

**CITY OF BLOOMINGDALE, GEORGIA**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2018**

# CITY OF BLOOMINGDALE, GEORGIA

## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2018

### TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1 – 3
<b>FINANCIAL SECTION</b>	
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-wide Financial Statements:	
Statement of Net Position.....	4
Statement of Activities.....	5
Fund Financial Statements:	
Governmental Funds – Balance Sheet.....	6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	7
Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances.....	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	9
General Fund - Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	10
Proprietary Funds – Statement of Net Position.....	11
Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Position.....	12
Proprietary Funds – Statement of Cash Flows.....	13
Fiduciary Funds – Statement of Fiduciary Net Position.....	14
Fiduciary Funds – Statement of Changes in Fiduciary Net Position.....	15
Notes to the Financial Statements.....	16 – 38
<b>Required Supplementary Information Other Than MD&amp;A:</b>	
Required Supplementary Information – Schedule of Changes in the City's Net Pension Liability and Related Ratios – Last Five Fiscal Years.....	39
Required Supplementary Information – Schedule of City Contributions – Last Five Fiscal Years.....	40
<b>Combining and Individual Fund Statements and Schedules:</b>	
Non-major Governmental Funds – Combining Balance Sheet.....	41
Non-major Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	42
Fire Department Fund - Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	43
Forfeiture Account Fund – Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	44
Schedule of Expenditures of Special Purpose Local Option Sales Tax Proceeds.....	45

# CITY OF BLOOMINGDALE, GEORGIA

## ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED JUNE 30, 2018

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### TABLE OF CONTENTS (Continued)

	<u>Page</u>
<b>COMPLIANCE SECTION</b>	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards.....	46 and 47
Schedule of Findings and Responses.....	48 – 56



## INDEPENDENT AUDITORS' REPORT

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**To the Mayor and Members of the City Council  
City of Bloomingdale, Georgia  
Bloomingdale, Georgia**

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

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of Bloomingdale, Georgia (the "City") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position and cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City, as of June 30, 2018, and the respective changes in financial position and cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and the required supplementary information other than management's discussion and analysis on pages 41 and 42 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Our opinion on the basic financial statements are not affected by the missing information. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2019, on our consideration of the City'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 the City's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Savannah, Georgia  
May 14, 2019

# CITY OF BLOOMINGDALE, GEORGIA

## STATEMENT OF NET POSITION June 30, 2018

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,370,741	\$ 1,079,582	\$ 3,450,323
Receivables	347,656	60,434	408,090
Internal balances	315,604	(315,604)	-
Inventories	13,026	-	13,026
Restricted cash and cash equivalents:			
Customer deposits	10,770	35,335	46,105
Capital assets			
Land, improvements, and construction in progress	1,262,601	59,335	1,321,936
Other capital assets, net of depreciation	5,304,502	1,809,374	7,113,876
Other assets	-	1,089,380	1,089,380
Total assets	<u>9,624,900</u>	<u>3,817,836</u>	<u>13,442,736</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Related to pensions	27,278	1,772	29,050
Total assets and deferred outflows of resources	<u>9,652,178</u>	<u>3,819,608</u>	<u>13,471,786</u>
<b>LIABILITIES</b>			
Accounts payable	60,421	5,999	66,420
Accrued payables	54,738	3,246	57,984
Customer deposits payable	10,770	35,335	46,105
Long-term liabilities:			
Due within one year	126,281	486	126,767
Due in more than one year	37,968	594	38,562
Net pension liability	75,375	4,898	80,273
Total liabilities	<u>365,553</u>	<u>50,558</u>	<u>416,111</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Related to pensions	92,944	6,039	98,983
Total liabilities and deferred inflows of resources	<u>458,497</u>	<u>56,597</u>	<u>515,094</u>
<b>NET POSITION</b>			
Net investment in capital assets	6,471,886	1,868,709	8,340,595
Restricted for			
Capital projects	808,859	-	808,859
Public safety	8,249	-	8,249
Unrestricted	1,904,687	1,894,302	3,798,989
Total net position	<u>\$ 9,193,681</u>	<u>\$ 3,763,011</u>	<u>\$ 12,956,692</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED June 30, 2018

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	Total
Governmental activities:							
General government	\$ 732,396	\$ 207,740	\$ -	\$ -	\$ (524,656)		\$ (524,656)
Judiciary	51,724	-	-	-	(51,724)		(51,724)
Public safety	1,815,596	952,677	111,550	2,673	(748,696)		(748,696)
Public works	1,005,268	335,838	44,284	662,671	37,525		37,525
Culture and recreation	280,096	58,548	-	5,260	(216,288)		(216,288)
Housing and development	9,899	-	-	-	(9,899)		(9,899)
Interest on long-term debt	10,012	-	-	-	(10,012)		(10,012)
Total governmental activities	3,904,991	1,554,803	155,834	670,604	(1,523,750)		(1,523,750)
Business-type activities:							
Water and Sewer	756,811	607,731	-	34,709	-	\$ (114,371)	(114,371)
Total business-type activities	756,811	607,731	-	34,709	-	(114,371)	(114,371)
Total	\$ 4,661,802	\$ 2,162,534	\$ 155,834	\$ 705,313	\$ (1,523,750)	(114,371)	(1,638,121)
<b>GENERAL REVENUES</b>							
Taxes:							
Sales taxes for general purposes					996,661	-	996,661
Intangible, transfer, and franchise taxes					224,052	-	224,052
Alcoholic beverage taxes					225,571	-	225,571
Unrestricted investment earnings					8,931	1,624	10,555
Miscellaneous					173,449	1,017	174,466
Total general revenues					1,628,664	2,641	1,631,305
Change in net position					104,914	(111,730)	(6,816)
Net position - beginning					9,088,767	3,874,741	12,963,508
Net position - ending					\$ 9,193,681	\$ 3,763,011	\$ 12,956,692

The notes to the financial statements are an integral part of this statement.



# CITY OF BLOOMINGDALE, GEORGIA

## GOVERNMENTAL FUNDS BALANCE SHEET June 30, 2018

	General	SPLOST	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,648,725	\$ 708,910	\$ 13,106	\$ 2,370,741
Receivables (net of allowance)	291,743	55,913	-	347,656
Due from other funds	315,604	424	-	316,028
Inventories	13,026	-	-	13,026
Restricted cash and cash equivalents:				
Customer deposits	10,770	-	-	10,770
Total assets	<u>\$ 2,279,868</u>	<u>\$ 765,247</u>	<u>\$ 13,106</u>	<u>\$ 3,058,221</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 55,449	\$ 4,972	-	\$ 60,421
Accrued liabilities	54,738	-	-	54,738
Due to other funds	424	-	-	424
Payable from restricted assets:				
Customer deposits	10,770	-	-	10,770
Total liabilities	121,381	4,972	-	126,353
Deferred inflows of resources:				
Unavailable revenue	55,000	-	-	55,000
Total liabilities and deferred inflows of resources	176,381	4,972	-	181,353
Fund balances:				
Nonspendable:				
Inventories	13,026	-	-	13,026
Restricted for:				
Capital projects	48,584	760,275	-	808,859
Public safety	-	-	8,249	8,249
Assigned to:				
Public safety	48,458	-	4,857	53,315
Unassigned	1,993,419	-	-	1,993,419
Total fund balances	2,103,487	760,275	13,106	2,876,868
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,279,868</u>	<u>\$ 765,247</u>	<u>\$ 13,106</u>	<u>\$ 3,058,221</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION June 30, 2018

