due and payable in the current period and accordingly are not Reported in the Funds:	
Net Pension Liability	< 681,934>
Deferred Inflows Related to Pension Costs	< 640,330>
Deferred Outflows Related to Pension Costs	456,782
Deferred Outflows of Current Year Pension Contributions	<u>167,413</u>
Net Positions (Deficit) of Governmental Activities	\$ 8,981,008 =====

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

City of Barnesville
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Funds
September 30, 2018

	MAJOR FUNDS			TOTAL
	GENERAL	SPLOST 2011	SPLOST 2017	GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 2,223,958	\$ -----	\$ -----	\$ 2,239,173
Licenses and Permits	110,164	-----	-----	110,164
Fines & Forfeitures	370,565	-----	-----	370,565
Intergovernmental	118,619	58,634	367,660	544,913
Other	94,335	336	166	94,837
Charges for Services	<u>360,211</u>	<u>-----</u>	<u>-----</u>	<u>360,211</u>
Total Revenues	<u>\$ 3,277,852</u>	<u>\$ 58,970</u>	<u>\$ 367,826</u>	<u>\$ 3,719,863</u>
EXPENDITURES				
Current-Operations				
Administrative and General	\$ 1,433,985	\$ -----	\$ 125	\$ 1,434,110
Police	1,495,314	-----	-----	1,495,314
Fire	372,845	-----	-----	372,845
Street and Right of Way	923,267	-----	-----	923,267
Cemetery	51,660	-----	-----	51,660
Civic Center - Cultural	180,841	-----	-----	196,056
Swimming Pool - Recreation	37,229	-----	-----	37,229
Capital Outlay				
Current Operations	<u>203,290</u>	<u>678,108</u>	<u>-----</u>	<u>881,398</u>
Total Expenditures	<u>\$ 4,698,431</u>	<u>\$ 678,108</u>	<u>\$ 125</u>	<u>\$ 5,391,879</u>
EXCESS REVENUES OVER <UNDER>	<u>\$<1,420,579></u>	<u>\$< 619,138></u>	<u>\$ 367,701</u>	<u>\$<1,672,016></u>
OTHER FINANCING SOURCES (USES)				
Transfers In / <Out>	<u>\$ 1,465,630</u>	<u>\$< 235,246></u>	<u>\$ -----</u>	<u>\$ 1,230,384</u>
Total Other Financing Sources (Uses)	<u>\$ 1,465,630</u>	<u>\$< 235,246></u>	<u>\$ -----</u>	<u>\$ 1,230,384</u>
NET CHANGE IN FUND BALANCES	\$ 45,051	\$< 854,384>	\$ 367,701	\$< 441,632>
FUND BALANCES- BEGINNING OF YEAR	<u>391,355</u>	<u>854,385</u>	<u>-----</u>	<u>1,245,740</u>
FUND BALANCES- END OF YEAR	<u>\$ 436,406</u> =====	<u>\$ 1</u> =====	<u>\$ 367,701</u> =====	<u>\$ 804,108</u> =====

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

City of Barnesville

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities September 30, 2018

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances- Total Governmental Funds		\$< 441,632>
Government Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities the cost of these Assets is Allocated over their estimated Useful Lives and Reported as Depreciation Expense. This is the Amount by which Capital Outlays exceeded Depreciation in the Current Period.		
Purchases of Fixed Assets	\$ 881,398	
Depreciation Expense	<u>400,526</u>	480,872
The Net Effect of Various Miscellaneous Transactions involving Capital Assets and other (i.e. Sales, Trade-ins, and Donations) is to Decrease Net Assets.		
Transfer of Completed Capital Projects to Other Governmental Units		< 571,607>
Payment of the Current Pension Contribution is an expenditure in The governmental funds, but is considered a deferred outflow on The Statement of Net Position and is not reported on the Statement of Activities		
		167,413
The Issuance of Long-Term Debt (e.g. Bonds, Leases) Provides Current Financial Resources to Governmental Funds, while the Repayment of the Principal Long-Term Debt consumes the Current Financial Resources of the Governmental Funds. Neither Transaction, however, has any effect on Net Positions. This Amount is the Net Effect of these Differences in the Treatment of Long-Term Debt and Related Items.		

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.		
Pension Expense		< 97,541>
Georgia Firefighter's Pension Expense		< 16,231>
Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds.		
Georgia Firefighter's Pension- Revenue Provided		<u>16,231</u>
Change in Net Position- Governmental Activities		\$ 462,495
		=====

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

Proprietary Funds

City of Barnesville
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2018

	UTILITIES MAJOR FUNDS			NON-MAJOR FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	TOTALS
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 88,706	\$ -----	\$ 1,582,896	\$ 882,982	\$ 2,554,584
Temporary Cash Investments	-----	-----	131,682	-----	131,682
Receivables-Accounts	308,895	-----	382,332	-----	691,227
Other Receivable	8,323	-----	1,238,949	-----	1,247,272
Inventories of Supplies at Cost	<u>203,778</u>	<u>-----</u>	<u>99,998</u>	<u>-----</u>	<u>303,776</u>
Total Current Assets	<u>\$ 609,702</u>	<u>\$ -----</u>	<u>\$ 3,435,857</u>	<u>\$ 882,982</u>	<u>\$ 4,928,541</u>
Non-Current Assets					
Restricted Assets					
Cash and Cash Equivalents	\$ 528,557	\$ -----	\$ -----	\$ -----	\$ 528,557
Investments	-----	-----	2,482,318	-----	2,482,318
Interfund	414,929	-----	919,238	-----	1,334,167
Property					
Electrical and Sanitation Systems, Net of Accumulated Depreciation	535,773	1,212,972	-----	-----	1,748,745
Water and Sewerage Systems, Net of Accumulated Depreciation	-----	-----	38,404,551	-----	38,404,551
Industrial Facilities, Net of Accumulated Depreciation	-----	-----	-----	768,143	768,143
Land	<u>-----</u>	<u>94,240</u>	<u>427,488</u>	<u>527,357</u>	<u>1,049,085</u>
Total Non-Current Assets	<u>\$ 1,479,259</u>	<u>\$ 1,307,212</u>	<u>\$ 42,233,595</u>	<u>\$ 1,295,500</u>	<u>\$ 46,315,566</u>
TOTAL ASSETS	<u>\$ 2,088,961</u>	<u>\$ 1,307,212</u>	<u>\$ 45,669,452</u>	<u>\$ 2,178,482</u>	<u>\$ 51,244,107</u>
=====					
Deferred Outflows of Resources					
Pension Contributions in Current Fiscal Year	\$ 25,711	\$ 9,301	\$ 24,003	\$ -----	\$ 59,015
	=====	=====	=====	=====	=====
LIABILITIES		0			
Current Liabilities					
Accounts Payable	\$ 498,265	\$ 37,450	\$ 84,616	\$ 10,000	\$ 630,331
Current Portion of Bonds Payable	-----	-----	355,000	-----	355,000
Current Portion of Notes Payable	-----	-----	294,990	-----	294,990
Accrued Interest Payable	-----	-----	<u>75,543</u>	-----	<u>75,543</u>
Total Current Liabilities	<u>\$ 498,265</u>	<u>\$ 37,450</u>	<u>\$ 810,149</u>	<u>\$ 10,000</u>	<u>\$ 1,355,864</u>
Long-Term Liabilities					
Bonds Payable	\$ -----	\$ -----	\$ 22,970,000	\$ -----	\$ 22,970,000
Deposits- Utilities	348,533	-----	13,550	-----	362,083
Due to Other Funds	-----	1,335	114,719	386,755	502,809
Notes Payable	-----	-----	3,052,975	-----	3,052,975
Net Pension Liability	<u>114,906</u>	<u>43,062</u>	<u>86,566</u>	<u>-----</u>	<u>244,534</u>
Total Long-Term Liabilities	<u>\$ 463,439</u>	<u>\$ 44,397</u>	<u>\$ 26,237,810</u>	<u>\$ 386,755</u>	<u>\$ 27,132,401</u>
TOTAL LIABILITIES	<u>\$ 961,704</u>	<u>\$ 81,847</u>	<u>\$ 27,047,959</u>	<u>\$ 396,755</u>	<u>\$ 28,488,265</u>
=====					
Deferred Inflows of Resources					
Costs Related to Pensions	\$ 74,367	\$ 27,974	\$ 55,758	\$ -----	\$ 158,099
	=====	=====	=====	=====	=====
NET POSITION					
Net Investment in Capital Assets	\$ 535,773	\$ 1,307,212	\$ 12,083,531	\$ 1,295,500	\$ 15,222,016
Restricted For:					
Debt Retirement	-----	-----	1,669,419	-----	1,669,419
Operating Reserves	-----	-----	2,323,134	-----	2,323,134
Unrestricted - Restated	<u>542,828</u>	<u>< 100,520 ></u>	<u>2,513,654</u>	<u>486,227</u>	<u>3,442,189</u>
TOTAL NET POSITION	<u>\$ 1,078,601</u>	<u>\$ 1,206,692</u>	<u>\$ 18,589,738</u>	<u>\$ 1,781,727</u>	<u>\$ 22,656,758</u>
=====					

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

City of Barnesville
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITIONS
Proprietary Funds
September 30, 2018

