

City of Barnesville, Georgia
Annual Financial Report
For The Year Ended September 30, 2016
TABLE OF CONTENTS
Financial Section

01	Independent Auditor's Report
03	Management's Discussion and Analysis
	Basic Financial Statements
10	Statement of Net Positions
11	Statement of Activities
	Fund Financial Statements
12	Balance Sheet
13	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Positions
14	Statement of Revenues, Expenditures and Changes in Fund Balances
15	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
16	Statement of Net Positions
17	Statement of Revenues, Expenses, and Changes in Fund Net Positions
18	Statement of Cash Flows
20	Notes to the Basic Financial Statements
	Required Supplementary Information
42	Pension Fund Schedule City of Barnesville Contributions
43	Pension Fund Schedule Proportionate Share of Net Pension Liability
	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis)
44	General Fund
46	Capital Project Funds – SPLOST
47	Capital Project Funds – Summer's Field Project
	Supplementary Information
	Combining and Individual Fund Statements and Schedules:
	Governmental Funds
48	Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual (GAAP Basis)
49	Special Revenue Funds
50	Administrative and General – Schedule of Expenditures
51	Mayor and Council – Schedule of Expenditures
52	Police Department – Schedule of Revenues and Expenditures
53	Fire Department – Schedule of Revenues and Expenditures
54	Street and Right of Way – Schedule of Revenues and Expenditures
55	Cemetery – Schedule of Revenues and Expenditures
56	Civic Center – Schedule of Revenues and Expenditures
57	Swimming Facilities – Schedule of Revenues and Expenditures
	Schedule of Tax Digest for Year 2015 and Tax Collection

City of Barnesville, Georgia
 Annual Financial Report
 For The Year Ended September 30, 2016
TABLE OF CONTENTS (Continued)
 Financial Section

58	Proprietary Funds
59	Combining Schedule of Revenues and Expenses – Electric, Sanitation, and Industrial Development Funds
59	Combining Schedule of Revenues and Expenses – Water and Sewerage Fund
60	Combining Schedule of Changes in Reserved Net Positions – Water and Sewerage Debt Retirement Fund – All Enterprise Funds
61	Grant Information
63	Independent Auditor's Report on Special County 1 percent Sales and Use Tax
64	Special Purpose Local Option Sales and Use Tax Schedule
65	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
66	Schedules of Findings and Responses

Independent Auditor's Report

J. Robyn Underwood, CPA

Member of American Institute of Certified Public Accountants

302-A Taylor Street • Barnesville, GA 30204

Phone: (770) 358-3737 • Fax: (770) 358-3787 • UnderwoodCPA@aol.com

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, 2016, 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, 2016, 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.

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.

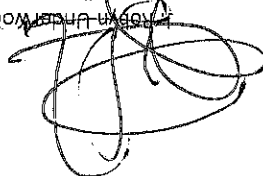
Supplementary and Other Information

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 15, 2017 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.


 Robert Underwood, CPA
 Barnesville, Georgia
 March 15, 2017

Management's Discussion and Analysis

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, 2016. 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 2016 are as follows:

The City's combined net positions totaled \$30.6 million. Of this amount, unrestricted net positions amounted to \$2.5 million.

Combined revenue totaled \$17.2 million.

Overall expenses totaled \$16 million.

Overall the net change in fund balance was an increase of \$511,785 which was caused by an increase in transfers in and a decrease in capital outlay projects.

The net change in the General Fund balance was an increase of \$52,094 due to an increase in transfers in and a decrease in capital outlay.

As of September 30, 2016, the City's General Fund reported an unassigned fund balance of \$492,914.

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, 2016

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	Governmental Funds	Proprietary Funds
<p>Scope</p> <p>Entire State government (except fiduciary funds) and the City's component units</p>	<p>• Activities of the City that are not proprietary or fiduciary</p> <p>Activities of the City that are operated similar to private business</p>	<p>• Statement of Net Positions</p> <p>• Statement of Revenues, Expenditures, and Changes in Net Positions</p> <p>• Statement of Cash Flows</p>
<p>Required Financial Statements</p> <p>• Statement of Net Positions</p> <p>• Statement of Activities</p>	<p>• Balance Sheet</p> <p>• Statement of Revenues, Expenditures, and Changes in Fund Balances</p>	<p>• Statement of Net Positions</p> <p>• Statement of Revenues, Expenditures, and Changes in Net Positions</p> <p>• Statement of Cash Flows</p>
<p>Accounting basis and measurement focus</p> <p>Accrual accounting and economic resources focus</p>	<p>Modified accrual accounting and current financial resources focus</p> <p>Accrual accounting and economic resources focus</p>	<p>Accounting basis and measurement focus</p> <p>Accrual accounting and economic resources focus</p>
<p>Type of asset/liability information</p> <p>All assets and liabilities, both financial and capital, and short-term and long-term</p>	<p>Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included</p> <p>All assets and liabilities, both financial and capital, and short-term and long-term</p>	<p>Type of inflow/outflow information</p> <p>All revenues and expenses during the year, regardless of when cash is received or paid</p>
<p>Type of inflow/outflow information</p> <p>All revenues and expenses during the year, regardless of when cash is received or paid</p>	<p>Revenues for which cash is received during or soon after the end of the year</p> <p>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</p>	<p>All revenues and expenses during the year, regardless of when cash is received or paid</p> <p>• Revenues for which cash is received during or soon after the end of the year</p> <p>• Expenditures when goods or services have been received and payment is due during the year or soon thereafter</p>

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2016

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, 2016 and 2015.

Table 2. Condensed Statement of Net Positions

Governmental Activities		Business-Type Activities	
2016	2015	2016	2015
Assets			
Current and Other Assets	\$ 1,544,996	\$ 775,907	\$ 6,587,113
Capital Assets	8,947,292	9,144,477	43,299,527
Total Assets	\$ 10,492,288	\$ 9,920,384	\$ 50,417,360
Deferred Outflows of Resources	\$ 794,097	\$ 175,532	\$ 57,689
Liabilities			
Other Liabilities	\$ 422,615	\$ 583,709	\$ 1,177,780
Long-term Liabilities	1,737,389	977,424	27,505,390
Total Liabilities	\$ 2,160,004	\$ 1,561,133	\$ 28,683,170
Deferred Inflows of Resources	\$ 279,939	\$ 394,295	\$ 1,203,589
Net Positions	\$ 8,947,292	\$ 8,726,079	\$ 15,610,310
Net Investment in Capital Assets	\$ 8,947,292	\$ 8,726,079	\$ 15,610,310
Restricted	524,711	60,296	3,026,198
Unrestricted	< 625,561 >	< 645,887 >	3,155,371
Total Net Positions	\$ 8,846,442	\$ 8,140,488	\$ 21,791,879

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. Also, the City implemented GASB Statement 68 in the prior year. 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.

Assets			
Current and Other Assets	\$ 7,117,833	\$ 6,587,113	\$ 15,610,310
Capital Assets	43,299,527	43,766,516	43,299,527
Total Assets	\$ 50,417,360	\$ 50,353,629	\$ 50,417,360
Deferred Outflows	\$ 57,689	\$ 67,384	\$ 57,689
Liabilities			
Other Liabilities	\$ 1,177,780	\$ 1,203,589	\$ 1,177,780
Long-term Liabilities	27,505,390	27,882,449	27,505,390
Total Liabilities	\$ 28,683,170	\$ 29,086,038	\$ 28,683,170
Net Positions	\$ 15,610,310	\$ 15,642,016	\$ 15,610,310
Net Investment in Capital Assets	\$ 15,610,310	\$ 15,642,016	\$ 15,610,310
Restricted	3,026,198	3,634,129	3,026,198
Unrestricted	3,155,371	2,058,830	3,155,371
Total Net Positions	\$ 21,791,879	\$ 21,334,975	\$ 21,791,879

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2016

Condensed Statement of Activities

Table 3 (shown below) presents the City's condensed statement of activities for the year ended September 30, 2016 and 2015. 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)*

	Prior Year	Prior Year	Total	Business	Governmental
	Business	Governmental		Activities	Activities
	Activities	Activities		Activities	Activities
Revenues:					
Program:					
Charges for Services	\$ 439	\$ 361	\$ 13,536	\$ 13,097	\$ 439
Operating Grants & Contributions	361	73	361	---	361
Capital Grants & Contributions	727	1,725	949	222	727
General:	578	608	578	---	578
Property Taxes	622	603	622	---	622
Sales Taxes	887	894.5	887	---	887
Other Taxes	11	.5	11	---	11
Interest	292	295	292	---	292
Other	---	---	---	---	---
Total Revenues	\$ 3,906	\$ 4,560	\$ 17,236	\$ 13,330	\$ 3,906
Program Expenses:					
General Government	\$ 1,264	\$ 1,168	\$ 1,264	\$ ---	\$ 1,264
Police	1,502	1,339	1,502	---	1,502
Fire	372	390	372	---	372
Street and Right of Way	740	713	740	---	740
Cemetery	61	55	61	---	61
Culture and Recreation	396	334	396	---	396
Interest on Debt	4	2	4	---	4
Industrial Development	21	---	21	---	21
Water and Sewer	3,709	---	3,709	---	3,709
Electric	7,320	---	7,320	---	7,320
Sanitation	694	---	694	---	694
Total Expenses	\$ 4,339	\$ 4,001	\$ 16,083	\$ 11,744	\$ 4,339
Excess (deficiency)	\$ < 433	\$ 559	\$ 1,153	\$ 1,586	\$ < 433
Special Items	---	---	---	---	---
Transfers	1,139	1,074	---	< 1,139	< 1,074
Change in Net Positions	\$ 706	\$ 1,633	\$ 1,153	\$ 447	\$ 706
Beginning Net Positions	\$ 8,140	\$ 8,069	\$ 29,475	\$ 21,335	\$ 8,140
Restatement	---	< 1,562	---	---	---
Ending Net Positions	\$ 8,846	\$ 8,140	\$ 30,628	\$ 21,782	\$ 8,846

During the year ending September 30, 2016, the net positions of the government activities increased \$705,954 or 8.67%. Total revenues for FYE 2016 decreased by \$653,782 or 14.34%. The decrease was due to a decrease in grants received. Charges for services increased \$78,459 or 21.74% was mainly due to an increase in police fines. Total expenses for FYE 2016 increased by \$338,710 or 8.47%. The departments that experienced increases in expenses in FYE 2016 were the General Government, Public Safety (Police) and Culture and Recreation.