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Total Governmental Fund Balances	\$ 2,876,868
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported on the governmental funds balance sheet (net of accumulated depreciation of \$4,360,106)	6,567,103
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred on the governmental funds balance sheet.	55,000
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported on the governmental funds balance sheet	(65,666)
Net pension liability is not due and payable in the current period and, therefore, is not reported on the governmental funds balance sheet	(75,375)
Long-term and related liabilities are not due and payable in the current period and, therefore, are not reported on the governmental funds balance sheet	(164,249)
Net Position of Governmental Activities	<u>\$ 9,193,681</u>

**The notes to the financial statements are an integral part of this statement.**

# CITY OF BLOOMINGDALE, GEORGIA

## GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED June 30, 2018

	General	SPLOST	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 1,468,104	\$ -	\$ -	\$ 1,468,104
Licenses and permits	56,649	-	-	56,649
Intergovernmental	155,834	628,196	-	784,030
Charges for services	861,941	-	-	861,941
Fines and forfeitures	629,788	-	6,132	635,920
Investment earnings	7,655	1,276	-	8,931
Contributions and donations	-	2,587	-	2,587
Miscellaneous	192,282	1,551	-	193,833
Total revenues	<u>3,372,253</u>	<u>633,610</u>	<u>6,132</u>	<u>4,011,995</u>
<b>EXPENDITURES</b>				
Current				
General government	678,412	-	-	678,412
Judicial	51,724	-	-	51,724
Public safety	1,641,087	-	2,135	1,643,222
Public works	804,913	-	-	804,913
Culture and recreation	211,931	-	-	211,931
Housing and development	9,899	-	-	9,899
Capital Outlay	-	487,570	-	487,570
Debt Service				
Principal	139,279	156,137	-	295,416
Interest	2,775	7,237	-	10,012
Total expenditures	<u>3,540,020</u>	<u>650,944</u>	<u>2,135</u>	<u>4,193,099</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(167,767)</u>	<u>(17,334)</u>	<u>3,997</u>	<u>(181,104)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,000	-	1,000
Transfers out	(1,000)	-	-	(1,000)
Sale of property	1,910	-	-	1,910
Total other financing sources (uses)	<u>910</u>	<u>1,000</u>	<u>-</u>	<u>1,910</u>
Net Changes in fund balances	(166,857)	(16,334)	3,997	(179,194)
Fund balances at beginning of year	2,270,344	776,609	9,109	3,056,062
Fund balances at end of year	<u>\$ 2,103,487</u>	<u>\$ 760,275</u>	<u>\$ 13,106</u>	<u>\$ 2,876,868</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED June 30, 2018

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Net change in Fund Balances - Total Governmental Funds		\$ (179,194)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period:		
Capital outlays	\$ 516,556	
Depreciation expense	<u>(517,189)</u>	(633)
Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.		
Deferred inflows of franchise fees		(4,000)
In the statement of activities, pension expense represents the change in net pension liability from the beginning of the year to the end of the year. However, in the governmental funds, pension expense is measured by the amount of financial resources used (amount actually paid). This is the amount by which pension contributions paid in the current period exceeded the change in net pension liability.		(5,550)
Governmental funds report debt service as expenditures. However, in the statement of activities, long-term debt is recognized as a liability.		295,416
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:		
Compensated absences		<u>(1,125)</u>
Change in Net Position of Governmental Activities		<u><u>\$ 104,914</u></u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FOR THE YEAR ENDED June 30, 2018

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 1,328,682	\$ 1,328,682	\$ 1,468,104	\$ 139,422
Licenses and permits	22,275	22,275	56,649	34,374
Intergovernmental revenues	84,500	84,500	155,834	71,334
Charges for services	787,481	787,481	861,941	74,460
Fines and forfeitures	691,000	691,000	629,788	(61,212)
Investment income	50	50	7,655	7,605
Miscellaneous	114,800	114,800	192,282	77,482
Total revenues	<u>3,028,788</u>	<u>3,028,788</u>	<u>3,372,253</u>	<u>343,465</u>
<b>EXPENDITURES</b>				
Current operating:				
General government				
Mayor and Council	13,800	13,800	13,800	-
Administration	523,415	523,415	664,612	(141,197)
Judicial				
Municipal Court	49,535	49,535	51,724	(2,189)
Public safety				
Police	1,192,675	1,192,675	1,306,647	(113,972)
Fire	318,544	318,544	334,440	(15,896)
Public works				
Public maintenance	711,571	711,571	804,913	(93,342)
Culture and recreation				
Recreation	207,153	207,153	211,931	(4,778)
Housing and development				
Building and zoning	15,595	15,595	9,899	5,696
Total current operating	<u>3,032,288</u>	<u>3,032,288</u>	<u>3,397,966</u>	<u>(365,678)</u>
Debt service:				
Principal	-	-	139,279	(139,279)
Interest	-	-	2,775	(2,775)
Total debt service	<u>-</u>	<u>-</u>	<u>142,054</u>	<u>(142,054)</u>
Total expenditures	<u>3,032,288</u>	<u>3,032,288</u>	<u>3,540,020</u>	<u>(507,732)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,500)</u>	<u>(3,500)</u>	<u>(167,767)</u>	<u>(164,267)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(1,000)	(1,000)
Sale of surplus property	3,500	3,500	1,910	(1,590)
Total other financing sources (uses)	<u>3,500</u>	<u>3,500</u>	<u>910</u>	<u>(2,590)</u>
Net change in fund balance	-	-	(166,857)	(166,857)
Fund balance, beginning of year	2,270,344	2,270,344	2,270,344	-
Fund balance, end of year	<u>\$ 2,270,344</u>	<u>\$ 2,270,344</u>	<u>\$ 2,103,487</u>	<u>\$ (166,857)</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## PROPRIETARY FUNDS STATEMENT OF NET POSITION June 30, 2018

	<u>Water and Sewer Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,079,582
Receivables (net of allowance)	60,434
Restricted cash and cash equivalents:	
Customer deposits	35,335
Total current assets	<u>1,175,351</u>
Noncurrent Assets:	
Capital assets:	
Land, improvements, and construction in progress	59,335
Other capital assets, net of depreciation	1,809,374
Total capital assets (net of accumulated depreciation)	<u>1,868,709</u>
Other noncurrent assets:	
Unamortized costs: treatment plant	1,089,380
Total noncurrent assets	<u>2,958,089</u>
Total assets	<u>4,133,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Related to pensions	1,772
Total assets and deferred outflows of resources	<u>4,135,212</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payables	5,999
Accrued payables	3,246
Compensated absences	486
Due to other funds	315,604
Payable from restricted assets:	
Customer deposits payable	35,335
Total current liabilities	<u>360,670</u>
Noncurrent liabilities:	
Compensated absences	594
Net pension liability	4,898
Total noncurrent liabilities	<u>5,492</u>
Total liabilities	<u>366,162</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Related to pensions	6,039
Total liabilities and deferred inflows of resources	<u>372,201</u>
<b>NET POSITION</b>	
Investment in capital assets	1,868,709
Unrestricted	1,894,302
Total net position	<u>\$ 3,763,011</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED June 30, 2018