	UTILITIES MAJOR FUNDS			NON-MAJOR FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	TOTALS
OPERATING REVENUES					
Charges for Service	\$ 7,908,950	\$ 657,441	\$ 3,711,972	\$ -----	\$ 12,278,363
Miscellaneous	<u>671,864</u>	<u>39,049</u>	<u>124,290</u>	<u>-----</u>	<u>835,203</u>
TOTAL OPERATING REVENUES	<u>\$ 8,580,814</u>	<u>\$ 696,490</u>	<u>\$ 3,836,262</u>	<u>\$ -----</u>	<u>\$ 13,113,566</u>
OPERATING EXPENSES					
Personal Services	\$ 749,769	\$ 58,705	\$ 442,652	\$ -----	\$ 1,251,126
Contractual Services	6,177,458	488,161	1,187,957	36,848	7,890,424
Supplies and Other Services	137,390	39,709	250,055	-----	427,154
Utilities	5,696	1,047	2,594	-----	9,337
Depreciation	29,191	1,141	823,030	20,700	874,062
Landfill Postclosure	<u>-----</u>	<u>63,212</u>	<u>-----</u>	<u>-----</u>	<u>63,212</u>
TOTAL OPERATING EXPENSES	<u>\$ 7,099,504</u>	<u>\$ 651,975</u>	<u>\$ 2,706,288</u>	<u>\$ 57,548</u>	<u>\$ 10,515,315</u>
OPERATING INCOME <LOSS>	<u>\$ 1,481,310</u>	<u>\$ 44,515</u>	<u>\$ 1,129,974</u>	<u>\$ < 57,548 ></u>	<u>\$ 2,598,251</u>
NONOPERATING REVENUES <EXPENSES>					
Interest Revenue	\$ 1,317	\$ -----	\$ 42,653	\$ 4,597	\$ 48,567
Interest Expense	<u>-----</u>	<u>-----</u>	<u>< 911,525 ></u>	<u>-----</u>	<u>< 911,525 ></u>
TOTAL NONOPERATING REVENUE <EXPENSES>	<u>\$ 1,317</u>	<u>\$ -----</u>	<u>\$ < 868,872 ></u>	<u>\$ 4,597</u>	<u>\$ < 862,958 ></u>
NET INCOME <LOSS> BEFORE OUTFLOWS and TRANSFERS, and CONTRIBUTED CAPITAL	<u>\$ 1,482,627</u>	<u>\$ 44,515</u>	<u>\$ 261,102</u>	<u>\$ < 52,951 ></u>	<u>\$ 1,735,293</u>
TRANSFERS					
Transfers In (Out)	\$ < 1,456,927 >	\$ < 15,234 >	\$ -----	\$ 2,734	\$ < 1,469,427 >
CONTRIBUTED CAPITAL	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 239,046</u>	<u>\$ -----</u>	<u>\$ 239,046</u>
CHANGE IN NET POSITIONS	\$ 25,700	\$ 29,281	\$ 500,148	< 50,217 >	\$ 504,912
NET POSITIONS - BEGINNING OF YEAR -	<u>1,052,901</u>	<u>1,177,411</u>	<u>18,089,590</u>	<u>1,831,944</u>	<u>22,151,846</u>
NET POSITIONS - END OF YEAR	<u>\$ 1,078,601</u> =====	<u>\$ 1,206,692</u> =====	<u>\$ 18,589,738</u> =====	<u>\$ 1,781,727</u> =====	<u>\$ 22,656,758</u> =====

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

City of Barnesville
STATEMENT OF CASH FLOWS
Proprietary Funds
September 30, 2018

	UTILITIES MAJOR FUNDS			NON-MAJOR FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	TOTALS
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 7,903,552	\$ 657,441	\$ 3,531,967	\$ -----	\$ 12,092,960
Payments to Suppliers	< 6,376,648>	< 613,858>	< 1,371,854>	< 36,848>	< 8,399,208>
Payments to Employees	< 749,769>	< 57,604>	< 445,849>	-----	< 1,253,222>
Other Receipts (Payments)	<u>671,864</u>	<u>39,049</u>	<u>124,290</u>	<u>-----</u>	<u>835,203</u>
Net Cash provided by Operating Activities	<u>\$ 1,448,999</u>	<u>\$ 25,028</u>	<u>\$ 1,838,554</u>	<u>\$< 36,848></u>	<u>\$ 3,275,733</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCIAL ACTIVITIES					
Increase in Deferred Inflows	\$ 38,608	\$ 14,559	\$ 28,946	\$ -----	\$ 82,113
Decrease in Net Pension Liability	< 64,800>	< 24,353>	< 48,809>	-----	< 137,962>
Deposits	23,111	-----	-----	-----	23,111
Loans <To>/From Other Funds	-----	-----	< 338,679>	37,459	< 301,220>
Transfers <To>/From Other Funds	<u>< 1,456,927></u>	<u>< 15,234></u>	<u>-----</u>	<u>2,734</u>	<u>< 1,469,427></u>
Net Cash Provided(Used) by Non Capital and Related Financial Activities	<u>\$< 1,460,008></u>	<u>\$< 25,028></u>	<u>\$< 358,542></u>	<u>\$ 40,193</u>	<u>\$< 1,803,385></u>
CASH FLOW FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES					
Purchases of Capital Assets (Net)	\$ -----	\$ -----	\$< 29,166>	\$ -----	\$< 29,166>
Principal Paid on Capital Debt	-----	-----	< 494,990>	-----	< 494,990>
Interest Paid on Capital Debt	-----	-----	< 911,525>	-----	< 911,525>
Gain on Sale of Assets	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$< 1,435,681></u>	<u>\$ -----</u>	<u>\$< 1,435,681></u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	\$ 1,317	\$ -----	\$ 42,653	\$ 4,597	\$ 48,567
Net Change in Temporary Cash Investments	<u>-----</u>	<u>-----</u>	<u>< 14,768></u>	<u>-----</u>	<u>< 14,768></u>
Net Cash Provided by Investing Activities	<u>\$ 1,317</u>	<u>\$ -----</u>	<u>\$ 27,885</u>	<u>\$ 4,597</u>	<u>\$ 33,799</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$< 9,692>	\$ -----	\$ 72,216	\$ 7,942	\$ 70,466
Balance of Cash- Beginning of Year	<u>626,955</u>	<u>-----</u>	<u>1,510,680</u>	<u>875,040</u>	<u>3,012,675</u>
Balance of Cash- End of Year	<u>\$ 617,263</u> =====	<u>\$ -----</u> =====	<u>\$ 1,582,896</u> =====	<u>\$ 882,982</u> =====	<u>\$ 3,083,141</u> =====

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

City of Barnesville
STATEMENT OF CASH FLOWS (Continued)
Proprietary Funds
September 30, 2018

	UTILITIES MAJOR FUNDS			NON-MAJOR FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	TOTALS
Balance of Cash - End of Year	\$ 617,263	\$ -----	\$ 1,582,896	\$ 882,982	\$ 3,083,141
Reconciliation of Operating Income (Loss)					
To Net Cash Provided by Operating Activities					
Operating Income	\$ 1,481,310	\$ 44,515	\$ 1,129,974	\$< 57,548>	\$ 2,598,251
Adjustments to Reconcile Operating Income					
to Net Cash Provided by Operating Activities					
Depreciation Expense	29,191	1,141	823,030	20,700	874,062
Pension Costs as Related to Pension Contributions	2,030	1,101	< 3,197>	-----	< 66>
Change in Assets and Liabilities					
Receivables, Net	< 5,398>	-----	< 180,005>	-----	< 185,403>
Inventories	< 2,192>	-----	< 7,056>	-----	< 9,248>
Accounts Payable	< 55,942>	< 21,729>	75,808	-----	< 1,863>
Net Cash Provided by Operating Activities	\$ 1,448,999	\$ 25,028	\$ 1,838,554	\$< 36,848>	\$ 3,275,733
	=====	=====	=====	=====	=====
*NonCash Transactions:					
Contributed Capital	\$ -----	\$ -----	\$ 239,046	\$ -----	\$ 239,046
	=====	=====	=====	=====	=====

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

Notes to the Basic Financial Statements

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

The City of Barnesville, Georgia (the “City”), which was founded in 1852, has a population of 6,300 living within an area of 6.2 square miles. The City is a Georgia municipal corporation and operates under a charter adopted April 1995 and is a City Manager/Mayor and Council form of government.

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the City’s accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, and component units and other organizations that are included to ensure that the financial statements are not misleading.

The component unit is a legally separate organization for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization’s governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; (2) the City is legally entitled to or can otherwise access the organization’s resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; the City is obligated for the debt of the organization.

The discretely presented component unit generally is reported only at the government-wide financial reporting level.

The component unit columns included on the government-wide financial statements identifies the financial data of the City’s discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

The following component unit is discretely presented in the reporting entity:

Barnesville Downtown Development Authority – The DDA operates under a Board Member form of government and will provide the following services: promotion of downtown merchants and downtown enhancements. The authority is dormant at present with no assets or liabilities.

1-B. Basis of Presentation

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

Government-wide Financial Statements – The government-wide financial statements include a statement of net positions and a statement of activities. These statements report financial information for the City as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net positions presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City’s governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

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

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

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

Fund Accounting – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

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

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

Special Revenue – NonMajor Fund (Hotel/Motel Tax) – This fund is used to account for the hotel/motel tax collected and to disburse forty percent to the chamber of commerce for tourism. Per state law forty percent of the tax collected is to be expended on tourism.

Capital Projects–Major Fund – This fund's purpose is to administer the Special Purpose Local Option Sales Tax projects for the 2011 SPLOST, presented individually.

Capital Projects–Major Fund – This fund's purpose is to administer the Special Purpose Local Option Sales Tax projects for the 2017 SPLOST, presented individually.

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

Electric Fund – Major Fund – This fund is used to account for the operations of the City's electric.

Sanitation Fund – Major Fund – This fund is used to account for the operations of the City's sanitation.

Water and Sewer System Fund – Major Fund - This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the City and water services to the residents of the county of Lamar.

Industrial Development Fund – Major Fund - This fund is used for the operation of the City's industrial residents' and potential industrial residents' needs.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

1-C. Measurement Focus

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

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

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

1-D. Basis of Accounting

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

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within twelve months of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place and on the modified accrual basis, it is recognized in the year received (i.e., when considered available). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise fees, interest and federal and state grants.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred revenue.

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

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Deferred Inflow/Outflow of Resources – Deferred inflow and outflow of resources are certain items that were previously classified as Assets or Liabilities but do not meet the criteria for an asset or liability; such as deferred revenue defined above, deferred gains and losses on bond debt refunding, and the implementation of GASB Statement 68 resulting in pension expense deferrals and current year pension contributions.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Georgia Municipal Employees' Benefit System (GMEBS) and additions to/deductions from (GMEBS) fiduciary net position have been determined on the same basis as they are reported by GMEBS. The City of Barnesville's employer contributions are recognized when due and the City of Barnesville has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of GMEBS. Investments are reported at fair value.

For purposes of measuring the net pension expense, information about the fiduciary net position of the Firefighters' Pension Fund and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by Firefighter's Pension Fund. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E. Assets, Liabilities and Fund Equity

1-E-1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

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

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations

1-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the government-wide statement of net positions, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4. Consumable Inventories

On the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

1-E-5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net positions but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net positions and in the enterprise funds' statement of net positions.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of two thousand five hundred dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized. Infrastructure acquired prior to the implementation of statement 34 are not reported in some instances.