City of Barnesville
Management's Discussion and Analysis
 For the fiscal year ended September 30, 2016

The other governmental functions that experienced a slight increase in expenses over the prior year were mainly contributed to an increase in depreciation expense. Approximately 14.80% of the City's governmental revenues came from property taxes and approximately 38.63% came from other taxes. Approximately 11.24% of the City's revenues came from charges for services and approximately 64.67% 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 43.19% related to public safety, 17.05% related to public works, 29.13% 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, 2016 and 2015.

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

2016		2015	
*Net Program Expenses		*Net Program Expenses	
Program Expenses (Charges for Services)	\$ 1,163	Program Expenses (Charges for Services)	\$ 1,073
General Government	1,264	General Government	1,168
Public Safety	1,874	Public Safety	1,729
Public Works	740	Public Works	713
Culture and Recreation	396	Culture and Recreation	334
Cemetery	61	Cemetery	55
Interest on Debt	4	Interest on Debt	1.5
Totals	\$ 4,339	Totals	\$ 4,000.5
*Net Program Expenses		*Net Program Expenses	
Program Expenses (Charges for Services)	\$ 2,811.5	Program Expenses (Charges for Services)	\$ 3,640.5
General Government	1,163	General Government	1,073
Public Safety	1,611	Public Safety	1,549
Public Works	570	Public Works	707
Culture and Recreation	565.5	Culture and Recreation	279
Cemetery	29	Cemetery	31
Interest on Debt	4	Interest on Debt	1.5
Totals	\$ 2,811.5	Totals	\$ 3,640.5

* Net program expenses are mainly supported by taxes.

The cost of all proprietary (business-type) activities this year was \$11,743,424 and additionally the business-type activities earned \$10,853 in interest from idle cash and investments. Within the total business-type activities of the City, these activities reported a \$1,584,929 operating gain.

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 \$1,122,381 with \$524,711 reported as restricted, \$104,756 reported as assigned, and \$492,914 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 \$492,914 and total fund balance was \$597,670. 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 12.12% of total General Fund expenditures, while total fund balance represents 14.69%. The net change in the General Fund's fund balance for the year ended September 30, 2016, was an increase of \$52,094 or 9.55%. The reason for the increase in the fund balance was mainly due to decreases in capital outlay.

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, 2016 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, 2016, the City reported \$8,947,292 in capital assets for governmental activities and \$43,299,527 for business-type activities. Major capital asset transactions during the year were street paving, construction of a lift station and water system improvements. Also, equipment and vehicles were purchased for the police department and public works. Refer to Note 3-D to the financial statements for additional information on capital assets.

Economic Factors and Next Year's Budget and Rates

City of Barnesville
Management's Discussion and Analysis
For the fiscal year ended September 30, 2016

At the time of budget preparation for fiscal year 2017, the economic outlook for the City was considered to be stable. The General Fund Budget for fiscal year 2017 of \$4,212,480 was adopted as balanced.

Unemployment in the City of Barnesville/Lamar County is 6.2% as compared to 6.8% for the prior year, indicating a trend toward slight economic recovery after the great recession.

Taxable property value has decreased in 2016 by \$760,255 over 2015, which is 8/10 of 1%. This seems to indicate housing values have not fully recovered from the 2007 market crash.

Sales tax collections decreased in 2016 by 2.81% compared to fiscal year 2015. However current collection through the first quarter 2017 indicate an increase over prior year first quarter of 1.6%. This may indicate a slight recovery of the local economy.

Rates in the utility funds may require increases to cover operating and future capital investment. In 2018/2019, utility revenues may require increases of 2.5% in water rates, electric rates, sewer rates, and solid waste rates.

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

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

PRIMARY GOVERNMENT		
	GOVERNMENTAL	ACTIVITIES
	BUSINESS TYPE	ACTIVITIES
	TOTAL	
ASSETS		
Current Assets	\$ 157,688	\$ 1,771,532
Cash and Cash Equivalents	131,582	131,582
Temporary Cash Investments	---	---
Receivables (Net)	916,387	1,640,095
Inventories	---	306,359
Total Current Assets	\$ 1,074,075	\$ 3,849,568
Noncurrent Assets	\$ 470,921	\$ 536,534
Restricted Cash and Cash Equivalents	---	2,460,577
Investments	---	271,154
Internal Balances	< 271,154 >	---
Capital Assets	1,246,681	931,474
Land	---	---
Depreciable Buildings, Property, and Equipment (Net)	7,700,611	42,368,053
Total Noncurrent Assets	\$ 9,147,059	\$ 46,567,792
TOTAL ASSETS	\$ 10,221,134	\$ 50,417,360
DEFERRED OUTFLOWS OF RESOURCES	\$ 639,648	\$ 57,689
Pension Costs	---	---
Current Year Pension Contributions	154,449	57,689
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 794,097	\$ 57,689
LIABILITIES		
Current Liabilities	\$ 26,601	\$ 656,518
Accounts Payable	---	---
Employee Christmas Fund	124,860	---
Current Portion of Long-Term Obligations	---	444,990
Accrued Interest Payable	---	76,272
Total Current Liabilities	\$ 151,461	\$ 1,177,780
Noncurrent Liabilities	\$ 337,435	\$ 337,435
Deposits-Utillities	---	---
Noncurrent Portion of Long-Term Obligations	---	27,167,955
Net Pension Liability	1,737,389	---
Total Noncurrent Liabilities	\$ 1,737,389	\$ 27,505,390
TOTAL LIABILITIES	\$ 1,888,850	\$ 28,683,170
DEFERRED INFLOWS OF RESOURCES	\$ 279,939	\$ ---
Pensions Cost	---	---
NET POSITIONS		
Net Investment in Capital Assets	\$ 8,947,292	\$ 15,610,310
Restricted For:	---	---
Operating Reserves	---	1,387,015
Debt Service	---	1,639,183
Capital Projects	524,711	---
Unrestricted	< 625,561 >	3,155,371
Total Net Position	\$ 8,846,442	\$ 21,791,879
TOTAL LIABILITIES AND NET POSITION	\$ 10,735,292	\$ 50,475,049
		\$ 61,210,341

City of Barnesville
STATEMENT OF NET POSITIONS
 September 30, 2016

City of Barnesville
STATEMENT OF ACTIVITIES
September 30, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Positions		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
General Government	\$ 1,263,952	\$ 100,857	\$ ---	\$ ---	< 1,163,095 >	\$ ---	< 1,163,095 >
Public Safety (Police)	1,501,987	249,997	2,562	9,975	< 1,239,453 >	---	< 1,239,453 >
Public Safety (Fire)	311,933	15	---	---	< 371,918 >	---	< 371,918 >
Public Works (Streets)	740,295	6,922	63,111	100,207	< 570,055 >	---	< 570,055 >
Cemetery	60,613	31,600	---	---	< 29,013 >	---	< 29,013 >
Culture and Recreation	396,221	49,929	295,312	616,612	565,632	---	565,632
Interest on Long Term Debt	3,942	---	---	---	< 3,942 >	---	< 3,942 >
Total Governmental Activities	\$ 4,338,943	\$ 439,320	\$ 360,985	\$ 726,794	< 2,811,844 >	\$ ---	< 2,811,844 >
Business-Type Activities:							
Sanitation	\$ 694,078	\$ 659,414	\$ ---	\$ ---	---	< 34,664 >	< 34,664 >
Electric	7,319,582	8,678,735	---	---	---	1,359,153	1,359,153
Water and Sewer	3,709,064	3,768,490	---	221,714	---	281,140	281,140
Industrial Development	20,700	---	---	---	---	< 20,700 >	< 20,700 >
Total Business-Type Activities	\$ 11,743,424	\$ 13,106,639	\$ ---	\$ 221,714	\$ ---	\$ 1,584,929	\$ 1,584,929
Total Primary Government							
					< 2,811,844 >	\$ 1,584,929	< 1,226,915 >
General Revenues							
Taxes:							
Property					\$ 578,226	---	\$ 578,226
Franchise					126,483	---	126,483
Hotel/Motel					12,487	---	12,487
Sales					622,296	---	622,296
Intangible					2,701	---	2,701
Motor Vehicle					154,719	---	154,719
Insurance Premium					421,795	---	421,795
Malt Beverage					147,140	---	147,140
Liquor					20,659	---	20,659
Investment Earnings					254	10,853	11,107
Miscellaneous					292,160	---	292,160
Transfers, Net					1,138,878	< 1,138,878 >	---
Total General Revenues, Special Items, and Transfers					\$ 3,517,798	< 1,128,025 >	\$ 2,389,773
Change in Net Position					\$ 705,954	\$ 456,904	\$ 1,162,958
Net Position - Beginning					8,140,488	21,334,975	29,475,463
Net Position - Ending					\$ 8,846,442	\$ 21,791,879	\$ 30,638,321