	<u>Water and Sewer Fund</u>
<b>OPERATING REVENUES</b>	
Charges for services:	
Water charges	\$ 212,524
Sewer Charges	343,703
Other income	52,521
Total operating revenues	<u>608,748</u>
<b>OPERATING EXPENSES</b>	
<u>Water</u>	
Personnel services	113,525
Purchased and contracted services	61,613
Materials and supplies	19,581
Interfund charges	44,645
Depreciation	63,881
Total operating expenses - water	<u>303,245</u>
<u>Sewer</u>	
Personnel services	108,975
Purchased and contracted services	71,757
Materials and supplies	119,480
Interfund charges	44,653
Depreciation	75,038
Amortization	33,663
Total operating expenses - sewer	<u>453,566</u>
Total operating expenses	<u>756,811</u>
Operating loss	<u>(148,063)</u>
<b>NONOPERATING REVENUES</b>	
Investment earnings	1,624
Total nonoperating revenues	<u>1,624</u>
Income before capital contributions	(146,439)
Capital contributions - connection fees	34,709
Change in net position	(111,730)
Net position, beginning of year	3,874,741
Net position, end of year	<u><u>\$ 3,763,011</u></u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION June 30, 2018

	<b>Water and Sewer Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 605,251
Cash payments to suppliers for goods and services	(357,584)
Cash payments to employees for services	(222,034)
Net cash provided by operating activities	<u>25,633</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Interfund borrowing	150,228
Net cash provided by noncapital financing activities	<u>150,228</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions - connection fees	34,709
Net cash provided by capital and related financing activities	<u>34,709</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earned on cash and investments	1,624
Net cash provided by investing activities	<u>1,624</u>
Net increase in cash and cash equivalents	212,194
Cash and cash equivalents, beginning of year	902,723
Cash and cash equivalents, end of year	<u><u>\$ 1,114,917</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	
Operating loss	<u>\$ (148,063)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	172,582
Change in assets and liabilities:	
Decrease in accounts receivables	990
Increase in accounts payable	4,145
Decrease in customer deposits	(4,487)
Increase in net pension liability and deferred inflows/outflows	466
Total adjustments	<u>173,696</u>
Net cash provided (used) by operating activities	<u><u>\$ 25,633</u></u>

The notes to the financial statements are an integral part of this statement.



# CITY OF BLOOMINGDALE, GEORGIA

## FIDUCIARY FUNDS STATEMENT OF FIDUCIARY NET POSITION June 30, 2018

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	<b>Employees' Retirement Program Pension Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 148,900
Investments, at fair value:	
Stocks and options	800,297
Fixed income securities	533,397
Total assets	<u>\$ 1,482,594</u>
<b>NET POSITION</b>	
Held in trust for pension benefits	<u>\$ 1,482,594</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## FIDUCIARY FUNDS STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED June 30, 2018

	<u>Employees' Retirement Program Pension Trust Fund</u>
Additions	
Contributions:	
Employer (including life insurance premiums)	\$ 121,431
Total contributions	<u>121,431</u>
Investment earnings:	
Net appreciation (depreciation) in fair value of investments	<u>26,495</u>
Net investment earnings	<u>75,079</u>
Total additions	<u>196,510</u>
Deductions	
Benefits paid to plan participants	9,860
Administrative expense	<u>13,928</u>
Total deductions	<u>23,788</u>
Net increase (decrease) for the year in plan net position	172,722
Net position - beginning	<u>1,309,872</u>
Net position - ending	<u>\$ 1,482,594</u>

The notes to the financial statements are an integral part of this statement.

# CITY OF BLOOMINGDALE, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### B. Reporting Entity

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

#### C. Joint Ventures

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

*Coastal Regional Commission* – Under Georgia law, the City, in conjunction with other governments in the region, is a member of the Coastal Regional Commission ("RC") is required to pay annual dues thereto. During its year ended June 30, 2018, the City paid \$3,527 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (O.C.G.A.) Section 50-8-34 which provides for the organizational structure of an RC in Georgia. The RC Board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. Section 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RC. Management believes that the RC is currently accumulating sufficient financial resources to meet its financial obligations. Separate financial statements may be obtained from: Coastal Regional Commission, P.O. Box 1917, Brunswick, Georgia 31521.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

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

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### E. Basis of Presentation – Fund Financial Statements (Continued)

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### F. Measurement Focus and Basis of Accounting (Continued)

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

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

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

#### G. Assets, Liabilities and Equity

##### 1. Cash and Cash Equivalents

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Assets, Liabilities and Equity (Continued)

2. *Receivables and payables*

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

3. *Inventories and prepaid items*

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

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

4. *Restricted assets*

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

5. *Capital assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to July 1, 2003. The City is only reporting general infrastructure assets and related depreciation expense on general infrastructure assets prospectively, that is general infrastructure assets acquired prior to July 1, 2003, and are not reported in the basic financial statements. All capital assets, including infrastructure assets, are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the acquisition value of the item.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Assets, Liabilities and Equity (Continued)

##### 5. *Capital assets (Continued)*

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

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

##### 6. *Compensated absences*

Employees earn vacation leave at the rate of six days per year for the first year of service up to a maximum of 25 days per year after five years of service. A maximum of 20 days may be carried over into an employee's next service year. Any unused, accrued vacation leave in excess of twenty days from service year to service year will be forfeited. Employees resigning voluntarily and in good standing will be paid for earned but unused vacation leave. All vacation leave is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Employees accrue personal leave at the rate of four hours per month to a maximum of forty-eight hours per year. Employees are allowed to carry 80 to 160 hours personal leave based on year of services. An employee who resigns or is discharged from city service will not be paid for any unused personal leave. The City does not record a liability for vested personal leave benefits. Expenses are recognized in the financial statements at the time of payment.

##### 7. *Long-term obligations*

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

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



## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Assets, Liabilities and Equity (Continued)

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

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

##### 9. *Equity classifications*

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Assets, Liabilities and Equity (Continued)

##### 9. *Equity classifications (Continued)*

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

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

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

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

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

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

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as *restricted net position* and *unrestricted net position* in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### G. Assets, Liabilities and Equity (Continued)

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

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

##### 12. *Use of estimates*

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

#### H. Revenues and Expenditures/Expenses

##### 1. *Program Revenues*

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

#### A. Budgetary Information

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

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

Budget appropriations presented in this report include all legally adopted appropriations as amended during the fiscal year.

#### B. Excess of Expenditures over Appropriations

For the year ended June 30, 2018, expenditures exceeded appropriations in the following funds and departments (the legal level of budgetary control):

**General Fund:**

Administration	\$	141,197
Municipal court		2,189
Police		113,972
Fire		15,896
Public maintenance		93,342
Recreation		4,778
Debt service		142,054
Transfer out		1,000

**Forfeiture Account Fund**

Public Safety		2,134
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These over expenditures were funded primarily by underspending in other departments and unbudgeted revenues.