All reported capital assets are depreciated except for land, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 years	20 years
Buildings and Plant* <i>*Includes Water and Sewer lines.</i>	40 years	40 – 50 years
Machinery and Equipment	5 – 10 years	5 – 30 years
Vehicles	5 – 7 years	5 – 7 years
Infrastructure	10 – 65 years	40 – 50 years

1-E-6. Compensated Absences

Sick leave benefits are not paid at termination neither does the unused vacation rollover to the subsequent year. Therefore, compensated absences are not accrued.

1-E-7. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds.

1-E-8. Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of positions and the proprietary fund type statement of net positions, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as current charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are not deferred.

At government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

1-E-9. Fund Equity

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

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- ❖ **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- ❖ **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- ❖ **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.
- ❖ **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, however are neither restricted nor committed. Through resolution, the City Council has authorized the City Manager to assign fund balances.
- ❖ **Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balances are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

Net Positions – Net positions represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net positions are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net positions are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

1-E-10. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, electric and sanitation programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each program.

1-E-11. Non-Operating Revenues and Expenses

Non-operating revenues are those revenues not generated directly from the primary activity of the proprietary funds. For the City, these revenues are interest revenues generated from cash holdings. Non-operating expenses are not considered necessary costs incurred to provide the good or service related to the primary activity of each program. The City's proprietary non-operating expenses are interest expense incurred on the related debt and amortization of a deferred loss.

1-E-12. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

1-E-13. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from fund responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-14. Estimates

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

1-E-15. Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information

The City adopts an annual operating budget for the general fund, each special revenue fund and each enterprise fund. A project budget is adopted for each projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds' budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenses.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The City Manager may transfer funds from one object or purpose to another within the same department.
- The City Council may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as management control device during the year for all budgeted funds.

2-B. Excess of Expenditures Over Appropriations

The following funds reported expenditures/expenses over appropriations:

Fund	Appropriation	Encumbrances/Expenditures	Over-Appropriation
NONE			

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Note 3 – Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the City or by its agent in its name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the City's name. The Georgia Fund one is sponsored by the State of Georgia (Oversight Agency) for the investment of local government funds.

The City's deposits are classified as follows at September 30, 2018:

(Amounts Expressed in Thousands)	Category			Bank Balance	Carrying Amount
	1	2	3		
Primary Government	\$ 226 =====	\$ ----- =====	\$ ----- =====	\$4,205.5 =====	\$ 3,803 =====

Custodial Credit Risk – Deposits Primary Government – The City has deposits that are not completely collateralized as in the bank has pledged the securities but the pledged securities are not in the City's name. In this case, the City does not need to address this issue in the corrective action plan. The credit risks the City could face with uncollateralized deposits are critical financial stress on the depositor financial institution or in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or the collateral securities that are in possession of an outside party. The Financial institution is in good standing, no fear of risk of loss is present. The City's deposit policy is in conjunction with the State deposit policies; the City does not have a separate custodial credit risk policy.

Investments – Primary Government – Investments of the City are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the City's agent in the City's name holds the securities. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the City's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

The City also participates in the Georgia Fund I, the office of Treasury and Fiscal Services is the oversight of the agency. The interest rate risk for the Georgia One Fund is 5.32 annually and the credit rating is AAf/S1.

(Amounts Expressed in Thousands)	Category			Carrying Amount/ Fair Value
	1	2	3	
Investment Instrument				
City of Barnesville Certificates of deposit	\$ 131.5	-----	-----	\$ 131.5
Money Market	2,482	-----	-----	2,482
Grand Total	\$ 2,613.5 =====	\$ ----- =====	\$ ----- =====	\$ 2,613.5 =====

Cash and Cash Equivalents Reconciliation:

	Primary Government
Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$ 719,788
Proprietary Fund Type Statement of Net Positions	3,083,141
Total Carrying Amount	\$ 3,802,929 =====

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

3-B. Receivables

Receivables at September 30, 2018 consisted of taxes, fines, and accounts (billings for user charges).

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

3-C. Property Taxes

Normally, property tax levies are set by the City Council in September of each year for collection in the following fiscal year beginning September 1. Lamar County spreads all levies over assessable property. Taxes are levied annually by the City and for the year ended September 30, 2018, the levy occurred on October 24, 2017 real and personal property taxes were due on December 31, 2017. Property taxes receivable became a lien on January 25, 2017, and are recorded in the General Fund usually in October or November of each fiscal year.

3-D. Capital Assets

Capital asset activity for the year ended September 30, 2018, was as follows:

(Amounts Expressed in Thousands)

	Balance 10/1/17	Additions	Transfers In <Out>	Balance 9/30/18
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 1,247	\$ -----	\$ -----	\$ 1,247
Construction in Progress	<u>196</u>	<u>420</u>	<u>< 616></u>	<u>-----</u>
Total Non-Depreciable Capital Assets:	<u>\$ 1,443</u>	<u>\$ 420</u>	<u>\$< 616></u>	<u>\$ 1,247</u>
Depreciable Capital Assets:				
Land Improvements	\$ 171	\$ -----	\$ -----	\$ 171
Buildings and Plant	2,474	87	-----	2,561
Machinery and Equipment	1,767	163	-----	1,930
Vehicles	667	52	-----	719
Infrastructure	<u>7,671.5</u>	<u>159</u>	<u>44</u>	<u>7,874.5</u>
Total Depreciable Capital Assets	<u>\$ 12,750.5</u>	<u>\$ 461</u>	<u>\$ 44</u>	<u>\$ 13,255.5</u>
Total Non and Depreciable Capital Assets	<u>\$ 14,193.5</u>	<u>\$ 881</u>	<u>\$< 572></u>	<u>\$ 14,502.5</u>
Accumulated Depreciation				
Land Improvements	\$ 45	\$ -----	\$ -----	\$ 45
Buildings and Plant	1,027.5	59	-----	1,086.5
Machinery and Equipment	1,343.5	59.5	-----	1,403
Vehicles	641	36	-----	677
Infrastructure	<u>2,170.5</u>	<u>246</u>	<u>-----</u>	<u>2,416.5</u>
Total Accumulated Depreciation	<u>\$ 5,227.5</u>	<u>\$ 400.5</u>	<u>\$ -----</u>	<u>\$ 5,628</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,966</u>	<u>\$ 480.5</u>	<u>\$< 572></u>	<u>\$ 8,874.5</u>
	=====	=====	=====	=====

Governmental Activities Depreciation Expense

General Government	\$ 15
Police	79
Fire	8.5
Street and Right of Way	130
Cemetery	1.5
Culture and Recreation	<u>166.5</u>
Total Governmental Activities Depreciation Expense	<u>\$ 400.5</u>
	=====

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

(Amounts Expressed in Thousands)

	Balance 10/1/17	Additions	Transfers In <Out>	Balance 9/30/18
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 1,049	\$ -----	\$ -----	\$ 1,049
Construction in Progress	-----	-----	-----	----
Total Non-Depreciable Capital Assets	\$ 1,049	-----	\$ -----	\$ 1,049
Depreciable Capital Assets:				
Buildings and Plant	\$33,350.5	\$ 15	\$ -----	\$ 33,365.5
Machinery and Equipment	1,581	14	-----	1,595
Vehicles	308	-----	-----	308
Infrastructure	24,757	239	-----	24,996
Total Depreciable Capital Assets	\$59,996.5	\$ 268	\$ -----	\$ 60,264.5
Total Non and Depreciable Capital Assets	\$61,045.5	\$ 268	\$ -----	\$ 61,313.5
Accumulated Depreciation				
Buildings and Plant	\$11,266.5	\$ 512	\$ -----	\$ 11,778.5
Machinery and Equipment	678	25	-----	703
Vehicles	237.5	9	-----	246.5
Infrastructure	6,287	328	-----	6,615
Total Accumulated Depreciation	\$ 18,469	\$ 874	\$ -----	\$ 19,343
Business-Type Activities Capital Assets, Net	\$42,576.5	\$< 606>	\$ -----	\$ 41,970.5
	=====	=====	=====	=====

3-E. Interfund Balances and Transfers

Interfund balances at September 30, 2018, consisted of the following amounts. The interfund balances are not expected to be paid in one year from the date of the financial statements and have existed for more than one year and the original purpose of the interfund balances were to finance capital acquisitions in other funds.

(Amounts expressed In thousands)	Payable From:				
	General Fund	Industrial Development Fund	Water & Sewer Fund	Sanitation	Total
Payable To:					
General Fund	\$ -----	\$ 16	\$ -----	\$ -----	\$ 16
Electric Fund	170	129	115	1	415
Water & Sewer Fund	677	242	-----	-----	919
Total	\$ 847	\$ 387	\$ 115	\$ 1	\$ 1,350
	=====	=====	=====	=====	=====

Interfund transfers for the year ended September 30, 2018, consisted of the following:

Transfers To: (Amounts Expressed in Thousands)	Transfers From:			
	Sanitation Fund	Electric Fund	SPLOST 2011 FUND	General Fund
Payable To:				
General Fund	\$ 15	\$ -----	\$ -----	\$ -----
Water & Sewer Fund	-----	1457	-----	-----
SPLOST 2011	-----	-----	239	-----
Industrial Development	-----	-----	-----	2.5
Total	\$ 15	\$ 1457	\$ 239	\$ 2.5
	=====	=====	=====	=====

*Completed Capital Project

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to return money to the fund from which it was originally provided, once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Revenue Bonds Payable

The City issued refunding Revenue and Improvement Bond Series 2011-A, 2011-B and 2011-C on December 28, 2011. The refunding bonds extinguished the Series 1998 and 2003 Bonds debt of \$3,240,000 and the GEFA 2004-L31WS loan of \$237,988. Also, the Refunding Revenue and Improvement Bonds of 2011 extinguished GEFA 2001 L87-WS loan and USDA Bonds Payable of \$3,460,050 in the aggregate. The GEFA 2001 L87-WS loan and USDA Bonds Payable were assumed by the City due to the transfer of assets, liabilities and operations of the Lamar County Water and Sewer Authority. The City is in compliance with Bond ordinance in regards to Article 5, Section 502(1) which requires retaining six months of aggregated operating expenses to meet the working capital needs of the system.