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, 2016

GOVERNMENTAL FUND TYPES

MAJOR FUNDS

CAPITAL PROJECTS

SPLOST 2011

GENERAL

GOVERNMENTAL FUNDS

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

TOTAL

ASSETS

Cash and Cash Equivalents (Note 2) \$ 157,688

Receivables

Taxes 27,282

Fines 307,604

Other 523,911

Due from other Funds 19,600

Intergovernmental

Restricted Assets

Cash and Cash Equivalents

TOTAL ASSETS \$ 1,036,085

LIABILITIES

Accounts Payable \$ 11,975

Christmas Fund 124,860

Accrued Liabilities 14,626

Due to Other Funds 286,954

TOTAL LIABILITIES \$ 438,415

FUND BALANCES

Restricted for Capital Projects \$ 104,756

Assigned - Cemetery

Assigned - Summer's Field

Unassigned 492,914

TOTAL FUND BALANCES \$ 597,670

TOTAL LIABILITIES AND FUND BALANCES

\$ 1,036,085

\$ 528,511

\$ 524,711

\$ 524,711

\$ 524,711

492,914

104,756

11,975

124,860

14,626

286,954

438,415

597,670

1,036,085

\$ 1,564,596

\$ 1,122,381

492,914

104,756

524,711

11,975

124,860

14,626

290,754

442,215

597,670

1,564,596

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, 2016

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

Total Fund Balances – Governmental Funds	\$ 1,122,381
Capital Assets used in Governmental Activities are not Financial Resources and therefore are not Reported in the Funds	8,947,292
Long-Term Liabilities are not due and payable in the current period and accordingly are not Reported in the Funds:	
Net Pension Liability	<1,737,389>
Deferred Inflows Related to Pension Costs	< 279,939>
Deferred Outflows Related to Pension Costs	639,648
Deferred Outflows of Current Year Pension Contributions	154,449
Net Positions (Deficit) of Governmental Activities	\$ 8,846,442

City of Barnesville
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Funds
September 30, 2016

	MAJOR FUNDS		PROJECTS		CAPITAL		NON MAJOR FUND		TOTAL	
	GENERAL	SPLST	2011	SUMMER'S	FIELD	OTHER FUNDS	GOVERNMENTAL FUNDS	OTHER FUNDS	GOVERNMENTAL FUNDS	
REVENUES										
Taxes	\$ 2,074,019								\$ 2,074,019	
Licenses and Permits	100,857								100,857	
Fines & Forfeitures	249,997								249,997	
Intergovernmental	12,537		616,497		295,312				924,346	
Other	292,413		115		1				292,529	
Charges for Services	251,784								251,784	
Total Revenues	<u>\$ 2,981,607</u>		<u>\$ 616,612</u>		<u>\$ 295,313</u>		<u>\$ 12,487</u>		<u>\$ 3,906,019</u>	
EXPENDITURES										
Current-Operations	\$ 1,240,930								\$ 1,240,930	
Administrative and General	1,379,998								1,379,998	
Police	365,389								365,389	
Fire	609,689								609,689	
Street and Right of Way	60,613								60,613	
Cemetery	177,359								177,359	
Civic Center - Cultural	40,213								40,213	
Swimming Pool - Recreation										
Capital Outlay	194,200		29,894						224,094	
Current Operations										
Debt Service				122,303					122,303	
Principal Retirement					296,095				296,095	
Interest					3,942				3,942	
Total Expenditures	<u>\$ 4,068,391</u>		<u>\$ 152,197</u>		<u>\$ 300,037</u>		<u>\$ 12,487</u>		<u>\$ 4,533,112</u>	
EXCESS REVENUES OVER <UNDER>	<u>\$ <1,086,784></u>		<u>\$ 464,415</u>		<u>\$ < 4,724></u>		<u>\$</u>		<u>\$ < 627,093></u>	
OTHER FINANCING SOURCES (USES)										
Transfers In	\$ 1,138,878								\$ 1,138,878	
Total Other Financing Sources (Uses)	<u>\$ 1,138,878</u>		<u>\$</u>		<u>\$</u>		<u>\$</u>		<u>\$ 1,138,878</u>	
NET CHANGE IN FUND BALANCES	\$ 52,094		\$ 464,415		\$ < 4,724>		\$		\$ 511,785	
FUND BALANCES - BEGINNING OF YEAR	545,576		60,296		4,724				610,596	
FUND BALANCES - END OF YEAR	<u>\$ 597,670</u>		<u>\$ 524,711</u>		<u>\$</u>		<u>\$</u>		<u>\$ 1,122,381</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, 2016

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

	\$	511,785		Net Change in Fund Balances - Total Governmental Funds
				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.
	\$	224,094		Purchases of Fixed Assets
		421,279		Depreciation Expense
<		197,185		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 Proprietary Funds
				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
		159,540		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.
		418,398		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.
<		186,584		Pension Expense
				Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds.
	\$	705,954		Change in Net Position - Governmental Activities

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

Proprietary Funds

City of Barnesville
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2016

	NON-MAJOR FUND		MAJOR FUNDS		
	INDUSTRIAL DEVELOPMENT	WATER AND SEWERAGE	SANITATION	ELECTRIC	TOTALS
ASSETS					
Current Assets	\$ 1,771,532	\$ 241,856	\$ 1,439,706	\$ 89,970	\$ 1,771,532
Cash and Cash Equivalents	131,582	131,582	131,582	131,582	131,582
Temporary Cash Investments	---	---	---	---	---
Receivables-Accounts	---	---	242,559	309,123	551,682
Other Receivable	---	---	1,081,438	6,975	1,088,413
Inventories of Supplies at Cost	---	---	100,684	205,675	306,359
Total Current Assets	\$ 3,849,568	\$ 241,856	\$ 2,995,969	\$ 611,743	\$ 3,849,568
Non-current Assets	---	---	---	---	---
Restricted Assets	---	---	---	---	---
Cash and Cash Equivalents	---	---	---	536,534	536,534
Investments	---	---	2,460,577	---	2,460,577
Interfund	---	---	280,710	---	280,710
Property	---	---	---	---	---
Electrical and Sanitation Systems,	---	---	---	497,351	497,351
Net of Accumulated Depreciation	---	---	---	1,211,752	1,211,752
Water and Sewerage Systems,	---	---	---	---	---
Net of Accumulated Depreciation	---	---	39,967,570	---	39,967,570
Industrial Facilities,	---	---	---	---	---
Net of Accumulated Depreciation	---	---	---	---	---
Land	---	---	---	---	---
Total Non-current Assets	\$ 46,992,277	\$ 1,101,126	\$ 43,136,345	\$ 1,448,814	\$ 46,992,277
TOTAL ASSETS	\$ 50,841,845	\$ 1,342,982	\$ 46,132,314	\$ 2,060,557	\$ 50,841,845
Deferred Outflows of Resources	---	---	---	---	---
Pension Contributions in Current	---	---	---	---	---
Fiscal Year	---	---	---	---	---
LIABILITIES					
Current Liabilities	\$ 656,518	\$ 10,000	\$ 7,597	\$ 590,425	\$ 656,518
Accounts Payable	---	---	---	---	---
Current Portion of Bonds Payable	---	---	---	---	---
Current Portion of Notes Payable	---	---	---	---	---
Accrued Interest Payable	---	---	---	---	---
Total Current Liabilities	\$ 1,177,780	\$ 10,000	\$ 528,859	\$ 48,496	\$ 1,177,780
Long-Term Liabilities	\$ 23,475,000	---	\$ 23,475,000	---	\$ 23,475,000
Bonds Payable	---	---	---	---	---
Deposits-Utilities	---	---	---	---	---
Deposits to Other Funds	---	---	---	---	---
Notes Payable	---	---	---	---	---
Total Long-Term Liabilities	\$ 27,929,955	\$ 308,431	\$ 27,296,224	\$ 1,335	\$ 27,929,955
TOTAL LIABILITIES	\$ 29,107,655	\$ 318,431	\$ 27,825,083	\$ 49,831	\$ 29,107,655
NET POSITION					
Net Investment in Capital Assets	\$ 15,610,310	\$ 1,101,126	\$ 12,705,841	\$ 497,351	\$ 15,610,310
Restricted For:	---	---	---	---	---
Plant Construction	---	---	---	---	---
Debt Retirement	---	---	---	---	---
Operating Reserves	---	---	---	---	---
Unrestricted	---	---	---	---	---
TOTAL NET POSITION	\$ 21,791,879	\$ 1,024,551	\$ 18,334,657	\$ 1,169,317	\$ 21,791,879

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, 2016

	NON-MAJOR FUND		MAJOR FUNDS		UTILITIES		INDUSTRIAL DEVELOPMENT		TOTALS	
OPERATING REVENUES										
Charges for service	\$ 8,141,157	\$ 659,414	\$ 3,753,960	\$ 14,530					\$ 12,554,531	\$ 552,108
Miscellaneous										
TOTAL OPERATING REVENUES	\$ 8,678,735	\$ 659,414	\$ 3,768,490						\$ 13,106,639	
OPERATING EXPENSES										
Personal services	749,972	\$ 132,566	\$ 454,219						\$ 1,336,757	
Contractual services	6,404,371	438,587	898,770						7,741,728	
Supplies and other services	134,154	62,127	325,670						521,951	
Utilities	5,862	1,172	3,728						10,762	
Depreciation	25,223	543	1,108,666						1,155,132	
Landfill Postclosure		59,083							59,083	
TOTAL OPERATING EXPENSES	\$ 7,319,582	\$ 694,078	\$ 2,791,053						\$ 10,825,413	
OPERATING INCOME <LOSS>	\$ 1,359,153	\$ < 34,664 >	\$ 977,437						\$ 2,281,226	
NONOPERATING REVENUES <EXPENSES>										
Interest Revenue	494		\$ 9,718						\$ 10,853	
Interest Expense			< 918,011 >						< 918,011 >	
Intergovernmental Grants			221,714						221,714	
TOTAL NONOPERATING REVENUE <EXPENSES>	\$ 494	\$ < 686,579 >	\$ < 686,579 >						\$ < 685,444 >	
NET INCOME <LOSS> BEFORE OUTFLOWS and TRANSFERS	\$ 1,359,647	\$ < 34,664 >	\$ 290,858						\$ 1,595,782	
TRANSFERS										
Transfers In (Out)	\$ < 1,173,897 >	\$ 35,019							\$ < 1,138,878 >	
CHANGE IN NET POSITIONS	\$ 185,750	\$ 355	\$ 290,858						\$ 456,904	
NET POSITIONS - BEGINNING OF YEAR -	983,567	1,262,999	18,043,799						21,334,975	
NET POSITIONS - END OF YEAR	\$ 1,169,317	\$ 1,263,354	\$ 18,334,657						\$ 21,791,879	