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

At June 30, 2018, the City had the following investments and maturities:

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in years)			
			Less than 1	1 - 3	4 - 5	Greater than 5
Pension Trust Fund						
Stocks and options		\$ 787,535	\$ 787,535	\$ -	\$ -	\$ -
Corporate bonds						
Various	BBB	21,986	-	-	-	21,986
Various	BBB	5,997	-	-	5,997	-
Preferreds/fixed rate cap secs						
Various	BBB-	4,090	-	-	-	4,090
Various	BBB-	12,620	-	-	-	12,620
REITs/Tangibles NR		12,761	12,761	-	-	-
U.S. Treasury Securities	Aaa	488,705	488,705	-	-	-
		<u>\$ 1,333,694</u>	<u>\$ 1,289,001</u>	<u>-</u>	<u>\$ 5,997</u>	<u>\$ 38,696</u>

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

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

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to the City. The O.C.G.A. Section 45-8-12 provides that there shall not be on deposit at any time in any depository for a time longer than ten days, a sum of money which has not been secured by a surety bond, by guarantee of insurance, or by collateral. The aggregate of the face value of such surety bond and the market value of securities pledged, shall be equal to not less than 110% of the public funds being secured after the deduction of the amount of depository insurance. The City has no custodial credit risk policy that would require additional collateral requirements.

Investment	Level 1	Level 2	Level 3	Fair Value
Stocks and options	\$ 787,535	\$ -	\$ -	\$ 787,535
Corporate bonds	27,983	-	-	27,983
Preferreds/fixed rate cap secs	16,710	-	-	16,710
REITs/Tangibles NR	12,761	-	-	12,761
U.S. Treasury Securities	488,705	-	-	488,705
Total investments measured at fair value	<u>\$ 1,333,694</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,333,694</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### A. Deposits and Investments (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

At year-end, the carrying amount of the City's deposits was \$3,495,354, and the bank balance was \$3,593,131. As of June 30, 2018, the entire bank balance was insured and collateralized with securities held by the City or its agent in the City's name.

Reconciliation to the basic financial statements:

##### Statement of Net Position

Cash and cash equivalents	\$ 3,450,323
Restricted cash and cash equivalents	46,105

##### Fiduciary Funds

Cash and cash equivalents	148,900
Total cash and cash equivalents	<u><u>\$ 3,645,328</u></u>

#### B. Receivables

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

	<u>General</u>	<u>SPLOST</u>	<u>Water and Sewer Fund</u>	<u>Total</u>
Receivables:				
Accounts	\$ 115,326	\$ -	\$ 61,326	\$ 176,652
Intergovernmental	121,417	55,913	-	177,330
Franchise taxes	55,000	-	-	55,000
Fines and forfeitures	165,000	-	-	165,000
Gross receivables	<u>456,743</u>	<u>55,913</u>	<u>61,326</u>	<u>573,982</u>
Less: allowance for uncollectibles	(165,000)	-	(892)	(165,892)
Net total receivables	<u><u>\$ 291,743</u></u>	<u><u>\$ 55,913</u></u>	<u><u>\$ 60,434</u></u>	<u><u>\$ 408,090</u></u>

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### C. Capital Assets

Changes in governmental activities capital assets for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets, not being depreciated					
Land	\$ 1,131,404	\$ -	\$ -	\$ -	\$ 1,131,404
Construction in progress	10,000	121,197	-	-	131,197
Total capital assets, not being depreciated	1,141,404	121,197	-	-	1,262,601
Capital assets, being depreciated					
Buildings	1,870,849	-	-	-	1,870,849
Improvements other than buildings	954,474	-	-	-	954,474
Machinery and equipment	1,062,908	213,654	-	-	1,276,562
Vehicles	1,016,066	78,039	-	-	1,094,105
Infrastructure	4,364,952	103,666	-	-	4,468,618
Total capital assets, being depreciated	9,269,249	395,359	-	-	9,664,608
Less accumulated depreciation for:					
Buildings	(531,337)	(40,973)	-	-	(572,310)
Improvements other than buildings	(353,402)	(57,252)	-	-	(410,654)
Machinery and equipment	(855,944)	(81,110)	-	-	(937,054)
Vehicles	(764,406)	(109,301)	-	-	(873,707)
Infrastructure	(1,337,828)	(228,553)	-	-	(1,566,381)
Total accumulated depreciation	(3,842,917)	(517,189)	-	-	(4,360,106)
Total capital assets, being depreciated, net	5,426,332	(121,830)	-	-	5,304,502
Governmental activities capital assets, net	\$ 6,567,736	\$ (633)	\$ -	\$ -	\$ 6,567,103

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

<b>Governmental activities</b>	
General government	\$ 53,984
Public safety	165,699
Public works	229,341
Culture and recreation	68,165
Total depreciation expense	<u>\$ 517,189</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### C. Capital Assets (Continued)

Changes in business-type activities capital assets for the year ended June 30, 2018, was as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities:</b>					
Capital assets, not being depreciated					
Land	\$ 59,335	-	\$ -	\$ -	\$ 59,335
Construction in progress	166,193	-	-	(166,193)	-
Total capital assets, not being depreciated	225,528	-	-	(166,193)	59,335
Capital assets, being depreciated					
Buildings and system	3,719,867	-	-	166,193	3,886,060
Machinery and equipment	619,231	-	-	-	619,231
Vehicles	69,400	-	-	-	69,400
Total capital assets, being depreciated	4,408,498	-	-	166,193	4,574,691
Less accumulated depreciation for:					
Buildings and system	(2,240,762)	(85,515)	-	-	(2,326,277)
Machinery and equipment	(322,732)	(46,909)	-	-	(369,641)
Vehicles	(62,904)	(6,495)	-	-	(69,399)
Total accumulated depreciation	(2,626,398)	(138,919)	-	-	(2,765,317)
Total capital assets, being depreciated, net	1,782,100	(138,919)	-	166,193	1,809,374
Business-type activities capital assets, net	\$ 2,007,628	\$ (138,919)	\$ -	\$ -	\$ 1,868,709

#### Wastewater Treatment Plant Costs

The City entered into an agreement with the City of Pooler, Georgia in 1998 to defray a portion of the capital costs associated with certain improvements to the Pooler wastewater treatment plant facility. In return, the City would be permitted to connect and discharge raw sewage to the facility. The term of the agreement is for 50 years terminating on June 30, 2048. At June 30, 2018, contributions totaled \$1,089,380, net of accumulated amortization of \$593,767. Amortization expense for fiscal year 2018 was \$33,663.

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

The composition of interfund balances as of June 30, 2018, is as follows:

Due from/to other funds:		
Receivable Fund	Payable Fund	Amount
General	Water and Sewer Fund	\$ 315,604
SPLOST	General	424
		<u>\$ 316,028</u>



## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### D. Interfund Receivables, Payables, and Transfers (Continued)

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

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

##### Interfund transfers:

<u>Transfer from</u>	<u>Transfer to</u>	<u>Amount</u>
General	SPLOST	\$ 1,000
Total		<u>\$ 1,000</u>

#### E. Deferred Inflows of Resources

Deferred inflows of resources are reported in the governmental funds to offset receivables that do not meet the availability criterion under the modified accrual basis of accounting. At June 30, 2018, deferred inflows of resources reported in governmental funds represented unavailable franchise tax revenues of \$55,000.

#### F. Capital Lease

On August 19, 2014, the City entered into a capital lease agreement with State Bank & Trust for the purpose of purchasing new water meters and an automatic meter reading system for the water and sewer departments. The lease calls for principal payments totaling \$407,000 at an interest rate of 3.11%, with the first payment due in September 2014. The City paid the remaining balance of the lease in September 2018.