The following is a summary of revenue bond transactions of the City for the year ended September 30, 2018.

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*2011-A Series	2.50% to 4.25%	\$19,790,000	\$< 125,000>	\$ 19,665,000
^2011-C Series	2.50% to 4.25%	<u>3,685,000</u>	<u>< 75,000></u>	<u>3,610,000</u>
		\$23,475,000	\$< 200,000>	\$ 23,275,000
		=====	=====	=====

*Original issue amount \$19,935,000 - Purpose to Construct Water and Sewer Treatment Plant and refund debt.

^Original issue amount \$ 3,830,000 - Purpose to purchase additional water lines and other assets of Lamar County Water and Sewerage Authority

The annual principal maturities of the debt during the years following 2018 are as follows:

Year	2011-A	2011-C
2019	\$ 275,000	\$ 80,000
2020	285,000	80,000
2021	295,000	85,000
2022	300,000	85,000
2023	310,000	90,000
2024-2028	1,875,000	480,000
2029-2033	3,085,000	575,000
2034-2038	4,340,000	705,000
2039-2043	5,205,000	835,000
2043-2046	<u>3,695,000</u>	<u>595,000</u>
	\$19,665,000	\$3,610,000

Year	2011-A Interest	2011-C Interest
2019	\$ 768,532	\$ 137,994
2020	760,281	135,594
2021	751,731	133,194
2022	742,881	130,644
2023	733,881	128,094
2024-2028	3,522,180	598,432
2029-2033	3,016,625	509,350
2034-2038	2,356,000	379,875
2039-2043	1,491,075	238,838
2044-2046	<u>308,543</u>	<u>51,212</u>
	\$14,451,729	\$ 2,443,227

Interest expense for 2018 amounted to \$911,525 for the above and has been expended within the accompanying financial statements.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Mandatory Redemption – The 2011-A Bonds maturing on September 1, 2033 are term bonds subject to the scheduled mandatory redemption prior to maturity in part (the actual Term Bonds to be redeemed to be selected by lot in such manner as may be designated by the Bond Registrar) at a redemption price equal of 100 percent of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates as set forth below (the September 1, 2033, 2036, 2039, 2041, 2043, and 2046 amounts to be paid rather than redeemed):

<u>Dates</u>	<u>Principal Amount</u>
September 1, 2030	\$ 570,000
September 1, 2031	595,000
September 1, 2032	620,000
September 1, 2033	745,000
September 1, 2034	795,000
September 1, 2035-2039	4,475,000
September 1, 2040-2044	5,455,000
September 1, 2045-2046	<u>2,515,000</u>
	\$ 15,770,000
	=====

The 2011-C Bonds maturing on September 1, 2033 are term bonds subject to scheduled mandatory redemption prior to maturity in part (the actual Term Bonds to be redeemed to be selected by lot in such manner as may be designated by the City) at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates as set forth below (the September 1, 2033, 2039, 2041, 2043, and 2046 amounts to be paid rather than redeemed):

<u>Dates</u>	<u>Principal Amount</u>
September 1, 2030	\$ 110,000
September 1, 2031	115,000
September 1, 2032	120,000
September 1, 2033	125,000
September 1, 2034	130,000
September 1, 2035-2039	725,000
September 1, 2040-2044	875,000
September 1, 2045-2046	<u>405,000</u>
	\$ 2,605,000
	=====

3-G. Notes Payable

General Long-Term Interfund Debt

<u>Balance Beginning of Year</u>	<u>Addition (Reduction)</u>	<u>Balance End of Year</u>
\$ 530,138	\$ 301,220	\$ 831,358

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Enterprise Funds – The following is a summary of the notes payable of the City as of September 30, 2018:

Note payable to Georgia Environmental Facilities Authority (GEFA) with interest at 0% per annum. Original debt amount of \$2,772,728
Purpose to construct Water Lines \$ 1,602,981

The annual principal maturities of the above debt during the years following 2018 are as follows:

	GEFA
2019	\$ 173,296
2020	\$ 173,296
2021	\$ 173,296
2022	\$ 173,296
2022	\$ 173,296
2023	\$ 173,296
2024-2028	<u>\$ 866,480</u>
-	<u>\$ 1,602,981</u>
	=====

Note payable to Georgia Environmental Facilities Authority (GEFA) with interest at 0% per annum. Original debt amount of \$2,433,874.
Purpose to construct water lines (amount drawn to date) \$ 1,794,984

	GEFA
2019	\$ 121,694
2020	121,694
2021	121,694
2022	121,694
2023	121,694
2024-2028	608,470
2029-2033	<u>608,470</u>
	<u>\$ 1,794,984</u>

Changes in Long-term Debt – Changes in the City's long-term obligations consisted of the following for the year ended September 30, 2018:

	Outstanding 10/1/2017	Additions	Reductions	Outstanding 9/30/2018	Amounts Due in One Year
Business-Type Activities					
Water & Sewer Revenue Bonds (Waterline extension and plants)	23,475,000	-----	200,000	23,275,000	355,000
Water and Sewer Customer Deposits (Net)	13,550	-----	-----	13,550	Not Known
GEFA Debt (Water line extension)	3,692,955	-----	294,990	3,397,965	294,990
Electric and Sanitation Customer Deposits (Net)	<u>325,422</u>	<u>23,111</u>	-----	<u>348,533</u>	<u>Not known</u>
Total Business-Type Activities	\$27,506,927	\$ 23,111	\$ 494,990	\$27,035,048	\$ 694,990
	=====	=====	=====	=====	=====

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

3-H. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Plan Description – The City’s defined benefit pension plan, the City of Barnesville Retirement Plan, provides retirement, disability, and death benefits to plan members and beneficiaries. The City of Barnesville Retirement Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The benefit provisions and all other requirements are established by City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City of Barnesville Retirement Plan. That report may be obtained by writing to Georgia Municipal Association, Employee Benefit Section, 201 Pryor Street, SW, Atlanta, Georgia 30303-3606.

At September 30, 2018, the City reported a liability of \$926,468 for its net pension liability. The net pension liability was measured as of September 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. The total pension liability was then rolled forward to the measurement date of September 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The City’s net pension liability was based on a projection of the City’s long-term future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan, actuarially determined.

For the year ended September 30, 2018, the City recognized pension expense of \$131,972.

Net Pension Liability

A. Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) – (b)
Balances at September 30, 2016*	\$ 9,479,340	\$ 8,030,289	\$ 1,449,051
Changes for the year:			
Service cost	98,515	----	98,515
Interest	717,234	----	717,234
Differences between expected and actual experience	247,374	----	247,374
Contributions - employer	----	226,428	(226,428)
Contributions - employee	----	----	----
Net investment income	----	1,192,873	(1,192,873)
Benefit payments, including refunds of employee contributions	(449,422)	(449,422)	----
Administrative expense	----	(20,720)	20,720
Other	(187,124)	----	(187,124)
Net changes	426,577	949,159	(522,582)
Balances September 30, 2017**	\$ 9,905,917	\$ 8,979,448	\$ 926,469

B. Sensitivity of the Net Pension Liability To Changes in the Discount Rate

1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
\$1,995,487	\$926,469	\$21,582

* Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2017 are used to measure TPL as of September 30, 2016. The balances as of September 30, 2016 constitute measurements of the NPL for the fiscal year ending September 30, 2017.

** Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2018 are used to measure TPL as of September 30, 2017. The balances as of September 30, 2017 constitute measurements of the NPL for the fiscal year ending September 30, 2018.

The numbers shown in Exhibit 2 are based on a 2017 measurement date which would make them applicable to the Fiscal Year beginning October 1, 2017 and ending September 30, 2018 .

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

A. Pension expense for the year ended September 30, 2018

Service Cost	\$ 98,515
Interest on TPL	717,234
Employee Contributions	-----
Administrative expenses	20,720
Expected return on assets	(612,903))
Expensed portion of current year period differences between expected and actual experience in TPL	61,842
Expensed portion of current year period assumption changes	(46,781)
Current year plan changes	-----
Expensed portion of current year period differences between projected and actual investment earnings	(115,994)
Current year recognition of deferred inflows and outflows established in prior years	<u>9,339</u>
Total Expense	\$131,972

B. Deferred outflows/inflows of resources related to pensions

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	263,692	(20,076)
Changes of assumptions	-----	(140,343)
Net difference between projected and actual earnings on pension plan investments	<u>-----</u>	<u>(473,511)</u>
Total	263,692	(633,930)

C. Projected recognition of deferred outflows/(inflows)

					Deferred Outflows/(Inflows) Recognized in Future Years				
	Year Established	Outstanding Balance at October 1, 2017	Amount Recognized During FYE September 30, 2018	Outstanding Balance at September 30, 2018	2019	2020	2021	2022	2023
Fiscal Year Outflows									
Demographic	2015	\$ 9,494	\$ 9,494	\$ 9,494	\$ -----	\$ -----	-----	-----	-----
Demographic	2016	156,320	78,160	156,320	78,160	-----	-----	-----	-----
Investment	2016	289,635	96,545	289,635	96,545	96,545	-----	-----	-----
Demographic	2018	247,374	61,842	185,532	61,844	61,844	61,844	-----	-----
Total Outflows		\$ 702,823	\$ 246,041	\$ 456,782	\$ 236,549	\$158,389	\$ 61,844	-----	-----
Fiscal Year Inflows									
Investment	2015	(\$ 102,454)	(\$ 51,227)	(\$ 51,227)	(\$51,227)	-----	-----	-----	-----
Assumption Change	2015	(63,129)	(63,129)	-----	-----	-----	-----	-----	-----
Demographic	2017	(30,114)	(10,036)	(20,076)	(10,038)	(10,038)	-----	-----	-----
Investment	2017	(201,864)	(50,467)	(151,398)	(50,466)	(50,466)	(50,466)	-----	-----
Investment	2018	(579,970)	(115,994)	(463,976)	(115,994)	(115,994)	(115,994)	(115,994)	-----
Assumption Change	2018	(187,124)	(46,781)	(140,343)	(46,781)	(46,781)	(46,781)	-----	-----
Total Inflows		(\$1,164,655)	(\$ 337,635)	(\$ 827,020)	(\$274,506)	(\$223,279)	(213,241)	(115,994)	-----
Total		(\$ 461,832)	(\$ 91,594)	(\$ 370,238)	(\$37,957)	(\$64,890)	(\$151,397)	(\$115,994)	-----