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

City of Barnesville
STATEMENT OF CASH FLOWS
 Proprietary Funds
 September 30, 2016

	UTILITIES				TOTALS
	MAJOR FUNDS		NON-MAJOR FUND		
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	
CASH FLOW FROM OPERATING ACTIVITIES					
Receipts from Customers	\$ 8,037,093	\$ 659,414	\$ 3,659,675	\$	\$ 12,356,182
Payments to Suppliers	< 6,527,534>	< 556,142>	< 1,273,962>		< 8,357,638>
Payments to Employees	< 749,972>	< 132,566>	< 454,219>		< 1,336,757>
Other Receipts (Payments)	537,578		14,530		552,108
Net Cash provided by Operating Activities	\$ 1,297,165	\$< 29,294>	\$ 1,946,024	\$	\$ 3,213,895
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCIAL ACTIVITIES					
Deposits	\$ 7,085	\$	\$	\$	\$ 7,085
Loans <To>/From Other Funds			< 78,062>	44,270	< 33,792>
Transfers <To>/From Other Funds	< 1,173,897>	35,019			< 1,138,878>
Net Cash Provided(Used) by Non Capital and Related Financial Activities	\$< 1,166,812>	\$ 35,019	\$< 78,062>	\$ 44,270	\$< 1,165,585>
CASH FLOW FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES					
Purchases of Capital Assets (Net)	\$< 121,003>	\$< 5,725>	\$< 523,760>	\$	\$< 650,488>
Principal Paid on Capital Debt			< 434,990>		< 434,990>
Interest Paid on Capital Debt			< 918,011>		< 918,011>
Intergovernmental Grants			221,714		221,714
Net Cash Provided (Used) by Capital and Related Financing Activities	\$< 121,003>	\$< 5,725>	\$< 1,655,047>	\$	\$< 1,781,775>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest	\$ 494	\$	\$ 9,718	\$ 641	\$ 10,853
Net Change in Temporary Cash Investments			475,621		475,621
Net Cash Provided by Investing Activities	\$ 494	\$	\$ 485,339	\$ 641	\$ 486,474
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 9,844	\$	\$ 698,254	\$ 44,911	\$ 753,009
Balance of Cash- Beginning of Year	616,660		741,452	196,945	1,555,057
Balance of Cash- End of Year	\$ 626,504	\$	\$ 1,439,706	\$ 241,856	\$ 2,308,066

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

City of Barnesville
STATEMENT OF CASH FLOWS (Continued)
 Proprietary Funds
 September 30, 2016

	UTILITIES		NON-MAJOR FUND		TOTALS
	MAJOR FUNDS		WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	
Balance of Cash -- End of Year	\$ 616,660	\$ -----	\$ 1,439,706	\$ 241,856	\$ 2,298,222
Reconciliation of Operating Income (Loss) To Net Cash Provided by Operating Activities					
Operating Income	\$ 1,359,153	\$ <	\$ 977,437	\$ <	\$ 2,281,226
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation Expense	25,223		1,108,666	20,700	1,155,132
Pension Expense	5,223		3,488		9,695
Change in Assets and Liabilities					
Receivables, Net	< 104,064>	-----	< 94,285>	-----	< 198,349>
Inventories	< 13,699>	3,843	< 45,148>	-----	< 55,004>
Accounts Payable	25,329	-----	< 3,842>	-----	21,487
Accrued Interest	-----	-----	< 292>	-----	< 292>
Net Cash Provided by Operating Activities	\$ 1,297,165	\$ <	\$ 1,946,024	\$ -----	\$ 3,213,895

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

Notes to the Basic Financial Statements

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.

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.

I-B. Basis of Presentation

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.

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

I-A. Reporting Entity

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

Note 1 - Summary of Significant Accounting Policies

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.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2016

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 – Non Major 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.
– Major Fund – This fund's purpose is to administer the Intergovernmental grants and local revenue sources for the Summer's Field Park Project, 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 – 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, 2016

I-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.

I-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. Proprietary funds use the accrual basis of accounting. 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, 2016

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 Firefighters' 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.

I-E. Assets, Liabilities and Fund Equity

I-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

I-E-2. Receivables

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

I-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.

I-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, 2016

I-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

I-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.

I-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.

I-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.

All 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.

I-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, 2016

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, but 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, 2016

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, 2016

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, 2016:

Primary Government	(Amounts Expressed in Thousands)		
	1	2	3
\$ 278	\$ 2,831	\$ ---	\$ 2,937
	Category	Bank	Carrying Amount

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 1, 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 AAA/SL1.

Investment Instrument	(Amounts Expressed in Thousands)		
	1	2	3
Georgia Fund One	\$ 1.7	\$ ---	\$ 1.7
Certificates of deposit	131.5	---	131.5
Money Market	2,458.8	---	2,458.8
Grand Total	\$ 2,592	\$ ---	\$ 2,592

Cash and Cash Equivalents Reconciliation:

Governmental Funds - Balance Sheet	\$ 628,609	
Proprietary Fund Type Statement of Net Positions	2,308,066	
Total Carrying Amount	\$ 2,936,675	

City of Barnesville
Notes to the Basic Financial Statements
 For the year ended September 30, 2016

3-B. Receivables

Receivables at September 30, 2016, 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, 2016, the levy occurred on October 26, 2015 real and personal property taxes were due on December 31, 2015. Property taxes receivable became a lien on January 25, 2016, 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, 2016, was as follows:

(Amounts Expressed in Thousands)

	Balance 10/1/15	Additions	Transfers In <Out>	Balance 9/30/16
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 1,247	\$ ----	\$ < 209	\$ 1,247
Construction in Progress	209	30	< 209	30
Total Non-Depreciable Capital Assets:	\$ 1,456	\$ 30	\$ < 209	\$ 1,277
Depreciable Capital Assets:				
Land Improvements	171	6	----	171
Buildings and Plant	2,468	----	----	2,474
Machinery and Equipment	1,616	75	----	1,691
Vehicles	631	----	----	631
Infrastructure	7,160.5	113	209	7,482.5
Total Depreciable Capital Assets	\$ 12,046.5	\$ 194	\$ 209	\$ 12,449.5
Total Non and Depreciable Capital Assets	\$ 13,502.5	\$ 224	\$ ----	\$ 13,726.5
Accumulated Depreciation				
Land Improvements	45	55.5	----	45
Buildings and Plant	915	----	----	970.5
Machinery and Equipment	1,223	54	----	1,277
Vehicles	580	28	----	608
Infrastructure	1,594.5	284	----	1,878.5
Total Accumulated Depreciation	\$ 4,357.5	\$ 421.5	\$ ----	\$ 4,779
Governmental Activities Capital Assets, Net	\$ 9,145	\$ < 197.5	\$ ----	\$ 8,947.5
Governmental Activities Depreciation Expense				
General Government	15	111	----	111
Police	3.5	126.5	----	126.5
Fire	111	3.5	----	111
Street and Right of Way	111	126.5	----	111
Cemetery	165	----	----	165
Culture and Recreation	165	----	----	165
Total Governmental Activities Depreciation Expense	\$ 421.5	\$ ----	\$ ----	\$ 421.5

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2016

(Amounts Expressed in Thousands)

	Balance 10/1/15	Additions	In <Out>	Balance 9/30/16
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 932			\$ 932
Construction in Progress	278	222	< 500>	932
Total Non-Depreciable Capital Assets	\$ 1,210	222	< 500>	\$ 932
Depreciable Capital Assets:				
Buildings and Plant	\$ 32,997	\$ 145.5		\$ 33,142.5
Machinery and Equipment	1,504	73		1,577
Vehicles	29	39		308
Infrastructure	23,907.5	208.5		24,616
Total Depreciable Capital Assets	\$ 58,677.5	\$ 466		\$ 59,643.5
Total Non and Depreciable Capital Assets	\$ 59,887.5	\$ 688		\$ 60,575.5
Accumulated Depreciation	\$ 10,180	\$ 580.5		\$ 10,760.5
Buildings and Plant	645	16		661
Machinery and Equipment	216	12.5		228.5
Vehicles	5,080	546		5,626
Infrastructure	\$ 16,121	\$ 1,195		\$ 17,276
Total Accumulated Depreciation	\$ 43,766.5	\$ 467		\$ 43,299.5
Business-Type Activities Capital Assets, Net				

3-E. Interfund Balances and Transfers

Interfund balances at September 30, 2016, 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.

		Payable From:			
		Water & Sewer Fund	Non-Major Fund	General Fund	2011 Splot
		In thousands)			
		Payable To:			
General Fund	\$ 4	\$ 16	\$ 129	\$ 170	\$ 4
Electric Fund	-----	115	163.5	117	-----
Water & Sewer Fund	-----	-----	-----	-----	-----
Total Fund	\$ 4	\$ 115	\$ 308.5	\$ 287	\$ 4

Interfund transfers for the year ended September 30, 2016, consisted of the following:

		(Amounts Expressed in Thousands)			
		Transfers From:			
		Transfers To:			
General Fund	\$ 1,139	\$ 115	\$ 129	\$ 170	\$ 4
Sanitation Fund	35	-----	-----	-----	-----
Total	\$ 1,174	\$ 115	\$ 308.5	\$ 287	\$ 4

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.