The outstanding balance of the capital lease as of June 30, 2018, was \$95,217. Principal and interest payments are as follows:

	<u>Required Payment</u>
Fiscal Year Ending June 30, 2019	\$ 95,958
Total minimum lease payments	95,958
Less: amount representing interest	(741)
Present value of future minimum lease payments	<u>\$ 95,217</u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### F. Capital Lease (Continued)

For the year ended June 30, 2018, depreciation expense recorded on leased assets was \$40,700. At June 30, 2018, the net book value of assets under capital lease was as follows:

Machinery and equipment	\$ 407,000
Accumulated depreciation	(162,800)
Book value	<u>\$ 244,200</u>

#### G. Long-term Liabilities

##### Changes in long-term liabilities

Long-term liability activity for the year ended June 30, 2018, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Governmental activities</b>					
Note payable	\$ 137,650	\$ -	\$ 137,650	\$ -	\$ -
Capital lease payable	252,983	-	157,766	95,217	95,217
Compensated absences	67,907	59,659	58,534	69,032	31,064
Net pension liability	47,231	28,144	-	75,375	-
Total governmental activities	<u>\$ 505,771</u>	<u>\$ 87,803</u>	<u>\$ 353,950</u>	<u>\$ 239,624</u>	<u>\$ 126,281</u>
<b>Business-type activities:</b>					
Compensated absences	\$ 1,080	\$ 2,192	\$ 2,192	\$ 1,080	\$ 486
Net pension liability	2,419	2,479	-	4,898	-
Total business-type activities	<u>\$ 3,499</u>	<u>\$ 4,671</u>	<u>\$ 2,192</u>	<u>\$ 5,978</u>	<u>\$ 486</u>

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 3. DETAILED NOTES ON ALL FUNDS (CONTINUED)

#### H. Fund Balance Classifications

Amounts for specific purposes by fund and fund classifications for the year ended June 30, 2018, are as follows:

Classification/Fund	Purpose	Amount
Nonspendable:		
General Fund	Inventories	\$ 13,026
Restricted:		
General Fund Impact fees	Capital outlay projects	48,584
SPLOST Projects	Capital outlay projects	760,275
Forfeiture Account Fund	Public safety expenditures	8,249
Assigned:		
General Fund	Police department equipment	48,458
Fire Department Fund	Fire department operations	4,858
Unassigned:		
General Fund		1,993,419
	Total Fund Balance	<u>\$ 2,876,869</u>

### NOTE 4. OTHER INFORMATION

#### A. Employee Retirement Plan

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

1. *Summary of Significant Accounting Policies*

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

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

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 4. OTHER INFORMATION (CONTINUED)

#### A. Employee Retirement Plan (Continued)

##### 2. Pension Plan Description

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

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

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

Normal retirement age is the later of attainment of age 62 or the fifth anniversary of plan participation, or if earlier, attainment of age 57 and 25 years of service. Employees who have attained age 55 with ten or more years of service have the option for early retirement benefits. The plan also provides for disability and termination benefits.

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

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 4. OTHER INFORMATION (CONTINUED)

#### A. Employee Retirement Plan (Continued)

##### 2. Pension Plan Description (Continued)

Membership of the plan consisted of the following as of July 1, 2018, the date of the latest actuarial valuation:

Inactive employees (or their beneficiaries) currently receiving benefits	2
Inactive employees entitled to, but not yet receiving benefits	5
Active employees	40
Total	<u>47</u>

*Contributions* - The City is required to contribute at an actuarially determined rate; the current rate is 9.10% of annual covered payroll. The City contributes such additional amounts as are necessary, based on actuarial valuations, to provide the Plan with sufficient assets to meet future benefit payments. In 2018, the City contributed \$121,431 (8.39% of covered payroll). Employees do not contribute to the Plan. Total payroll for employees covered under the Plan for the year ended June 30, 2018, was \$1,446,826.

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

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

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

*Net pension liability* – the City's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018.

*Actuarial assumptions* – The total pension liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Expected long-term rate of return	8.00%
Discount rate	7.50%
Projected salary increases	5.00%
Cost of living adjustment	3.00%
Post-retirement Mortality Table	1994 Group Annuity Reserving Table, projected to 2002
Actuarial cost method	Entry age normal

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of the last actuarial experience study dated February 19, 2014. The result was rolled forward using standard actuarial techniques to the measurement date.

## NOTES TO THE FINANCIAL STATEMENTS

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### NOTE 4. OTHER INFORMATION (CONTINUED)

#### A. Employee Retirement Plan (Continued)

##### 3. Information about the Net Pension Liability (Continued)

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

*Long-term expected rate of return* – The long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investments expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Plan's target asset allocation as of July 1, 2018, are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Rate of Return</b>
Fixed income	36.00%	8.00%
Domestic equity	53.00%	8.00%
International equity	1.00%	8.00%
Cash	10.00%	
<b>Total</b>	<b>100.00%</b>	

*Projected cash flows* – The projection of cash flows used to determine the discount rate assumed the City would contribute 9.10% of projected compensation over the 15-year amortization period of the unfunded actuarial accrued liability. At the end of the 15-year period, the City will only contribute the normal cost of the remaining actives in the Plan.

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

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4. OTHER INFORMATION (CONTINUED)

#### A. Employee Retirement Plan (Continued)

##### 3. Information about the Net Pension Liability (Continued)

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

	<b>1.00% Decrease (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>1.00% Increase (8.50%)</b>
City's net pension liability (asset)	\$ 145,843	\$ 80,273	\$ (18,196)

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

Changes in the net pension liability are as follows:

	<b>Total Pension Liability (Asset) (a)</b>	<b>Fiduciary Net Position (b)</b>	<b>Net Pension Liability (Asset) (a) - (b)</b>
Balances at June 30, 2017	\$ 1,359,522	\$ 1,309,872	\$ 49,650
Changes for the year:			
Service cost	108,465	-	108,465
Interest	109,736	-	109,736
Difference between expected and actual experience	(4,996)	-	(4,996)
Contributions, employer	-	121,431	(121,431)
Net investment income	-	75,080	(75,080)
Benefit payments	(9,860)	(9,860)	-
Administrative expense	-	(13,929)	13,929
Net changes	<u>203,345</u>	<u>172,722</u>	<u>30,623</u>
Balances at June 30, 2018	<u><u>\$ 1,562,867</u></u>	<u><u>\$ 1,482,594</u></u>	<u><u>\$ 80,273</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

### NOTE 4. OTHER INFORMATION (CONTINUED)

#### A. Employee Retirement Plan (Continued)

5. *Pension Expense and Deferred Outflows Resources and Deferred Inflows of Resources Related to Pensions*  
Pension expense for the year ended June 30, 2018:

Service cost	\$ 108,465
Interest on total pension liability (TPL)	109,736
Differences between projected and actual experience	(16,888)
Expected return on assets	(101,417)
Differences between projected and actual earnings on plan investments	13,626
Administrative expenses	13,929
Total expense	<u>\$ 127,451</u>

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

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ -	\$ 98,983
Net difference between projected and actual earnings on pension plan investments	29,050	-
Total deferred outflows/(inflows)	<u>\$ 29,050</u>	<u>\$ 98,983</u>