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Schedule of Changes in the Net Pension Liability and Related Ratios

	Fiscal Year End		
	2018	2017	2016
<i>Total pension liability</i>			
Service cost	\$ 98,515	\$ 89,881	\$ 100,023
Interest	717,234	693,648	644,765
Differences between expected and actual experiences	247,374	(40,150)	312,639
Changes of assumptions	(187,124)	-----	-----
Changes of benefit terms	-----	-----	-----
Benefit payments, including refunds of employee contributions	(449,422)	(428,669)	(424,679)
Net change in total pension liability	426,577	314,710	632,748
Total pension liability – beginning	9,479,340	9,164,630	8,531,882
Total pension liability – ending (a)	<u>\$9,905,917</u>	<u>\$ 9,479,340</u>	<u>\$ 9,164,630</u>
<i>Plan fiduciary net position</i>			
Contributions – employer	\$ 226,428	\$ 223,688	\$ 216,720
Contributions – employee	-----	-----	-----
Net investment income	1,192,873	819,553	94,168
Benefit payments, including refunds of employee contributions	(449,422)	(428,669)	(424,679)
Administrative expense	(20,720)	(11,523)	(13,426)
Other	-----	-----	-----
Net change in fiduciary net position	949,159	603,049	(127,217)
Plan fiduciary net position – beginning	8,030,289	7,427,240	7,554,457
Plan fiduciary net position – ending (b)	<u>\$8,979,448</u>	<u>\$8,030,289</u>	<u>\$ 7,427,240</u>
Net Pension liability – ending: (a)-(b)	<u>\$ 926,469</u>	<u>\$ 1449,051</u>	<u>\$ 1,737,390</u>
Plan's fiduciary net position as a percentage of the total pension liability	90.65%	84.71%	81.04%
Covered-employee payroll	\$ 2,758,383	\$ 2,755,710	\$ 2,619,051
Net pension liability as a percentage of covered-employee payroll	33.59%	52.58%	66.34%

Schedule of Contributions

	Fiscal Year End		
	2018	2017	2016
Actuarially determined contribution	-----*	247,012	205,818
Contributions in relation to the actuarially determined contribution	-----*	226,428**	223,688
Contribution deficiency (excess)	-----*	20,584	(17,870)
Covered-employee payroll	-----*	2,755,710***	2,619,051***
Contributions as a percentage of covered-employee payroll	-----*	8.22%	8.54%

* 2018 information will be determined after fiscal year end and will be included in the 2019 valuation report

** Contributions are recorded based on date of receipt into the GMEBS trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMEBS funding policy. A plan is in compliance with the GMEBS funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.

*** 2017 covered payroll is based on data collected as of August 31, 2016 or the 2017 actuarial valuation

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Notes to Schedule of Contributions

Valuation Date	The actuarially determined contribution was determined as of January 1, 2018, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution will be reported for the fiscal year ending September 30, 2019
<i>Methods and assumptions used to determine contribution rates:</i>	
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability; See Section 5, Exhibit II for additional detail
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Net Investment Rate of Return	7.50%
Projected Salary Increases	2.75% plus service based merit increases
Cost of Living Adjustments	2.75%
Retirement Age	See Section 5, Exhibit III for summary of assumption and Section 4, Exhibit 6 for the history of changes to this assumption, if any.
Mortality	See Section 5, Exhibit III for summary of assumption and Section 4, Exhibit 6 for the history of changes to this assumption, if any.
Other information:	See Section 4, Exhibit 6 for the history of changes to plan provisions, if any.

Actuarial Valuation History for Notes to Schedules

This exhibit describes assumptions and benefit changes reflected in the last two fiscal years. For earlier changes, please see prior valuation reports.

Changes of assumptions

- As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2017. See Section 5, Exhibit III for details.
- As a result of the plan change to provide immediate participation for Employees for the Fiscal Year ending in 2016, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.
- Amounts reported for the Fiscal Year ending in 2016 and later reflect the following assumption changes approved by the Board in December, 2015 based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:
 - The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.
 - The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
 - The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
 - The inflation and cost-of-living adjustment assumptions were decreased from 3.50% to 3.25%.
 - The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit changes

- Effective January 1, 2015, the Plan was amended to provide for immediate participation for Employees. This change has no impact on service credited under the Plan and has no impact on benefits.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

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

Inflation	2.75 percent
Salary increases	2.75 percent plus service based merit increases
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2015.

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies* return projections reflect the foregoing and historical data analysis. These projections 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of September 30, 2017 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
International Equity	20%	7.71%
Real Estate	10%	5.21%
Domestic Equity	45%	6.71%
Global Fixed	5%	3.36%
Domestic Fixed	20%	2.11%
Total	100%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2013 asset liability and investment policy study for the Georgia Retirement Systems including GMEBS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.35%. All rates of return and inflation are annualized.

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 contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on the assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's net pension liability to changes in the discount rate. The following presents the City's net pension liability calculated using the discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate:

	<u>1% Decrease (6.50%)</u>	<u>Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's net pension liability (asset)	\$ 2,506,377	\$ 1,449,051	\$ 556,746

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Actuarial Valuation and Review Report from the Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303-3606.

3-I. Equity

Net Positions— Net positions on the government-wide statement of net positions as of September 30, 2018 are as follows:

	(Amounts Expressed in Thousands)	
	Governmental Activities	Business-Type Activities
Net Investment in capital assets:		
Cost of Capital Assets	\$ 14,503	\$ 61,313.5
Less Accumulated Depreciation	< 5,628 >	< 19,343 >
Book Value	**\$ 8,875	\$ 41,970.5
Less Capital Related Debt	-----	<*26,748.5 >
Net Investment in capital assets	\$ 8,875 =====	\$ 15,222 =====

*Capital Debt \$27,323 plus accrued interest of \$75.5.

**Rounded up

Fund Balances – Fund balance assignments at the fund reporting level as of September 30, 2018 are as follows:

Assigned Fund Balances:

<u>Nature and Purpose of Assignments</u>	<u>General</u>
Cemetery Perpetual Care	\$ 104,955

3-J. Contracts

The City entered into contract with Dependable Waste, Inc. to provide the City with waste disposal. The cost of the service is passed on to the residents. The contract will continue until September 30, 2019. The City at present provides the recycling services to residents.

3-K. Compliance with Legal Provisions

Grants – In the year ended September 30, 2018, the City received payments from the State of Georgia as follows:

Georgia Department of Transportation (LMIG) - \$94,356 to be used for street improvements.

Expenditures from the capital outlay grant funds were for acquisition and maintenance of capital outlay items as required by law. The general purpose funds are to be expended for general purposes and none of the general purpose grant funds will be used to pay salaries of elected officials.

Hotel/Motel Tax – The City was in compliance with the provisions of OCGA-48-13-51 which require the City to meet the expenditures requirement for the levying and collecting of hotel/motel tax. The amount of funds expended as provided within the Code Section 36-81-7 during the fiscal year is \$15,215. The percentage of expenditures to collections is 100%. The City has a contractual agreement with the Barnesville-Lamar County Chamber of Commerce to remit forty percent of the hotel/motel tax collections. The City remitted \$6,884 in hotel/motel tax collections during the fiscal year to the Barnesville-Lamar County Chamber of Commerce. The Barnesville-Lamar County Chamber of Commerce provides the City with annual financial statements as verification of the expenditure of the hotel/motel collections. The amount owed in hotel/motel tax by the City to the Barnesville-Lamar County Chamber of Commerce at September 30, 2018 is \$0.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

3-L. Other Required Individual Fund Disclosures

The Industrial Development Fund has a deficit of \$50,217 for the fiscal year ending September 30, 2018. The fund has a \$1,781,727 surplus to offset future deficits.

3-M. Commitment and Contingencies

Agreements with Municipal Electric Authority of Georgia

During 1976, the City, along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and instrumentality of the State of Georgia.

Under the terms of the agreement, the Authority agrees to provide, and the Cities are obligated to purchase, all of the Cities' bulk power supply requirements for a period not to exceed 50 years. The Cities have agreed to purchase all their future power and energy requirements in excess of that received by the Cities through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each City has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by the Authority. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations. At September 30, 2018, the outstanding debt of the Authority was approximately \$6.33 billion. The City's guarantee varies by individual projects undertaken by the Authority.

On January 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two types of funds, which are held by MEAG in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The second type represents amounts that are available to the City in the form of a loan or as off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

Note 4 – Other Notes

4-A. Closure and Postclosure Care Requirements

GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", require certain disclosures be reported relating to the closure and postclosure care.

The current estimated cost of postclosure is \$0.

*** The amount of post closure costs actually paid in the current year is \$63,212.*

The City owned and operated the city landfill until 1992. The landfill was closed in 1992 in order to meet the State of Georgia Solid Waste Reduction requirements. The solid waste disposal has been contracted with an outside source (see Note 3-J).

The estimated costs of postclosure are based on the landfill capacity used to date. The landfill capacity used to date is 100 percent. The estimated remaining landfill life is zero years. The current estimated postclosure costs recognized for the year ending are \$0. The nature of the estimates and the potential for changes are due to inflation or deflation, technology or applicable laws or regulations.

The source of the estimated cost of postclosure care requirements are regulated by the Environmental Protection Division of the Environmental Protection Agency. The nature of the postclosure care requirements consist of well monitoring, laboratory analysis, and inspections. The estimated cost of postclosure decreased due to environmental changes and requirements stipulated by the Environmental Protection Division. Requirements for post closure are being fulfilled.

*The postclosure costs vary from year to year based on the EPD's requirements for well testing.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

4-B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Georgia Interlocal Risk Management Agency (GIRMA). This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

The City participates in the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The fund was established to insure members for liabilities imposed under workers' compensation and employers' liability laws. The fund is obligated to provide for the cost of claims and related interest incurred by the City under the Workers' Compensation Law of Georgia along with the cost of investigating, negotiation, and defending such claims. The fund is intended to be self-sustaining through member premiums. Accordingly, the City is required to pay an annual premium to the fund.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management services to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

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

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative
- To allow GIRMA and its agent's reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys claim adjusters, Service Company, and any agent, employee, officer, or independent contractor of GIRMA relating to the purposes of GIRMA.
- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any fund established by GIRMA being required to pay claim for loss or injuries to municipal property when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.
- The City retains the first \$1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to \$1,000 deductible.