Interest expense for 2016 amounted to \$918,775 for the above and has been expended within the accompanying financial statements.

Year	2011-A	2011-C Interest
2017	\$ 773,531	\$ 141,744
2018	771,656	139,869
2019	778,531	137,994
2020	760,281	135,594
2021	751,731	133,194
2022-2026	3,621,405	626,670
2027-2031	3,310,962	548,500
2032-2036	2,709,800	437,875
2037-2041	1,853,800	296,675
2042-2046	775,418	126,725
	<u>\$16,097,115</u>	<u>\$ 2,724,840</u>

Year	2011-A	2011-C
2017	\$ 75,000	\$ 75,000
2018	125,000	75,000
2019	275,000	80,000
2020	285,000	80,000
2021	295,000	85,000
2022-2026	1,600,000	455,000
2027-2031	2,605,000	530,000
2032-2036	3,845,000	650,000
2037-2041	4,840,000	780,000
2042-2046	5,920,000	950,000
	<u>\$19,865,000</u>	<u>\$3,760,000</u>

The annual principal maturities of the debt during the years following 2016 are as follows:

*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

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in	Balance End of Year
*2011-A Series	2.50% to 4.25%	\$19,935,000	< 70,000	\$ 19,865,000
*2011-C Series	2.50% to 4.25%	3,830,000	< 70,000	3,760,000
		<u>\$23,765,000</u>	< 140,000	<u>\$ 23,625,000</u>

The following is a summary of revenue bond transactions of the City for the year ended September 30, 2016.

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.

3-F. Revenue Bonds Payable

City of Barnesville
Notes to the Basic Financial Statements
 For the year ended September 30, 2016

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):

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

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):

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

3-G. Notes Payable

General Long-Term Interfund Debt

Balance Beginning of Year	\$ 237,362
Addition (Reduction)	\$ 33,792
Balance End of Year	\$ 271,154

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2016

Enterprise Funds – The following is a summary of the notes payable of the City as of September 30, 2016:

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

\$ 1,949,573

The annual principal maturities of the above debt during the years following 2016 are as follows:

2017	\$ 173,296
2018	\$ 173,296
2019	\$ 173,296
2020	\$ 173,296
2021	\$ 173,296
2022-2026	\$ 866,480
2027-2028	\$ 216,613
	=====
	\$ 1,949,573

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)

\$ 2,038,372

2017	\$ 121,694
2018	121,694
2019	121,694
2020	121,694
2021	121,694
2022-2026	608,470
2027-2031	608,470
2032-2034	212,962
	=====
	\$ 2,038,372

Changes in Long-term Debt – Changes in the City's long-term obligations consisted of the following for the year ended September 30, 2016:

	Outstanding 10/1/2015	Additions	Reductions	Outstanding 9/30/2016	Amounts Due in One Year
Governmental Activities	\$ 418,398	----	----	\$ -----	-----
Business-Type Activities					
Water & Sewer Revenue Bonds	23,765,000	----	140,000	23,625,000	150,000
(Waterline extension and plants)					
Water and Sewer Customer Deposits (Net)	13,550	----	-----	13,550	Not Known
GEFA Debt (Water Line extension)	4,282,935	----	294,990	3,987,945	294,990
Electric and Sanitation Customer Deposits (Net)	316,800	7,085	-----	323,885	Not Known
Total Business-Type Activities	\$ 28,889,131	\$ 7,085	\$ 434,990	\$ 27,950,380	\$ 444,990

City of Barnesville
Notes to the Basic Financial Statements
 For the year ended September 30, 2016

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 (GMERS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The benefit provisions and all other requirements are established by City ordinance. GMERS 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, 2016, the City reported a liability of \$1,737,390 for its net pension liability. The net pension liability was measured as of September 30, 2015. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. The total pension liability was then rolled forward to the measurement date of September 30, 2015 utilizing update procedures in 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, 2016, the City recognized pension expense of \$251,163.

Net Pension Liability

A. Changes in the Net Pension Liability

	(a)	(b)	(a) - (b)
	Total Pension Liability (TPL)	Fiduciary Net Position (FNP)	Net Pension Liability (NPL)
Balances at September 30, 2016*	\$ 8,531,882	\$ 7,554,457	\$ 977,425
Changes for the year:			
Service cost	100,023	-----	100,023
Interest	644,765	-----	644,765
Differences between expected and actual experience	312,639	-----	312,639
Contributions - employer	-----	216,720	(216,720)
Contributions - employee	-----	94,168	(94,168)
Net investment income	-----	-----	-----
Benefit payments, including refunds of employee contributions	(424,679)	(424,679)	-----
Administrative expense	-----	(13,426)	13,426
Other	632,748	(127,217)	759,965
Net changes	\$ 9,164,630	\$ 7,427,240	\$ 1,737,390
Balances at March 31, 2015**			

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

1% Decrease	\$2,767,663	1% Decrease	\$1,737,390
(6.75%)	(6.75%)	Current Discount Rate	(7.75%)
1% Increase	\$869,488	1% Increase	\$869,488

* Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2015 are used to measure TPL as of September 30, 2014. The balances as of September 30, 2014 constitute measurements of the NPL for the fiscal year ending September 30, 2015.

** Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2016 are used to measure TPL as of September 30, 2015. The balances as of September 30, 2015 constitute measurements of the NPL for the fiscal year ending September 30, 2016.

The numbers shown in Exhibit 2 are based on a September 30, 2015 measurement date which would make them applicable to the Fiscal Year beginning October 1, 2015 and ending September 30, 2016.

City of Barnesville
Notes to the Basic Financial Statements
 For the year ended September 30, 2016

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

A. Pension expense for the year ended September 30, 2016

\$100,023	Service Cost
644,765	Interest on TPL
-----	Employee Contributions
13,426	Administrative expenses
(576,892)	Expected return on assets
78,159	Experience in TPL
-----	Expensed portion of current year period differences between expected and actual experience in TPL
-----	Expensed portion of current year period assumption changes
-----	Current year plan changes
96,544	Expensed portion of current year period differences between projected and actual investment earnings
(104,862)	Current year recognition of deferred inflows and outflows established in prior years
\$251,163	Total Expense

B. Deferred outflows/inflows of resources related to pensions

Deferred Outflows of Resources	Deferred Inflows of Resources
253,468	-----
-----	(126,258)
232,499	-----
485,967	(126,258)
-----	-----
Net difference between projected and actual earnings on pension plan investments	-----
-----	-----
Total	-----

C. Projected recognition of deferred outflows/inflows

Amount	Recognized During FYE	Outstanding Balance at	Outstanding Balance at	Outstanding Balance at	Outstanding Balance at	Outstanding Balance at	Outstanding Balance at
	30, 2016	30, 2016	30, 2016	30, 2016	30, 2016	30, 2016	30, 2016
Fiscal Year Outflows	\$ 28,482	\$ 9,494	\$ 18,988	\$ 9,494	\$ 18,988	\$ 9,494	\$ 9,494
Demographic	312,639	78,159	234,480	78,160	78,160	78,160	78,160
Demographic	482,724	96,544	386,180	96,545	96,545	96,545	96,545
Investment	-----	-----	-----	-----	-----	-----	-----
Total Outflows	\$ 823,845	\$ 184,197	\$ 639,648	\$ 184,199	\$ 184,199	\$ 184,199	\$ 184,199
Fiscal Year Inflows	(\$ 204,908)	(\$ 51,227)	(\$ 153,681)	(\$ 51,227)	(\$ 51,227)	(\$ 51,227)	(\$ 51,227)
Investment	(\$ 189,387)	(63,129)	(126,258)	(63,129)	(63,129)	(63,129)	(63,129)
Assumption Change	-----	-----	-----	-----	-----	-----	-----
Total Inflows	(\$ 394,295)	(\$ 114,356)	(\$ 279,939)	(\$ 114,356)	(\$ 114,356)	(\$ 114,356)	(\$ 114,356)
Total	\$429,550	\$ 69,841	\$ 359,709	\$ 69,843	\$ 69,843	\$ 69,843	\$ 69,843
Deferred Outflows/(Inflows) Recognized in Future Years	-----	-----	-----	-----	-----	-----	-----

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2016

Schedule of Changes in the Net Pension Liability and Related Ratios

	2016	2015
	Fiscal Year End	Fiscal Year End
<i>Total pension liability</i>	\$ 100,023	\$ 80,684
Service cost	644,765	637,378
Interest	312,639	37,977
Differences between expected and actual experiences	---	---
Changes of assumptions	---	(252,514)
Changes of benefit terms	(424,679)	(391,746)
Benefit payments, including refunds of employee contributions	632,748	111,779
Net change in total pension liability	8,531,882	8,420,103
Total pension liability – beginning	\$ 9,164,630	\$ 8,531,882
Total pension liability – ending (a)	\$ 1,737,390	\$ 977,425
Plan fiduciary net position	\$ 216,720	\$ 221,705
Contributions – employer	94,168	787,570
Contributions – employee	(424,679)	(391,746)
Benefit payments, including refunds of employee contributions	(13,426)	(10,696)
Administrative expense	---	---
Other	(127,217)	606,833
Net change in fiduciary net position	7,554,457	6,947,624
Plan fiduciary net position – beginning (b)	\$ 7,427,240	\$ 7,554,457
Plan fiduciary net position – ending (b)	\$ 1,737,390	\$ 977,425
Plan's fiduciary net position as a percentage of the total pension liability	81.04%	88.54%
Covered-employee payroll	\$ 2,619,051	\$ 2,413,654
Net pension liability as a percentage of covered-employee payroll	66.34%	40.50%

Schedule of Contributions

	2016	2015
	Fiscal Year End	Fiscal Year End
Actuarially determined contribution	\$ 214,434	\$ 216,720**
Contributions in relation to the actuarially determined contribution	---	---
Contribution deficiency (excess)	---	(2,286)
Covered-employee payroll	---	(2,286),654***
Contributions as a percentage of covered-employee payroll	---	8.98%