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

#### Recognized in

##### June 30,

2019	\$ (3,258)
2020	(12,367)
2021	(11,254)
2022	(11,623)
2023	(15,937)
Thereafter	<u>(15,494)</u>
	<u>\$ (69,933)</u>



## NOTES TO THE FINANCIAL STATEMENTS

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### **NOTE 4. OTHER INFORMATION (CONTINUED)**

#### **B. Risk Management**

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

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

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

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

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

# CITY OF BLOOMINGDALE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY AND RELATED RATIOS LAST FIVE FISCAL YEARS JUNE 30, 2018

	2014	2015	2016	2017	2018
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 101,543	\$ 125,698	\$ 114,171	\$ 108,465	\$ 108,465
Interest	104,899	113,165	116,009	107,861	109,736
Differences between expected and actual experience	(68,879)	(18,921)	(69,018)	(51,698)	(4,996)
Benefit payments	(23,198)	(80,855)	(263,436)	(264,779)	(9,860)
<b>Net change in total pension liability</b>	114,365	139,087	(102,274)	(100,151)	203,345
<b>Total pension liability - beginning</b>	1,308,495	1,422,860	1,561,947	1,459,673	1,359,522
<b>Total pension liability - ending</b>	<u>\$ 1,422,860</u>	<u>\$ 1,561,947</u>	<u>\$ 1,459,673</u>	<u>\$ 1,359,522</u>	<u>\$ 1,562,867</u>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 104,770	\$ 124,920	\$ 134,304	\$ 123,112	\$ 121,431
Net investment income	165,890	54,710	105,664	95,395	75,080
Benefit payments	(23,198)	(80,855)	(263,436)	(264,779)	(9,860)
Administrative expense	(11,635)	(13,901)	(13,415)	(13,141)	(13,929)
<b>Net change in plan fiduciary net position</b>	235,827	84,874	(36,883)	(59,413)	172,722
<b>Plan fiduciary net position - beginning</b>	1,085,467	1,321,294	1,406,168	1,369,285	1,309,872
<b>Plan fiduciary net position - ending</b>	<u>\$ 1,321,294</u>	<u>\$ 1,406,168</u>	<u>\$ 1,369,285</u>	<u>\$ 1,309,872</u>	<u>\$ 1,482,594</u>
 CITY'S NET PENSION LIABILITY - ending	 \$ 101,566	 \$ 155,779	 \$ 90,388	 \$ 49,650	 \$ 80,273
 PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY	 92.86%	 90.03%	 93.81%	 96.35%	 94.86%
 COVERED PAYROLL	 \$ 1,249,083	 \$ 1,305,039	 \$ 1,179,505	 \$ 1,135,450	 \$ 1,446,826
 CITY'S NET PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL	 8.13%	 11.94%	 7.66%	 4.37%	 5.55%

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

# CITY OF BLOOMINGDALE, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS LAST FIVE FISCAL YEARS JUNE 30, 2018

	2014	2015	2016	2017	2018
Actuarially determined contribution	\$ 114,375	\$ 123,101	\$ 134,134	\$ 117,341	\$ 108,497
Contributions in relation to the actuarially determined contribution	104,770	124,920	134,304	123,112	121,431
Contribution deficiency (excess)	<u>\$ 9,605</u>	<u>\$ (1,819)</u>	<u>\$ (170)</u>	<u>\$ (5,771)</u>	<u>\$ (12,934)</u>
COVERED PAYROLL	\$ 1,249,083	\$ 1,305,039	\$ 1,179,505	\$ 1,135,450	\$ 1,446,826
CONTRIBUTIONS AS A PERCENTAGE OF COVERED PAYROLL	8.39%	9.57%	11.39%	10.84%	8.39%

### Notes to Schedule

Valuation date 7/1/2017

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry age normal
Amortization method	Closed level percentage of projected payroll over 15 years
Remaining amortization period	15 years
Asset valuation method	Market value, including accruals
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	8.00%
Retirement age	First day of the month coinciding with or following the later of age 62 or the fifth anniversary of plan participation, if earlier, age 57 and the completion of 25 years of service.
Mortality	1994 Group Annuity Reserving Table, projected to 2002

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

# CITY OF BLOOMINGDALE, GEORGIA

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## SPECIAL REVENUE FUNDS

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

The ***Fire Department Fund*** accounts for fund raising efforts by the City's fire department and related expenditure of those funds.

The ***Forfeiture Account Fund*** accounts for forfeited assets awarded to the City and the related expenditures.

# CITY OF BLOOMINGDALE, GEORGIA

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET FOR THE YEAR ENDED JUNE 30, 2018

	Non-major Special Revenue Funds		Total Non-major Governmental Funds
	Fire Department	Forfeiture Account Fund	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,857	\$ 8,249	\$ 13,106
Total assets	<u>\$ 4,857</u>	<u>\$ 8,249</u>	<u>\$ 13,106</u>
<b>FUND BALANCES</b>			
Fund balance:			
Restricted for:			
Public safety	\$ -	\$ 8,249	\$ 8,249
Assigned to:			
Public safety	4,857	-	4,857
Total fund balance	<u>\$ 4,857</u>	<u>\$ 8,249</u>	<u>\$ 13,106</u>

# CITY OF BLOOMINGDALE, GEORGIA

## NON-MAJOR GOVERNMENTAL FUNDS COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2018

	Non-major Special Revenue Funds		Total Non-major Governmental Funds
	Fire Department	Forfeiture Account Fund	
<b>REVENUES</b>			
Fines and forfeitures	\$ -	\$ 6,132	\$ 6,132
Total revenues	<u>\$ -</u>	<u>\$ 6,132</u>	<u>\$ 6,132</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	\$ -	\$ 2,135	\$ 2,135
Total expenditures	<u>-</u>	<u>2,135</u>	<u>2,135</u>
Net change in fund balance	-	3,997	3,997
Fund balance, beginning of year	4,857	4,252	9,109
Fund balance, end of year	<u>\$ 4,857</u>	<u>\$ 8,249</u>	<u>\$ 13,106</u>

# CITY OF BLOOMINGDALE, GEORGIA

## FIRE DEPARTMENT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Contributions and donations	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ -	\$ -	\$ -
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues over (under) expenditures	-	-	-	-
Fund balance at beginning of year	4,857	4,857	4,857	-
Fund balance at end of year	<u>\$ 4,857</u>	<u>\$ 4,857</u>	<u>\$ 4,857</u>	<u>\$ -</u>

# CITY OF BLOOMINGDALE, GEORGIA

## FORFEITURE ACCOUNT FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Fines and forfeitures	\$ -	\$ -	\$ 6,132	\$ 6,132
Total revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,132</u>	<u>\$ 6,132</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	\$ -	\$ -	\$ 2,135	\$ (2,135)
Total expenditures	<u>-</u>	<u>-</u>	<u>2,135</u>	<u>(2,135)</u>
Excess revenues over (under) expenditures	-	-	3,997	3,997
Fund balance at beginning of year	4,252	4,252	4,252	-
Fund balance at end of year	<u>\$ 4,252</u>	<u>\$ 4,252</u>	<u>\$ 8,249</u>	<u>\$ 3,997</u>