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

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the City's insurance coverage during the past three years.

4-C. Contingent Liabilities

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 terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

4-D. Joint Venture

Under Georgia law, the City, in conjunction with other municipalities and counties in the five county Central Georgia area, is a member of the McIntosh Trail Regional Development (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes

representation from each county and municipality of the area, as well as representatives from the private sector and other governmental

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2018

entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

McIntosh Trail Regional Development
Hill Street
Griffin, Ga 30223

4-E. Related Organizations

The Barnesville Housing Authority, Conventional, and Section 8 are deemed to be related organizations of the City. The financial statements of the related organization are not included in the City of Barnesville's audited financial statements.

4-F. Change in Accounting Principles/Restatement

Net Position was Restated for General Fund by \$106,252 due to an error in the prior year's depreciation calculation.

4-G. Subsequent Events

No significant subsequent events have occurred between the end of the fiscal year September 30, 2018 and the issuance of the audited financial statements, March 16, 2019.

Required Supplementary Information

City of Barnesville
City of Barnesville Contributions
Required Supplementary Information
September 30, 2018, 2017 and 2016

**A Participating Member of the Georgia Municipal Employees Benefit System
(Local Government Employees' Retirement System)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 226,428	\$ 223,688	\$ 216,720
Contributions in relation to the contractually required contribution	<u>226,428</u>	<u>223,688</u>	<u>216,720</u>
Contribution deficiency (excess)	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
City's covered-employee payroll	\$2,758,383	\$ 2,755,710	\$ 2,619,051
Contributions as a percentage of covered-employee payroll	8.21%	8.12%	8.27%

City of Barnesville
City of Barnesville's Proportionate Share of Net
Pension Liability
Required Supplementary Information
September 30, 2018

Georgia Firefighter's Pension Fund

	<u>2018</u>
City's proportionate share of the net pension liability	0.00%
City's proportionate share of the net pension liability \$	\$ -----
City's covered-employee payroll	\$ 245,083
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	.000450384%
Plan fiduciary net position as a percentage of the total pension liability	83.74%
State's proportionate share of the net pension liability associated with City of Barnesville	\$ 73,769

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-General Fund Types
For the Year Ended September 30, 2018

	GENERAL FUND (MAJOR FUND)			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Taxes				
2017 Property	\$ 593,921	\$ 591,050	\$ 591,050	\$ -----
Sales	630,000	660,357	660,357	-----
Intangible and Transfer	2,600	3,440	3,440	-----
Motor Vehicle	145,000	199,018	199,018	-----
Public Utilities Franchise	120,000	122,098	122,098	-----
Insurance Premium	415,000	484,334	484,334	-----
Malt Beverage	150,000	137,798	137,798	-----
Liquor	<u>25,000</u>	<u>25,863</u>	<u>25,863</u>	<u>-----</u>
	<u>\$ 2,081,521</u>	<u>\$ 2,223,958</u>	<u>\$ 2,223,958</u>	<u>\$ -----</u>
Business License and Permits	<u>\$ 96,900</u>	<u>\$ 110,164</u>	<u>\$ 110,164</u>	<u>\$ -----</u>
Departmental Revenues				
Police	\$ 273,313	\$ 382,748	\$ 382,748	\$ -----
Fire	-----	13,863	13,863	-----
Street and Right of Way	2,900	153,017	153,017	-----
Cemetery	20,000	20,213	20,213	-----
Civic Center	41,500	41,081	41,081	-----
Swimming Facilities	<u>2,200</u>	<u>4,086</u>	<u>4,086</u>	<u>-----</u>
	<u>\$ 339,913</u>	<u>\$ 615,008</u>	<u>\$ 615,008</u>	<u>\$ -----</u>
Other Revenues				
Intergovernmental	\$ -----	\$ -----	\$ -----	\$ -----
Rental Income	279,356	290,976	290,976	-----
Tax Interest	5,000	564	564	-----
Miscellaneous	15,050	36,338	36,338	-----
Interest Earned	<u>400</u>	<u>844</u>	<u>844</u>	<u>-----</u>
	<u>\$ 299,806</u>	<u>\$ 328,722</u>	<u>\$ 328,722</u>	<u>\$ -----</u>
TOTAL REVENUE-CARRIED FORWARD	<u>\$ 2,818,140</u>	<u>\$ 3,277,852</u>	<u>\$ 3,277,852</u>	<u>\$ -----</u>

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-General Fund Types
For the Year Ended September 30, 2018
 (Continued)

	GENERAL FUND (MAJOR FUND)			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
TOTAL REVENUES- BROUGHT FORWARD	\$ 2,818,140	\$ 3,277,852	\$ 3,277,852	\$ -----
EXPENDITURES				
Current Operations				
Administrative and General	\$ 1,223,460	\$ 1,433,985	\$ 1,433,985	\$ -----
Police	1,461,532	1,495,314	1,495,314	-----
Fire	373,542	372,845	372,845	-----
Street and Right of Way	726,712	923,267	923,267	-----
Cemetery	46,300	51,660	51,660	-----
Civic Center	169,054	180,841	180,841	-----
Swimming Facilities	40,789	37,229	37,229	-----
Capital Outlay				
Current Operations	89,600	203,290	203,290	-----
Total Expenditures	\$ 4,130,989	\$ 4,698,431	\$ 4,698,431	\$ -----
EXCESS REVENUE OVER <UNDER> EXPENDITURES	\$ <1,312,849>	\$ <1,420,579>	\$ <1,420,579>	\$ -----
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,312,849	\$ 1,472,161	\$ 1,472,161	\$ -----
Transfers Out	-----	< 6,531>	< 6,531>	-----
Total Other Financing Sources (Uses)	\$ 1,312,849	\$ 1,465,630	\$ 1,465,630	\$ -----
NET CHANGE IN FUND BALANCES	\$ -----	\$ 45,051	\$ 45,051	\$ -----
FUND BALANCE- BEGINNING OF YEAR	-----	391,355	391,355	-----
FUND BALANCE- END OF YEAR	\$ ----- =====	\$ 436,406 =====	\$ 436,406 =====	\$ ----- =====

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-Capital Project Fund Types
 (Does Not Include Trust Fund Data)
For the Year Ended September 30, 2018

	SPLOST	2011	(MAJOR FUND)	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 60,000	\$ 58,634	\$ 58,634	-----
Interest	-----	336	336	\$ -----
TOTAL REVENUES	<u>\$ 60,000</u>	<u>\$ 58,970</u>	<u>\$ 58,970</u>	<u>\$ -----</u>
EXPENDITURES				
Current				
Miscellaneous	\$ -----	\$ -----	\$ -----	\$ -----
Capital Outlay				
Current Operations	<u>60,000</u>	<u>678,108</u>	<u>678,108</u>	<u>-----</u>
Total Expenditures	<u>\$ 60,000</u>	<u>\$ 678,108</u>	<u>\$ 678,108</u>	<u>\$ -----</u>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	<u>\$ -----</u>	<u>\$ <619,138></u>	<u>\$ <619,138></u>	<u>\$ -----</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -----	\$ 3,800	\$ 3,800	\$ -----
Transfers Out (Water & Sewerage Fund)	<u>\$ -----</u>	<u>\$ 239,046</u>	<u>\$ 239,046</u>	<u>\$ -----</u>
Total Other Financing Sources (Uses)	<u>\$ -----</u>	<u>\$ < 235,246></u>	<u>\$ < 235,246></u>	<u>\$ -----</u>
NET CHANGE IN FUND BALANCES	<u>\$ -----</u>	<u>\$ < 854,384></u>	<u>\$ < 854,384></u>	<u>\$ -----</u>
FUND BALANCE- BEGINNING OF YEAR	<u>-----</u>	<u>854,385</u>	<u>854,385</u>	<u>-----</u>
FUND BALANCE- END OF YEAR	<u>\$ -----</u> =====	<u>\$ 1</u> =====	<u>\$ 1</u> =====	<u>\$ -----</u> =====

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-Capital Project Fund Types
 (Does Not Include Trust Fund Data)
For the Year Ended September 30, 2018

	SPLOST	2017	(MAJOR FUND)	
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental	\$ 3,559,235	\$ 367,660	\$ 367,660	-----
Interest	-----	166	166	\$ -----
TOTAL REVENUES	<u>\$ 3,559,235</u>	<u>\$ 367,826</u>	<u>\$ 367,826</u>	<u>\$ -----</u>
EXPENDITURES				
Current				
Miscellaneous	\$ -----	\$ 125	\$ 125	\$ -----
Capital Outlay				
Current Operations	<u>3,559,235</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
Total Expenditures	<u>\$ 3,559,235</u>	<u>\$ 125</u>	<u>\$ 125</u>	<u>\$ -----</u>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	<u>\$ -----</u>	<u>\$ 367,701</u>	<u>\$ 367,701</u>	<u>\$ -----</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ -----	\$ -----	\$ -----	\$ -----
Transfers Out (Water & Sewerage Fund)	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
Total Other Financing Sources (Uses)	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
NET CHANGE IN FUND BALANCES	<u>\$ -----</u>	<u>\$ 367,701</u>	<u>\$ 367,701</u>	<u>\$ -----</u>
FUND BALANCE- BEGINNING OF YEAR	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
FUND BALANCE- END OF YEAR	<u>\$ -----</u>	<u>\$ 367,701</u>	<u>\$ 367,701</u>	<u>\$ -----</u>
	=====	=====	=====	=====

Supplementary Information

Governmental Funds

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-Special Revenue Fund Types
 (Does Not Include Trust Fund Data)
 For the Year Ended September 30, 2018

	HOTEL / MOTEL TAX (NON-MAJOR FUND)			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Hotel-Motel Tax	\$ 14,000	\$ 15,215	\$ 15,215	\$ -----
TOTAL REVENUES	\$ 14,000	\$ 15,215	\$ 15,215	\$ -----
EXPENDITURES				
Current				
Cultural and Recreation (Tourism)	\$ 14,000	\$ 15,215	\$ 15,215	\$ -----
Total Expenditures	\$ 14,000	\$ 15,215	\$ 15,215	\$ -----
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$ -----	\$ -----	\$ -----
NET CHANGE IN FUND BALANCES	\$ -----	\$ -----	\$ -----	\$ -----
FUND BALANCE- BEGINNING OF YEAR	-----	-----	-----	-----
FUND BALANCE- END OF YEAR	\$ ----- =====	\$ ----- =====	\$ ----- =====	\$ ----- =====