* 2016 information will be determined after fiscal year end and will be included in the 2017 valuation report
** Contributions are recorded based on date of receipt into the GMBSB trust. Minor timing issues in receipt of monthly payments are not indicative of non-compliance with GMBSB funding policy. A plan is in compliance with the GMBSB funding policy if it pays either the dollar amount or the percentage of employee-covered payroll of the actuarially determined contributions.
*** 2015 covered payroll is based on data collected as of August 31, 2014 for the 2015 actuarial valuation

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2016

Notes to Schedule of Contributions

Valuation Date	Methods and assumptions used to determine contribution rates:
The actuarially determined contribution was determined as of January 1, 2016, 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, 2017.	
Projected Unit Credit	Actuarial Cost Method
Closed level dollar for remaining unfunded liability; See Section 5, Exhibit II for additional detail	Amortization Method
Remaining amortization period varies for the bases, with a net effective amortization period of 11 years.	Remaining Amortization Period
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.	Asset Valuation Method
7.75%	Net Investment Rate of Return
3.25% plus service based merit increases	Projected Salary Increases
	Cost of Living Adjustments
	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 2016. 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 2015, 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 2015 and later reflect the following assumption changes approved by the Board in December, 2014 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, 2016

Actuarial Assumptions: The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25 percent
Salary increases	3.25 percent plus service based merit increases
Investment rate of return	7.75 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, 2016 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 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 2015 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	25%	1.55%
International Equity	15%	6.45%
Real Estate	10%	3.75%
Domestic Equity	50%	5.95%
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 7.75%. 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 7.75 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 (6.75 percent) or one percentage point higher (8.75 percent) than the current rate:

City's net pension liability (asset)	\$ 2,767,663	\$ 1,737,390	\$ 869,488
	Decrease 1% (6.75%)	Rate Discount (7.75%)	Increase 1% (8.75%)

City of Barnesville
Notes to the Basic Financial Statements
 For the year ended September 30, 2016

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, 2016 are as follows:

(Amounts Expressed in Thousands)	
Governmental Activities	Business-Type Activities
\$ 13,726.5	\$ 60,575.5
< 4,779 >	< 17,276 >
\$ 8,947.5	\$ 43,299.5
-----	-----
\$ 8,947.5	\$ 15,610.5
-----	-----
< *27,689 >	
Net investment in capital assets:	
Cost of Capital Assets	
Less Accumulated Depreciation	
Book Value	
Less Capital Related Debt	
Net investment in capital assets	
*Capital debt \$27,623 plus accrued interest of \$76.	

Fund Balances — Fund balance assignments at the fund reporting level as of September 30, 2016 are as follows:

Assigned Fund Balances:

Nature and Purpose of Assignments	\$ 104,756

General	
Cemetery Perpetual Care	

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, 2017. The City at present provides the recycling services to residents.

3-K. Compliance with Legal Provisions

Grants — In the year ended September 30, 2016, the City received payments from the State of Georgia as follows:

Georgia Department of Transportation (LMIG) - \$100,207 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.

Federal Laws — Grants — The City received federal grant funds from the Department of Community Affairs in the amount of \$221,714. The grant funds are for street improvements, flood drainage, water facilities and urban housing improvements. The City received \$9,975 in grant funds from the Justice Department for purchase of police vests.

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 \$12,487. 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 \$6,185 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, 2016 is \$0.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2016

3-L. Other Required Individual Fund Disclosures

The Summer's Field Construction Fund has a deficit of \$4,724 for the fiscal year ending September 30, 2016. The fund has a \$0 surplus to offset future deficits. The Nonmajor fund, Industrial Development had a deficit of \$20,059 for the fiscal year ending September 30, 2016. The fund has a surplus of \$1,024,551 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 instrumentally 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, 2016, 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 MEOG for the mutual benefit of MEOG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEOG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEOG facilities, after deregulation of the electric industry.

The Trust created two types of funds, which are held by MEOG 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 MEOG for power usage if certain criteria related to the difference between the cost of power generated by MEOG 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 \$45,144.

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 3-1).

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, 2016

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

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2016

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

The City implemented Governmental Accounting Standards Board (GASB) statement 68, Accounting and Financial Reporting for Pensions (an amendment to GASB Statement No. 27) in the fiscal year ending September 30, 2015. The implementation of the statement required the City to record beginning net position liability and the effects on net position of contributions made by the City during the measurement period (fiscal year ending September 30, 2014).

4-G. Subsequent Events

No significant subsequent events have occurred between the end of the fiscal year September 30, 2016 and the issuance of the audited financial statements, March 15, 2017.

Required Supplementary Information

City of Barnesville
City of Barnesville Contributions
Required Supplementary Information
September 30, 2016 and 2015

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

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 216,720	\$ 214,434
Contributions in relation to the contractually required contribution	<u>216,720</u>	<u>214,434</u>
Contribution deficiency (excess)	<u>\$ -----</u>	<u>\$ -----</u>
City's covered-employee payroll	\$ 2,619,051	\$ 2,413,654
Contributions as a percentage of covered-employee payroll	8.27%	8.88%

City of Barnesville
City of Barnesville's Proportionate Share of Net
Pension Liability
Required Supplementary Information
September 30, 2016

Georgia Firefighter's Pension Fund

2016

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	\$ 248,150
State's proportionate share of the net pension liability as a percentage of its covered employee payroll	.052431%
Plan fiduciary net position as a percentage of the total pension liability	83.06%
State's proportionate share of the net pension liability associated with City of Barnesville	\$ 82,055

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-General Fund Types
 For the Year Ended September 30, 2016

GENERAL FUND (MAJOR FUND)

	ORIGINAL	FINAL	ACTUAL	VARIANCE
	BUDGET	BUDGET		POSITIVE
				(NEGATIVE)
REVENUES				
Taxes	\$ 651,045	\$ 578,226	\$ 578,226	
2015 Property				
Sales	622,015	622,296	622,296	
Intangible and Transfer	1,785	2,701	2,701	
Motor Vehicle	132,540	154,719	154,719	
Public Utilities Franchise	138,100	126,483	126,483	
Insurance Premium	350,000	421,795	421,795	
Malt Beverage	150,000	147,140	147,140	
Liquor	26,300	20,659	20,659	
Business License and Permits	\$ 95,067	\$ 100,857	\$ 100,857	
Departmental Revenues	\$ 231,400	\$ 262,534	\$ 262,534	
Police		15	15	
Fire				
Street and Right of Way	2,000	170,240	170,240	
Cemetery	20,000	31,600	31,600	
Civic Center	43,500	46,455	46,455	
Swimming Facilities	2,150	3,474	3,474	
Other Revenues	\$	\$	\$	
Intergovernmental	279,156	277,156	277,156	
Rental Income	6,000	7,578	7,578	
Tax Interest	2,595	7,426	7,426	
Miscellaneous	230	253	253	
Interest Earned				
TOTAL REVENUE-CARRIED FORWARD	\$ 2,753,883	\$ 2,981,607	\$ 2,981,607	

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-General Fund Types
 For the Year Ended September 30, 2016
 (Continued)

GENERAL FUND (MAJOR FUND)			
VARIANCE	POSITIVE	FINAL	BUDGET
(NEGATIVE)	ACTUAL	BUDGET	BUDGET
			\$ 2,753,883
	\$ 2,981,607	\$ 2,981,607	TOTAL REVENUES - BROUGHT FORWARD
			EXPENDITURES
			Current Operations
			Administrative and General
			Police
			Fire
			Street and Right of Way
			Cemetery
			Civic Center
			Swimming Facilities
			Capital Outlay
			Current Operations
	\$ 1,240,930	\$ 1,240,930	\$ 1,101,776
	1,379,998	1,379,998	1,492,598
	365,389	365,389	360,461
	609,689	609,689	671,813
	60,613	60,613	46,300
	177,359	177,359	161,264
	40,213	40,213	33,189
	194,200	194,200	105,576
	\$ 4,068,391	\$ 4,068,391	\$ 3,972,977
			Total Expenditures
			EXCESS REVENUE OVER <UNDER> EXPENDITURES
	<\$1,086,784>	<\$1,086,784>	<\$1,219,094>
			OTHER FINANCING SOURCES (USES)
			Transfers In
	\$ 1,138,878	\$ 1,138,878	\$ 1,219,094
			Transfers Out
			Total Other Financing Sources (Uses)
	\$ 52,094	\$ 52,094	\$ 1,219,094
			NET CHANGE IN FUND BALANCES
	\$ 597,670	\$ 597,670	\$ 597,670
			FUND BALANCE - BEGINNING OF YEAR
			FUND BALANCE - END OF YEAR

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, 2016

SUMMER'S FIELD CONSTRUCTION (MAJOR FUND)			
ORIGINAL	FINAL	ACTUAL	VARIANCE
BUDGET	BUDGET	BUDGET	(NEGATIVE)
\$ 300,000	\$ 295,312	\$ 295,312	\$ 1
\$ 300,000	\$ 295,313	\$ 295,313	\$
REVENUES			
\$ 300,000	\$ 296,095	\$ 296,095	\$
-	3,942	3,942	-
-	-	-	-
-	-	-	-
EXPENDITURES			
\$ 296,000	\$ 296,095	\$ 296,095	\$
\$ 4,000	3,942	3,942	-
Total Expenditures			
\$ 300,000	\$ 300,037	\$ 300,037	\$
EXCESS REVENUES OVER <UNDER> EXPENDITURES			
\$	\$ <	\$ <	\$ <
-	4,724 >	4,724 >	4,724 >
Total Other Financing Sources (Uses)			
\$	\$ <	\$ <	\$ <
-	4,724 >	4,724 >	4,724 >
NET CHANGE IN FUND BALANCES			
\$	\$ <	\$ <	\$ <
-	4,724 >	4,724 >	4,724 >
FUND BALANCE - BEGINNING OF YEAR			
\$	\$	\$	\$
-	4,724	4,724	-
FUND BALANCE - END OF YEAR			
\$	\$	\$	\$
-	-	-	-