# CITY OF BLOOMINGDALE, GEORGIA

## SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS FOR THE YEAR ENDED JUNE 30, 2018

Project	Estimated Cost		Expenditures		Cumulative Total
	Original	Current	Prior Years	Current	
<b>2014 Resolution</b>	\$ 3,200,000	\$ 3,200,000			
General administration					
General administration equipment	-	-	57,289	-	57,289
Rental house renovations	-	-	-	8,729	8,729
Public safety:					
Equipment	-	-	253,486	204,975	458,461
Public works:					
Equipment	-	-	104,277	79,154	183,431
Street resurfacing	-	-	303,695	44,582	348,277
Jimmy Deloach Parkway relocation	-	-	40,549	-	40,549
Water meter replacement project	-	-	128,077	-	128,077
School pump station upgrade	-	-	-	3,000	3,000
Debt service - interest	-	-	14,246	7,237	21,483
Drainage projects:					
Phase III drainage project	-	-	23,903	56,025	79,928
Recreation:					
Veterans Monument	-	-	6,797	-	6,797
Gym	-	-	-	60,454	60,454
Rails to Trails	-	-	3,689	-	3,689
Equipment	-	-	118,584	30,694	149,278
<b>Totals</b>	<u>\$ 3,200,000</u>	<u>\$ 3,200,000</u>	<u>\$ 1,054,592</u>	<u>\$ 494,850</u>	<u>\$ 1,549,442</u>

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

SPLOST Fund project total expenditures	\$ 650,944
Other expenditures:	
Debt service payments related to items already included on the schedule	156,137
Veterans Monument expenditures funded with private donations	(43)
Total SPLOST expenditures	<u>\$ 494,850</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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**To the Mayor and Members of the City Council  
City of Bloomingdale, Georgia  
Bloomingdale, 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, business-type activities, each major fund, and the aggregate remaining fund information of the City of Bloomingdale, Georgia (the "City"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 14, 2019.

**Internal Control Over Financial Reporting**

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

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 weaknesses may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the combination of deficiencies described in the accompanying schedule of findings and questioned costs to be a material weakness (2018-001 through 2018-008). 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.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**City's Responses to Findings**

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and responses was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

**Purpose of this Report**

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

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The script is cursive and fluid, with the letters "M", "J", and "L" being particularly prominent.

Savannah, Georgia  
May 14, 2019

# CITY OF BLOOMINGDALE, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

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### Section I

#### Summary of Audit Results

##### Financial Statements

Type of auditor's report issued

Unmodified

Internal control over financial reporting:  
Material weaknesses identified?

  X   Yes        No

Significant deficiencies identified not considered to be material weaknesses?

       Yes   X   No

Noncompliance material to financial statements noted?

       Yes   X   No

##### Federal Awards

There was not an audit of major federal award programs as of June 30, 2018 due to the total amount expended being less than \$750,000.

### Section II

#### Financial Statement Findings and Responses

##### **Finding 2018-001 – Excess of Expenditures over Appropriations (recurring)**

*Criteria:* The annual budget is prepared as a working operational plan that, upon approval, becomes a legal working document for the City.

*Condition:* During our test of expenditures, we noted following expenditure categories were over the City's final budget at June 30, 2018:

##### **General Fund:**

Administration	\$	141,197
Municipal court		2,189
Police		113,972
Fire		15,896
Public maintenance		93,342
Recreation		4,778
Debt service		142,054
Transfer out		1,000

##### **Forfeiture Account Fund**

Public Safety		2,134
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*Cause:* Formal budget amendments were not always prepared for additional appropriations authorized subsequent to the adoption of the FY 2018 original budget.

*Effect or Possible Effect:* Noncompliance with local budget ordinance.

# CITY OF BLOOMINGDALE, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

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### Section II (Continued)

#### Financial Statement Findings and Responses (Continued)

##### **Finding 2018-001 – Excess of Expenditures over Appropriations (recurring) (Continued)**

*Recommendation:* We recommend that City's management review actual vs. budget periodically and adjust the annual budget in accordance.

*Views of Responsible Officials and Planned Corrective Actions:* Management agrees with the finding. Procedures will be developed and implemented to ensure compliance with the City's budget ordinance. Quarterly budget amendments will be presented by staff to City Council for consideration after monitoring over expenditures in monthly Budget meetings.

##### **Finding 2018-002 – Improper Reconciliation of Accounts Receivable**

*Criteria:* The City's general ledger is the official record of financial transactions. All accounts receivable accounts should be reconciled monthly to the subsidiary ledgers.

*Condition:* During our testing of the accounts receivable account balances for sanitation, fire fee and water and sewer, we noted that the accounts were not properly reconciled to the general ledger, and variances could not be explained.

*Cause:* Subsidiary ledgers are not reconciled to the general ledger on a monthly basis.

*Effect or Possible Effect:* Potential misstatement of revenues and the City's financial position.

*Recommendation:* All accounts receivable subsidiary ledgers should be reconciled to the general ledger in a timely manner. We recommend that City's management review the reconciliations each month to ensure the reconciliation process has been performed.

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the findings and steps will be implemented to ensure that all accounts receivable accounts are reconciled monthly. Management will follow up with staff to ensure proper reconciliations have been completed in monthly budget meetings.

##### **Finding 2018-003 – Other Accounts Receivable**

*Criteria:* Accounts receivable balances should be reconciled to the general ledger on a periodic basis.

*Condition:* During our testing of accounts receivable, we noted certain account balances that had not changed from the previous year.

*Cause:* The account balances had not been adjusted for the current year.

*Effect or Possible Effect:* Misstatement of the financial statements could result from not reconciling these accounts and understanding the purpose of the accounts.

# CITY OF BLOOMINGDALE, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

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### Section II (Continued)

#### Financial Statement Findings and Responses (Continued)

##### **Finding 2018-003 – Other Accounts Receivable (Continued)**

*Recommendation:* Having receivables on the general ledger that do not change throughout the year and are only adjusted at year-end is not an unusual practice. However, we recommend personnel understand the purpose of the accounts and adjust the account balances at year-end.

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding and will assist staff in making these adjustments in a timely manner with consultation in monthly budget meetings.

##### **Finding 2018-004 – Recording Accounts Payable**

*Criteria:* The City's general ledger is the official record of financial transactions. All accounts payable should be recorded timely for accurate financial statements.

*Condition:* During our testing of the accounts payable account balances, we noted numerous payables were not recorded.

*Cause:* Procedures have not been established for recording year-end payables.

*Effect or Possible Effect:* Potential misstatement of expenditures (expenses) and the City's financial position.

*Recommendation:* Procedures should be implemented for recording all accounts payable and other liabilities.

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the findings and will assist staff with consultation in monthly budget meetings to ensure all payables are recorded in a timely manner.

##### **Finding 2018-05 – Timeliness of Bank Reconciliations**

*Criteria:* The City's general ledger is the official record of financial transactions. Bank accounts should be reconciled monthly to this balance.

*Condition:* During our testing of cash, we noted that many of the City's bank accounts were not reconciled to the general ledger in a timely manner. Significant adjustments had to be made to the general ledger at year-end.

*Cause:* Preparation of reconciliations were not prepared on a monthly schedule.

*Effect or Possible Effect:* Misstatement of the City's financial statements and detection of irregularities or errors associated with cash.