City of Barnesville
General Fund
**SCHEDULE OF ADMINISTRATIVE
AND GENERAL EXPENDITURES**
For the Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
Salaries	\$ 351,067	\$ 325,059
Employee Benefits	127,949	105,738
Contract Labor	69,509	59,635
Legal and Professional Fees	43,791	35,376
Dues and Subscriptions	4,375	3,269
Advertising	2,383	3,074
Industrial Development Authority-Donation	78,500	78,500
E.P. Roberts Center	54,126	47,598
Office Supplies	50,832	27,539
Travel	8,768	6,000
Training Courses	11,338	11,004
Postage	37,921	30,477
Insurance	377,808	381,788
Utilities and Telephone	16,180	16,803
Public Property Expenditure	19,352	14,572
Maintenance Agreement	16,875	31,765
Repairs and Maintenance	7,240	7,749
Miscellaneous	14,976	21,999
McIntosh Trail RDC	6,696	6,625
Lamar County Health Clinic	<u>499</u>	<u>500</u>
Total Expenditures	<u>\$1,300,185</u>	<u>\$1,215,070</u>

City of Barnesville
General Fund
**SCHEDULE OF ADMINISTRATIVE
AND GENERAL EXPENDITURES
MAYOR AND COUNCIL**
For the Year Ended September 30, 2018

	2018	2017
Mayor and Council Salaries / Benefits	\$ 84,740	\$ 88,188
Mayor and Council Travel	19,664	20,375
Mayor and Council School and Training	25,142	25,522
Mayor and Council Supplies	2,881	1,930
Mayor and Council Telephone/Utilities	<u>1,373</u>	<u>1,176</u>
Total Expenditures	\$ 133,800 =====	\$ 137,191 =====

*

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
POLICE DEPARTMENT
For the Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Fines	\$ 361,583	\$ 330,667
Accident Reports	881	808
Miscellaneous	6,556	2,823
Parking Violations	1,545	775
Intergovernmental Revenues	<u>12,183</u>	<u>22,658</u>
Total Revenues	<u>\$ 382,748</u>	<u>\$ 357,731</u>
EXPENDITURES		
Salaries	\$ 928,651	\$ 886,501
Employee Benefits	320,503	298,360
Supplies	39,256	47,104
Repairs and Maintenance	34,108	33,428
Maintenance of Prisoners	400	803
Utilities	25,360	20,331
Gas and Oil	44,328	44,520
Tires and Tire Repairs	5,650	4,619
Uniforms	11,234	10,051
Dues and Subscriptions (Computer)	13,760	16,306
Travel and Training Courses	7,412	7,275
Miscellaneous	3,745	1,448
Traffic Court Judge, Indigent Defense & Solicitor	26,925	26,100
Peace Officers and Prosecutions	18,406	19,949
Peace Officers' Annuity Benefits	6,985	7,641
GA Crime Victims Emergency Fund	3,179	316
Drug Testing	585	560
Jr. Police/Community Projects	1,969	624
New Equipment*	42,452	28,585
Crime Lab and Brain and Spinal Injury Funds	785	616
County Drug Abuse Treatment	1,296	3,749
Driver Education and Training Fund	777	813
New Vehicle *	<u>23,615</u>	<u>-----</u>
Total Expenditures	<u>\$ 1,561,381</u>	<u>\$ 1,459,699</u>
EXCESS EXPENDITURES OVER REVENUES	<u>\$ <1,178,633></u>	<u>\$ <1,101,968></u>
	=====	=====

*Reported as Capital Outlay on other Statements and Schedules

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
FIRE DEPARTMENT
For the Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Miscellaneous	\$ 1,783	\$ 1,250
Intergovernmental	<u>12,080</u>	<u>15,063</u>
Total Revenues	\$ <u>13,863</u>	\$ <u>16,313</u>
EXPENDITURES		
Salaries	\$ 256,649	\$ 223,995
Employee Benefits	81,032	94,150
Contract Labor	3,338	10,163
Supplies	10,316	8,441
Fire Calls and Drills	7,168	10,434
Gas and Oil	1,633	2,427
Uniforms	812	7,124
Utilities	4,043	4,976
Retirement- Voluntary Firemen	3,875	3,600
Repairs and Maintenance	98	11,856
Drug Testing	-----	220
Miscellaneous	1,512	-----
Equipment Testing	2,369	4,215
Capital Outlay - Equipment*	<u>4,475</u>	<u>24,939</u>
Total Expenditures	\$ <u>377,320</u>	\$ <u>406,540</u>
EXCESS EXPENDITURES OVER REVENUES	\$< 363,457> =====	\$< 390,227> =====

*Reported as Capital Outlay on other Statements and Schedules

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
STREET AND RIGHT OF WAY DEPARTMENT
For the Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Intergovernmental	\$ 94,356	\$ 77,983
Miscellaneous (Surplus)	54,668	5,340
Animal Control	<u>3,993</u>	<u>3,545</u>
Total Revenues	\$ <u>153,017</u>	\$ <u>86,868</u>
EXPENDITURES		
Salaries	\$ 325,919	\$ 315,306
Contract Labor	135,522	134,919
Employee Benefits	146,013	126,861
Supplies	66,427	63,557
Tires and Tire Repairs	709	1,367
Contracted Services	460	21,109
Gas and Oil	27,922	18,365
Utilities	4,027	4,405
Miscellaneous	51,821	7,500
Repairs (Including Service Agreements)	22,607	9,086
Street Mowing Contract	72,300	61,030
State Contract	19,750	23,055
Animal Control	16,456	14,695
Waste Disposal	990	5,005
Summer's Field Park Maintenance	32,344	33,729
Street Paving*	103,388	77,983
Capital Outlay - Equipment*	4,250	15,500
Capital Outlay - Street Improvements	<u>10,800</u>	<u>-----</u>
Total Expenditures	\$ <u>1,041,705</u>	\$ <u>933,472</u>
EXCESS EXPENDITURES OVER REVENUES	\$< 888,688> =====	\$< 846,604> =====

*Reported as capital outlay on other statements and schedules.

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
CEMETERY DEPARTMENT
For the Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Sale of Cemetery Lots	\$ 7,650	\$ 8,450
Opening Graves	12,425	9,500
Miscellaneous	<u>138</u>	<u>942</u>
Total Revenues	<u>\$ 20,213</u>	<u>\$ 18,892</u>
EXPENDITURES		
Contract Labor	\$ 12,550	\$ 12,925
Miscellaneous	10	1,274
Mowing Contract	39,100	38,034
Capital Improvements*	<u>14,310</u>	<u>-----</u>
Total Expenditures	<u>\$ 65,970</u>	<u>\$ 52,233</u>
EXCESS EXPENDITURES OVER REVENUES	\$< 45,757> =====	\$< 33,341> =====

**Reported as Capital Outlay on other Statements and Schedules.*

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
CIVIC CENTER
For the Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Miscellaneous-Rentals	\$ 21,549	\$ 22,741
Membership Fees	<u>19,532</u>	<u>19,626</u>
Total Revenues	<u>\$ 41,081</u>	<u>\$ 42,367</u>
EXPENDITURES		
Salaries	\$ 108,967	\$ 105,718
Supplies	12,481	10,975
Employee Benefits	24,091	23,962
Utilities	1,689	1,544
Miscellaneous	7,223	4,852
Uniforms	3,404	3,343
Repairs	690	1,646
Drug Testing	70	-----
Contract Labor	22,226	24,041
Capital Outlay - Fitness Equipment*	<u>-----</u>	<u>25,063</u>
Total Expenditures	<u>\$ 180,841</u>	<u>\$ 201,144</u>
EXCESS EXPENDITURES OVER REVENUES	\$< 139,760> =====	\$< 158,777> =====

*Reported as Capital Outlay on other Statements and Schedules

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
SWIMMING FACILITIES
For the Year Ended September 30, 2018

	<u>2018</u>	<u>2017</u>
REVENUES		
Fees	\$ 4,086	\$ 3,334
Total Revenues	\$ 4,086	\$ 3,334
EXPENDITURES		
Salaries	\$ 24,144	\$ 25,528
Supplies	9,286	11,572
Employee Benefits	1,695	1,953
Utilities	924	647
Drug Testing	670	770
Repairs	510	970
Total Expenditures	\$ 37,229	\$ 41,440
EXCESS EXPENDITURES OVER REVENUES	\$< 33,143> =====	\$< 38,106> =====

City of Barnesville
General Fund
SCHEDULE OF TAX DIGEST FOR YEAR 2017
AND TAX COLLECTIONS
For the Year Ended September 30, 2018

	DIGEST VALUATIONS	TAXES ON VALUATIONS	AMOUNT OF TAXES ON DIGEST
SUMMARY OF AD VALOREM TAXES			
Digest of Taxpayers	\$136,506,599	\$ 568,274	
NODS	-----	-----	
Public Utilities	<u>2,978,654</u>	<u>12,403</u>	
TOTAL ASSESSMENT	\$139,485,253	\$ 580,677	\$ 580,677
	=====	=====	
Net Charge-Ons/Charge Offs			<u>10,372</u>
TOTAL TAX DIGEST			\$ 591,049
Collection of 2017 Taxes			<u>578,496</u>
TOTAL 2017 TAXES RECEIVABLE			\$ 12,553
TOTAL PRIOR YEAR'S TAXES RECEIVABLE			<u>16,757</u>
TOTAL TAXES RECEIVABLE			\$ 29,310
			=====

Proprietary Funds

City of Barnesville
Proprietary Funds
DEPARTMENT OF SCHEDULE OF REVENUES AND EXPENDITURES
ELECTRIC, SANITATION, AND INDUSTRIAL DEVELOPMENT FUND
For the Year Ended September 30, 2018