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, 2016

HOTEL / MOTEL TAX (NON-MAJOR FUND)				
	ORIGINAL	FINAL	ACTUAL	VARIANCE
	BUDGET	BUDGET	ACTUAL	POSITIVE
				(NEGATIVE)
REVENUES	\$ 12,000	\$ 12,487	\$ 12,487	\$ ----
Hotel-Motel Tax				
TOTAL REVENUES	\$ 12,000	\$ 12,487	\$ 12,487	\$ ----
EXPENDITURES				
Current				
Cultural and Recreation (Tourism)	\$ 12,000	\$ 12,487	\$ 12,487	\$ ----
Total Expenditures	\$ 12,000	\$ 12,487	\$ 12,487	\$ ----
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, 2016

2016	2015	
\$ 278,324	\$ 221,523	Salaries
70,521	68,203	Employee Benefits
63,644	66,223	Contract Labor
45,108	80,385	Legal and Professional Fees
3,016	3,351	Dues and Subscriptions
1,701	848	Advertising
78,500	75,000	Industrial Development Authority-Donation
52,544	55,223	E.P. Roberts Center
37,308	21,888	Office Supplies
5,100	3,600	Travel
8,254	3,513	Training Courses
27,153	27,362	Postage
347,587	298,931	Insurance
13,817	14,668	Utilities and Telephone
10,237	22,243	Public Property Expenditure
24,958	24,948	Maintenance Agreement
7,829	7,728	Repairs and Maintenance
14,454	16,100	Miscellaneous
6,670	6,512	McIntosh Trail RDC
500	500	Lamar County Health Clinic
9,873	61,708	Debt Service
7,700	500	Facade Grant
\$1,114,798	\$1,080,457	Capital Outlay - Computer*
Total Expenditures		

*Reported as Capital Outlay on other Statements and Schedules

76,256 Budget

*Reported as Capital Outlay on other Statements and Schedules

	2016	2015
Mayor and Council Salaries / Benefits	\$ 86,456	\$ 101,551
Mayor and Council Travel	20,228	20,100
Mayor and Council School and Training	23,428	28,306
Mayor and Council Supplies	2,340	3,134
Mayor and Council Telephone	1,380	1,827
Capital Outlay - Roof*	5,725	
Total Expenditures	\$ 139,557	\$ 154,918

For the Year Ended September 30, 2016

**MAYOR AND COUNCIL
AND GENERAL EXPENDITURES
SCHEDULE OF ADMINISTRATIVE**

General Fund
City of Barnesville

10,200 - 500

City of Barnesville
 General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
POLICE DEPARTMENT
 For the Year Ended September 30, 2016

2016	2015
\$ 230,052	\$ 176,128
770	601
4,783	3,436
1,295	170
25,634	23,878
\$ 262,534	\$ 204,213
EXPENDITURES	
Salaries	838,848
Employee Benefits	226,909
Supplies	43,233
Repairs and Maintenance	13,508
Maintenance of Prisoners	534
Utilities	21,543
Gas and Oil	40,666
Tires and Tire Repairs	2,994
Uniforms	6,204
Dues and Subscriptions (Computer)	8,133
Travel and Training Courses	5,788
Miscellaneous	328
Traffic Court Judge, Indigent Defense & Solicitor	27,750
Peace Officers and Prosecutors	11,591
Peace Officers' Annuity Benefits	4,472
GA Crime Victims Emergency Fund	3,336
Drug Testing	185
Jr. Police/Community Projects	931
New Equipment*	82,846
Crime Lab and Brain and Spinal Injury Funds	363
County Drug Abuse Treatment	1,518
Driver Education and Training Fund	1,193
Total Expenditures	\$ 1,342,873
REVENUES	
Fines	176,128
Accident Reports	601
Miscellaneous	3,436
Parking Violations	170
Intergovernmental Revenues	23,878
Total Revenues	\$ 204,213
\$ 918,431	\$ 838,848
263,729	226,909
39,506	43,233
19,168	13,508
1,833	534
18,965	21,543
36,679	40,666
4,964	2,994
11,543	6,204
9,315	8,133
4,704	5,788
5,583	4,472
92	3,336
---	185
---	931
---	82,846
508	363
1,800	1,518
523	1,193
\$ 1,379,998	\$ 1,342,873
EXCESS EXPENDITURES OVER REVENUES	
\$ <1,117,464 >	\$ <1,138,660 >

*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, 2016

	2016	2015	
	\$ 15	\$ -----	Miscellaneous REVENUES
	\$ 15	\$ -----	Total Revenues
	\$ 227,822	\$ 248,150	Salaries
	80,158	91,589	Employee Benefits
	15,624	1,233	Contract Labor
	10,916	8,696	Supplies
	10,275	10,134	Fire Calls and Drills
	6,736	1,581	Gas and Oil
	1,653	2,790	Radio Contract
	343	1,729	Uniforms
	4,897	6,021	Utilities
	3,600	3,600	Retirement- Voluntary Firemen
	1,684	883	Repairs and Maintenance
	-----	310	Drug Testing
	-----	-----	Miscellaneous
	1,681	2,794	Equipment Testing
	10,528	8,303	Capital Outlay - Equipment*
Total Expenditures	\$ 375,917	\$ 387,813	
EXCESS EXPENDITURES OVER REVENUES	\$ < 375,902 >	\$ < 387,813 >	

*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, 2016

	2016	2015	
REVENUES			
Intergovernmental	\$ 163,318	\$ 60,010	
Miscellaneous (Surplus)	3,148	2,989	
Animal Control	3,774	3,057	
Total Revenues	\$ 170,240	\$ 66,056	
EXPENDITURES			
Salaries	\$ 155,365	\$ 151,458	
Contract Labor	129,609	181,641	
Employee Benefits	100,806	65,731	
Supplies	41,432	67,495	
Tires and Tire Repairs	1,480	1,892	
Radio Contract	4,185	8,370	
Gas and Oil	17,130	11,821	
Utilities	2,573	3,755	
Miscellaneous	17,353	5,730	
Repairs (Including Service Agreements)	28,937	12,519	
Street Mowing Contract	71,800	64,620	
State Contract	16,458	21,396	
Animal Control	22,561	16,357	
Street Paving*	85,369	166,518	
Summer's Field Project*	27,885	63,394	
Capital Outlay - Tractor*	45,968	-----	
Total Expenditures	\$ 768,911	\$ 842,697	
EXCESS EXPENDITURES OVER REVENUES	\$ < 598,671 >	\$ < 776,641 >	

* 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, 2016

	2016	2015
REVENUES		
Sale of Cemetery Lots	\$ 13,600	\$ 9,900
Opening Graves	18,000	13,725
EXPENDITURES		
Contract Labor	\$ 16,000	\$ 16,175
Miscellaneous	5,513	3,770
Mowing Contract	39,100	34,350
Capital Improvements*	-----	11,553
Total Expenditures	\$ 60,613	\$ 65,848
EXCESS EXPENDITURES OVER REVENUES	\$ < 29,013 >	\$ < 42,223 >

*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, 2016

	2016	2015
REVENUES		
Miscellaneous-Rentals	\$ 22,726	\$ 25,077
Membership Fees	23,729	26,253
Total Revenues	\$ 46,455	\$ 51,330
EXPENDITURES		
Salaries	\$ 104,400	\$ 96,993
Supplies	12,579	15,794
Employee Benefits	28,363	31,085
Utilities	1,722	2,047
Miscellaneous	28	1,136
Uniforms	2,313	60
Repairs	2,179	1,374
Drug Testing	70	63
Contract Labor	25,705	26,149
Capital Outlay - Heating/Air Unit*	11,025	-----
Total Expenditures	\$ 188,384	\$ 174,701
EXCESS EXPENDITURES OVER REVENUES	\$ < 141,929 >	\$ < 123,371 >

*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, 2016

	2016	2015	
REVENUES			
Fees	\$ 3,474	\$ 3,963	
Total Revenues	\$ 3,474	\$ 3,963	
EXPENDITURES			
Salaries	\$ 28,994	\$ 30,635	
Supplies	6,517	5,996	
Employee Benefits	2,218	2,344	
Utilities	681	896	
Drug Testing	840	760	
Repairs	963	1,425	
Total Expenditures	\$ 40,213	\$ 42,056	
EXCESS EXPENDITURES OVER REVENUES	\$ < 36,739 >	\$ < 38,093 >	

City of Barnesville
 General Fund
SCHEDULE OF TAX DIGEST FOR YEAR 2015
AND TAX COLLECTIONS
 For the Year Ended September 30, 2016

AMOUNT OF TAXES ON DIGEST	TAXES ON VALUATIONS	DIGEST VALUATIONS	SUMMARY OF AD VALOREM TAXES
			Digest of Taxpayers
	\$ 579,231	\$ 139,405,463	NODS
	10,438	2,512,323	Public Utilities
	=====	=====	TOTAL ASSESSMENT
	\$ 589,669	\$ 141,917,786	Net Charge-Ons/Charge Offs
< 11,029>			TOTAL TAX DIGEST
\$ 578,640			Collection of 2015 Taxes
> 565,066			TOTAL 2015 TAXES RECEIVABLE
\$ 13,574			TOTAL PRIOR YEAR'S TAXES RECEIVABLE
13,707			TOTAL TAXES RECEIVABLE
=====			
\$ 27,281			

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, 2016

	INDUSTRIAL DEVELOPMENT	SANITATION	ELECTRIC	TOTALS
OPERATING REVENUES				
Charges for Service	\$ 8,800,571	\$ 659,414	\$ 8,141,157	\$ 8,800,571
Miscellaneous (MEAG)	537,578		537,578	537,578
Total Operating Revenues	\$ 9,338,149	\$ 659,414	\$ 8,678,735	\$ 9,338,149
OPERATING EXPENSES				
Personal Services				
Salaries	\$ 663,595	\$ 80,089	\$ 583,506	\$ 663,595
Employee Benefits	218,943	52,477	166,466	218,943
Total Personal Services	\$ 882,538	\$ 132,566	\$ 749,972	\$ 882,538
Operating Expenses				
Contractual Services	\$ 6,842,958	\$ 438,587	\$ 6,404,371	\$ 6,842,958
Supplies	79,197	9,479	69,718	79,197
Gas and Oil	26,227	13,958	12,269	26,227
Repairs and Maintenance	33,847	5,820	28,027	33,847
Mapping	2,315		2,315	2,315
Waste Disposal Fees	24,306	24,306		24,306
Landfill Postclosure	59,083	59,083		59,083
Miscellaneous	30,389	8,564	21,825	30,389
Utilities	7,034	1,172	5,862	7,034
Depreciation	46,466	543	25,223	46,466
Total Operating Expenses	\$ 7,151,822	\$ 561,512	\$ 6,569,610	\$ 7,151,822
Total Expenses	\$ 8,034,360	\$ 694,078	\$ 7,319,582	\$ 8,034,360
OPERATING INCOME <LOSS>	\$ 1,303,789	\$ 34,664	\$ 1,359,153	\$ 1,303,789
NONOPERATING REVENUE <EXPENSE>				
Interest Revenue	\$ 1,135		\$ 494	\$ 1,135
NET INCOME <LOSS>	\$ 1,304,924	\$ 34,664	\$ 1,359,647	\$ 1,304,924

City of Barnesville
 Proprietary Funds
 DEPARTMENT OF SCHEDULE OF REVENUES AND EXPENDITURES
 WATER AND SEWERAGE FUND
 For the Year Ended September 30, 2016

	WATER	SEWERAGE	TOTALS
OPERATING REVENUES			
Charges for Service	\$ 1,890,047	\$ 1,863,913	\$ 3,753,960
Miscellaneous	7,275	7,255	14,530
Total Operating Revenues	\$ 1,897,322	\$ 1,871,168	\$ 3,768,490
OPERATING EXPENSES			
Personal Services	\$ 332,330	\$ ----	\$ 332,330
Salaries	121,889	----	121,889
Employee Benefits	\$ 454,219	\$ ----	\$ 454,219
Total Personal Services	\$ 471,810	\$ 426,960	\$ 898,770
Contractual Services	68,959	----	68,959
Contract Labor	50,124	49,820	99,944
Supplies and Materials	3,728	65,710	69,438
Professional Fees	778,869	329,797	1,108,666
Utilities	23,860	23,860	47,720
Depreciation	29,733	13,604	43,337
Equipment Repairs	\$ 1,427,083	\$ 909,751	\$ 2,336,834
Miscellaneous and other operating	\$ 1,881,302	\$ 909,751	\$ 2,791,053
Total Operating Expenses	\$ 16,020	\$ 961,417	\$ 977,437
NONOPERATING REVENUE < EXPENSE >			
Interest Revenue	\$ 4,859	\$ 4,859	\$ 9,718
Interest Expense	< 459,006 >	< 459,005 >	< 918,011 >
Intergovernmental	-----	221,714	221,714
TOTAL NONOPERATING REVENUE < EXPENSE >	\$ < 454,147 >	\$ < 232,432 >	\$ < 686,579 >
OPERATING INCOME < LOSS >	\$ 438,127 >	\$ 728,985	\$ 290,858
NET INCOME < LOSS >			

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, 2016

2011 A, B & C BOND SERIES

	2011 A, B & C BOND SERIES		TOTALS	
	DEBT SERVICE	DEBT SERVICE	WATER AND SEWAGE DEBT RETIREMENT FUND	FUND
REVENUES	\$ 961	\$ 5,203	\$ 2,640	\$ 8,804
Interest Income				
EXPENSES	\$ 918,775	\$ ---	\$ ---	\$ 918,775
Interest Expense				
Trust Fees	3,700	---	---	3,700
TOTAL EXPENSES	\$ 922,475	\$ ---	\$ ---	\$ 922,475
INCOME (LOSS) BEFORE TRANSFERS	\$ < 921,514 >	\$ 5,203	\$ 2,640	\$ < 913,671 >
TRANSFERS	\$ 350,902	\$ ---	\$ ---	\$ 350,902
From W&S Construction				
From Water and Sewerage Fund	705,850	---	---	705,850
From Debt Service Reserve				
TOTAL TRANSFERS	\$ 1,056,752	\$ ---	\$ ---	\$ 1,056,752
NET INCOME	\$* 135,238	\$ 5,203	\$ 2,640	\$ 143,081

* Not including Principal Reduction of \$140,000.

Grant Information

COMMUNITY DEVELOPMENT BLOCK GRANT
Sources & Application of Funds Schedule

City of Barnesville
14P-X-085-2-5643
For the Period Ending September 30, 2016

Total Program Year 2014 Funds Allocated to Recipient	\$ 500,000
Less: Total Program Year 2014 Funds Drawn by Recipient	500,000
Less: Total Program Year 2014 Funds Debilitated by Recipient	-----
Funds still available from Program Year 2014 Resources	-----
Total Program Year 2014 Funds Drawn and Received by Recipient	500,000
Less: Funds Applied and Expended to Program Year 2014 Costs	<u>500,000</u>
Total Program Year 2014 Funds held by Recipient	=====
	\$ -----

STATEMENT OF SOURCE AND USE OF FUNDS

Community Development Block Grant

14P-X-085-2-5643

City of Barnesville

September 30, 2016

P-03J-02

	Funds Draw Down Prior Years
\$ 278,286	Funds Draw Down Current Year
221,714	Total Funds Draw Down
\$ 500,000	Funds Disbursed Prior Years
\$ 278,286	Funds Disbursed Current Year
221,714	Total Funds Disbursed
\$ 500,000	Cash on Hand September 30, 2016

\$ -----	

*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

Phone: (770) 358 - 3737 • Fax: (770) 358 - 3787 • UnderwoodCPA@aol.com

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

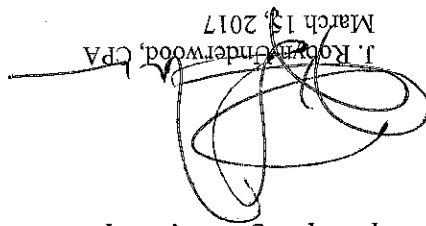
Honorable Mayor and
Members of the Council
City of Barnesville, Georgia

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, 2016. 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, 2016, in conformity with accounting principles generally accepted in the United States of America.


J. Robyn Underwood, CPA
March 13, 2017

City of Barnesville
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
 For the Year Ended September 30, 2016

PROJECT - 2011	EXPENDITURES		ORIGINAL ESTIMATED COSTS	ESTIMATED PERCENTAGE OF COMPLETION
	CURRENT YEAR	PRIOR YEARS		
Paving, Resurfacing and Construction of Roads (Including Drainage and Sidewalks)	\$	\$ 24,020	\$ 664,967	3.61%
Construction and Equipping Other Public Projects (Landfill)	----	1,435,626	785,381	100%
Construction and Renovation of Public Facilities (Library and Summers Field)	152,197	692,621	1,082,143	78.07%
Improvements to Water and Sewer Systems	-----	124,901	1,197,672	10.43%
	\$ 152,197	\$ 2,277,168	\$ 3,730,163	
	=====	=====	=====	
	124,901	124,901	124,901	
	=====	=====	=====	
	\$ 2,429,365	\$ 2,429,365	\$ 2,429,365	

Report on Internal Control

J. Robyn Underwood, CPA

Member of American Institute of Certified Public Accountants

302-A Taylor Street • Barnesville, GA 30204

Phone: (770) 358 - 3737 • Fax: (770) 358 - 3787 • UnderwoodCPA@aol.com

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, 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, 2016, and related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 15, 2017.

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. According to the City's internal control over financial reporting, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

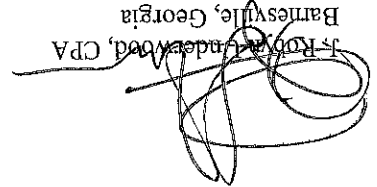
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination 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 identify deficiencies in internal control. The deficiency is noted as 16-1 on the Schedule of Findings and Responses.

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. Robert Underwood, CPA
Barnesville, Georgia
March 15, 2017

Schedules of Findings and Responses

City of Barnesville, Georgia
Schedule of Findings and Responses
For the Year Ended September 30, 2016

As of September 30, 2016, 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.

16-01 Account Monitoring:

Condition: Several accounts required adjustments. Effect: Account balances are not correct. Cause: Improper posting of transactions; computer software error. Remedy: Designate a member of personnel to review financial statements on a quarterly basis and make appropriate adjustments or post the entries manually. Management: We concur with the finding and are taking the proper steps to monitor the financial reporting and account balances.

(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:

15-01 Financial Reporting

Condition: The financial software continues not to adequately report the financial status of the City. Effect: Account balances are incorrect and unauthorized entries to the financial statements are posted. Cause: The financial software appears to possess processing errors. Remedy: Continue to communicate with the software provider to resolve issues or consider obtaining a different more compatible software. Management's Response: We concur with the finding. We continue to contact the software with our concerns in order to resolve the current issues.

15-02 Account Monitoring:

Condition: Several accounts required adjustments. Effect: Account balances are not correct. Cause: Improper posting of transactions. Remedy: Designate a member of personnel to review financial statements on a quarterly basis and make appropriate adjustments. Management: We concur with the finding and are taking the proper steps to monitor the financial reporting and account balances.

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

None.