	ELECTRIC	SANITATION	INDUSTRIAL DEVELOPMENT	TOTALS
OPERATING REVENUES				
Charges for Service	\$ 7,908,950	\$ 657,441	\$ -----	\$ 8,566,391
Miscellaneous (MEAG)	<u>671,864</u>	<u>39,049</u>	<u>-----</u>	<u>710,913</u>
Total Operating Revenues	<u>\$ 8,580,814</u>	<u>\$ 696,490</u>	<u>\$ -----</u>	<u>\$ 9,277,304</u>
OPERATING EXPENSES				
Personal Services				
Salaries	\$ 572,968	\$ 38,560	\$ -----	\$ 611,528
Employee Benefits	<u>176,801</u>	<u>20,145</u>	<u>-----</u>	<u>196,946</u>
Total Personal Services	<u>\$ 749,769</u>	<u>\$ 58,705</u>	<u>\$ -----</u>	<u>\$ 808,474</u>
Operating Expenses				
Contractual Services	\$ 6,177,458	\$ 478,317	\$ 36,848	\$ 6,692,623
Supplies	100,949	12,505	-----	113,454
Gas and Oil	14,378	7,788	-----	22,166
Repairs and Maintenance	9,036	5,259	-----	14,295
Waste Disposal Fees	-----	9,844	-----	9,844
Landfill Postclosure	-----	63,212	-----	63,212
Miscellaneous	13,027	14,157	-----	27,184
Utilities	5,696	1,047	-----	6,743
Depreciation	<u>29,191</u>	<u>1,141</u>	<u>20,700</u>	<u>51,032</u>
Total Operating Expenses	<u>\$ 6,349,735</u>	<u>\$ 593,270</u>	<u>\$ 57,548</u>	<u>\$ 7,000,553</u>
Total Expenses	<u>\$ 7,099,504</u>	<u>\$ 651,975</u>	<u>\$ 57,548</u>	<u>\$ 7,809,027</u>
OPERATING INCOME <LOSS>	<u>\$ 1,481,310</u>	<u>\$ 44,515</u>	<u>\$ < 57,548 ></u>	<u>\$ 1,468,277</u>
NONOPERATING REVENUE <EXPENSE>				
Interest Revenue	\$ 1,317	\$ -----	\$ 4,597	\$ 5,914
Total Nonoperating Revenue (Expense)	<u>\$ 1,317</u>	<u>\$ -----</u>	<u>\$ 4,597</u>	<u>\$ 5,914</u>
NET INCOME <LOSS>	<u>\$ 1,482,627</u>	<u>\$ 44,515</u>	<u>\$ < 52,951 ></u>	<u>\$ 1,474,191</u>
	=====	=====	=====	=====

City of Barnesville
Proprietary Funds
DEPARTMENT OF SCHEDULE OF REVENUES AND EXPENDITURES
WATER AND SEWERAGE FUND
For the Year Ended September 30, 2018

	WATER	SEWERAGE	TOTALS
OPERATING REVENUES			
Charges for Service	\$ 1,855,986	\$ 1,855,986	\$ 3,711,972
Miscellaneous	<u>93,640</u>	<u>30,650</u>	<u>124,290</u>
Total Operating Revenues	<u>\$ 1,949,626</u>	<u>\$ 1,886,636</u>	<u>\$ 3,836,262</u>
OPERATING EXPENSES			
Personal Services			
Salaries	\$ 310,876	\$ -----	\$ 310,876
Employee Benefits	<u>131,776</u>	<u>-----</u>	<u>131,776</u>
Total Personal Services	<u>\$ 442,652</u>	<u>\$ -----</u>	<u>\$ 442,652</u>
Operating Expenses			
Contractual Services	\$ 494,886	\$ 537,060	\$ 1,031,946
Contract Labor	49,504	49,504	99,008
Supplies and Materials	81,046	81,046	162,092
Professional Fees	28,652	28,651	57,303
Utilities	2,594	-----	2,594
Depreciation	482,154	340,876	823,030
Equipment Repairs	20,522	19,553	40,075
Miscellaneous and other operating	<u>22,143</u>	<u>25,445</u>	<u>47,588</u>
Total Operating Expenses	<u>\$ 1,181,501</u>	<u>\$ 1,082,135</u>	<u>\$ 2,263,636</u>
Total Expenses	<u>\$ 1,624,153</u>	<u>\$ 1,082,135</u>	<u>\$ 2,706,288</u>
OPERATING INCOME <LOSS>	<u>\$ 325,473</u>	<u>\$ 804,501</u>	<u>\$ 1,129,974</u>
NONOPERATING REVENUE <EXPENSE>			
Interest Revenue	\$ 21,327	\$ 21,326	\$ 42,653
Interest Expense	<u>< 455,763></u>	<u>< 455,762></u>	<u>< 911,525></u>
TOTAL NONOPERATING REVENUE <EXPENSE>	<u>\$< 434,436></u>	<u>\$< 434,436></u>	<u>\$< 868,872></u>
NET INCOME <LOSS>	<u>\$< 108,963></u> =====	<u>\$ 370,065</u> =====	<u>\$ 261,102</u> =====

City of Barnesville
Proprietary Funds
COMBINED SCHEDULE OF CHANGES IN RESERVED FUND NET POSITIONS
WATER AND SEWERAGE DEBT RETIREMENT FUND
All Enterprise Funds
For the Year Ended September 30, 2018

	2011 A, B & C BOND SERIES			TOTALS
	DEBT SERVICE	DEBT SERVICE RESERVE	RENEWAL & EXTENSION FUND	WATER AND SEWAGE DEBT RETIREMENT FUND
REVENUES				
Interest Income	\$ 4,830	\$ 25,093	\$ 12,730	\$ 42,653
EXPENSES				
Interest Expense	\$ 911,525	\$ 2,386	\$ -----	\$ 913,911
Trust Fees	440	-----	1,211	1,651
TOTAL EXPENSES	\$ 911,965	\$ 2,386	\$ -----	\$ 915,562
INCOME (LOSS) BEFORE TRANSFERS	\$< 907,135>	\$ 22,707	\$ 11,519	\$< 872,909>
TRANSFERS				
From Water and Sewerage Fund	\$ 1,107,671	\$ -----	\$ -----	\$ 1,107,671
From Debt Service Reserve	-----	-----	-----	-----
TOTAL TRANSFERS	\$ 1,107,671	\$ -----	\$ -----	\$ 1,107,671
NET INCOME	\$* 200,536	\$ 22,707	\$ 11,519	\$ 234,762
	=====	=====	=====	=====

* Not including Principal Reduction of \$200,000.

***Independent Auditor's Report on
Special County 1 percent Sales & Use Tax***

J. Robyn Underwood, CPA

Member of American Institute of Certified Public Accountants

302-A Taylor Street • Barnesville, GA 30204

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Independent Auditor's Report on Special County 1 Percent Sales and Use Tax Approved in special Election

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

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Barnesville, Georgia for the fiscal year ended September 30, 2018. This schedule is the responsibility of the City of Barnesville's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Option Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121, on the accrual basis of accounting and is not intended to be a complete presentation of the City of Barnesville's revenues and expenditures.

In our opinion, the Schedule of Special Purpose of Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the current estimated costs, and the current and prior year expenditures for each project in the City of Barnesville's resolution or ordinance called for the tax for the fiscal year ended September 30, 2018, in conformity with accounting principles generally accepted in the United States of America.

J. Robyn Underwood, CPA
March 16, 2019

SPLOST Schedule

City of Barnesville
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended September 30, 2018

PROJECT - 2011	ORIGINAL ESTIMATED COSTS	EXPENDITURES		TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
		PRIOR YEARS	CURRENT YEAR		
Paving, Resurfacing and Construction of Roads (Including Drainage and Sidewalks)	\$ 664,967	\$ 135,126	\$ 30,041	\$ 165,167	24.84%
Construction and Equipping Other Public Projects (Landfill)	785,381	1,445,626	141,445	1,587,071	100%
Construction and Renovation of Public Facilities (Library and Summers Field)	1,082,143	1,018,451	506,621	1,525,072	100%
Improvements to Water and Sewer Systems	<u>1,197,672</u>	<u>149,922</u>	<u>239,046</u>	<u>388,968</u>	32.48%
	\$3,730,163	\$2,749,125	\$ 917,153	\$3,666,278	
	=====	=====	=====	=====	

Sales Tax collected for FYE 9/30/18 - \$58,634, Interest Earned for FYE 9/30/18 - \$336

The SPLOST Project for 2011 has been completed as of September 30, 2018 and therefore, the project is deemed to be closed.

PROJECT - 2017	ORIGINAL ESTIMATED COSTS	EXPENDITURES		ESTIMATED PERCENTAGE OF COMPLETION
		PRIOR YEARS	CURRENT YEAR	
Improvements to Water And Sewer System	\$ 1,649,235	\$ -----	\$ -----	0%
Paving, Resurfacing and Construction of Roads (Including Drainage and Sidewalks)	550,000	-----	-----	0%
Equipment	700,000	-----	-----	0%
Construction and Renovation of Public Facilities	<u>660,000</u>	<u>-----</u>	<u>-----</u>	0%
	\$3,559,235	\$ -----	\$ -----	
	=====	=====	=====	

Sales Tax collected for FYE 9/30/18 - \$367,660, Interest Earned for FYE 9/30/18 - \$166,
Miscellaneous Expense - \$125

Report on Internal Control

J. Robyn Underwood, CPA

Member of American Institute of Certified Public Accountants

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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*

(No Material Weaknesses Identified; No Significant Deficiencies Identified; and No Reportable Instances of Noncompliance and Other Matters Identified)

Honorable Mayor and
Members of the City Council
Barnesville, Georgia

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activity, each major fund, and the aggregate remaining fund information of the City of Barnesville (the “City”) as of and for the year ended September 30, 2018, and related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated March 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control over financial reporting.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Barnesville’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective in our audit, and accordingly, we do not express such an opinion. The results of our tests did not disclose an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

J. Robyn Underwood, CPA
Barnesville, Georgia
March 16, 2019

Schedules of Findings and Responses

City of Barnesville, Georgia
Schedule of Findings and Responses
For the Year Ended September 30, 2018

As of September 30, 2018, the schedule of findings and responses pertain to the following:

Findings: (Internal Control Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards.

None

(Compliance Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards.

None.

Prior Year Findings

(Internal Control Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards:

Findings: (Internal Control Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards.

None.

(Compliance Structure) related to the financial statements which are to be reported in accordance with Government Auditing Standards.

None.