*Recommendation:* All bank accounts should be properly reconciled to the general ledger in a timely manner. We recommend that City's management review the bank accounts and reconciliations each month to ensure that they are properly reconciled to the general ledger.

# CITY OF BLOOMINGDALE, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

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### Section II (Continued)

#### Financial Statement Findings and Responses (Continued)

##### **Finding 2018-05 – Timeliness of Bank Reconciliations (Continued)**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the findings. The finance clerk has since been appropriately trained, therefore, she has the knowledge and intention to carry forward with the correct procedure when it comes to reconciling the cash accounts to the general ledger in a timely manner. Management will verify these reconciliations with consultations with monthly budget meetings.

##### **Finding 2018-006 – Unexplained Variances in Customer Deposit Listing (recurring)**

*Criteria:* A customer deposit listing should be maintained in order to determine which customers are due a refund.

*Condition:* The water and sewer customer deposit listing that was provided by the City did not agree to the liability balances reported by the City. The City was unable to provide a reason for or the cause of the variance.

*Cause:* The reason for the variance could not be explained by the City.

*Effect or Possible Effect:* Though the amount of the variance was immaterial in the current year, it could possibly grow even larger if the cause is not found and corrected. The City could potentially have an unrecorded liability.

*Recommendation:* We recommend that investigating the cause of the variance, and working with the software company if needed, to ensure that no variances exist between the amounts reported in the billing system and the amounts carried over to the City's general ledger.

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding. Management understands the importance, therefore, a plan and procedures will be put into place to print this report at day's end of June 30th going forward. Management will verify this action on June 30th and monitor progress.

##### **Finding 2018-007 – Inventory**

*Criteria:* Inventory accounts are maintained to ensure goods on hand are properly consumed by various departments.

*Condition:* During our audit, we noted that the gasoline/diesel inventory account required an adjustment of \$73,417.

*Cause:* A physical inventory or reading of gallons to compare to inventory account balances has not been performed by the City.

*Effect or Possible Effect:* Overstatement of inventory account balance and understatement of expenditure accounts.

*Recommendation:* We recommend the City obtain month end readings of gallons on hand and reconcile to the general ledger inventory account. Significant variances should be investigated and appropriate adjustments made to the City's financial statements.

# CITY OF BLOOMINGDALE, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

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### Section II (Continued)

#### Financial Statement Findings and Responses (Continued)

##### **Finding 2018-007 – Inventory (Continued)**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding and will implement the recommendation of the auditor on a monthly basis with Public Works Director.

##### **Finding 2018-008 – Year-end Close Process**

*Criteria:* Management is responsible for the accuracy and completeness of the financial transactions in the City's general ledger to ensure accurate financial statements.

*Condition:* The City currently does not have an adequate monthly or year-end close process, whereby the City's financial records are reviewed and reconciled to supporting documentation.

During our audit, we recommended numerous adjusting journal entries to correct year-end accruals, record proprietary fund depreciation expense, reconcile the transfer of cash and other activity between funds, and to correct accounting errors.

*Effect or Possible Effect:* This condition could lead to inaccurate financial reporting.

*Recommendation:* Reliable and accurate financial information is critical to making responsible decisions regarding the expenditure of public funds and the financial direction of the City. We recommend that procedures be implemented to ensure that all accruals and receivables are captured and recorded in the general ledger. These procedures should require all monthly activity be reconciled to supporting documents, including internally produced reports and reports provided by third-parties. Additionally, at year-end, we recommend the City implement a system whereby all accruals and receivables are captured and recorded in the general ledger.

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding and will implement procedures outlined in the auditor's recommendation. Management will consult with staff/consultants to ensure all activities have been completed on a year-end basis during consultation with the aforementioned staff.

### Section III

#### Federal Award Findings and Questioned Costs

None reported.



# CITY OF BLOOMINGDALE, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018

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### Section IV

#### Prior Year Findings and Responses

**Finding 2017-01 – Excess of Expenditures over Appropriations (repeat finding)**

*Criteria:* The annual budget is prepared as a working operational plan that, upon approval, becomes a legal working document for the City.

*Condition:* During our test of expenditures, we noted following expenditure categories were over the City's final budget at June 30, 2017:

**General Fund:**

Administration	\$	141,197
Municipal court		2,189
Police		113,972
Fire		15,896
Public maintenance		93,342

*Status:* Unresolved – See finding 2018-001.

**Finding 2017-02 – Improper Reconciliation of Bank Accounts**

*Criteria:* The City's general ledger is the official record of financial transactions. Bank accounts should be reconciled monthly to this balance.

*Condition:* During our testing of cash, we noted that many of the City's bank accounts were not properly reconciled to the general ledger, and variances could not be explained by the finance clerk.

*Status:* Partially resolved – See finding 2018-005.

**Finding 2017-03 – Inadequate Support for Accounts Receivable**

*Criteria:* An aging of receivables should be maintained in order to determine which accounts are overdue for payment.

*Condition:* The City was unable to provide an aging summary and fines receivable report as of June 30, 2017. As such, we were unable to substantiate the balance of these accounts.

*Status:* Resolved.

**Finding 2017-04 – Improperly Documented Asset Purchases**

*Criteria:* Adequate documentation should be maintained for all purchases to verify and authenticate the acquisition.

*Condition:* During our testing of capital asset acquisitions, we noted two police vehicle purchases that did not have a related invoice or other supporting document to substantiate the acquisition.

*Status:* Resolved.

# **CITY OF BLOOMINGDALE, GEORGIA**

## **SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED JUNE 30, 2018**

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### **Section IV (Continued)**

#### **Prior Year Findings and Responses (Continued)**

**Finding 2017-05 – Unexplained Variances in Customer Deposit Listing**

*Criteria:* A customer deposit listing should be maintained in order to determine which customers are due a refund.

*Condition:* The water and sewer customer deposit listing that was provided by the City did not agree to the liability balances reported by the City. The City was unable to provide a reason for or the cause of the variance.

*Status:* Unresolved – See finding 2018-006.

Ben A. Rozier  
Mayor

J. Raymond Dickey  
City Attorney

Charles D. Akridge  
City Administrator



Barbara Griffin  
Ernest Grizzard, Sr.  
Gene Harley  
Jimmy Kerby  
Virginia Key  
David Otakie  

---

City Council

## *City of Bloomingdale*

Post Office Box 216  
Bloomingdale, Georgia 31302

### **CITY OF BLOOMINGDALE, GEORGIA**

#### **MANAGEMENT'S CORRECTIVE ACTION PLAN FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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##### **Finding 2018-001 - Excess of Expenditures over Appropriations (recurring)**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding. Procedures will be developed and implemented to ensure compliance with the City's budget ordinance. Quarterly Budget Amendments will be presented by staff to City Council for consideration after monitoring over expenditures in monthly Budget meetings.

##### **Finding 2018-002 - Improper Reconciliation of Accounts Receivable**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the findings and steps will be implemented to ensure that all accounts receivable accounts are reconciled monthly. Management will follow up with staff to ensure proper reconciliations have been completed in monthly Budget meetings.

##### **Finding 2018-003 - Other Accounts Receivable**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding and will assist staff in making these adjustments in a timely manner with consultation in monthly Budget meetings.

##### **Finding 2018-004 - Recording Accounts Payable**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the findings and will assist staff with consultation in monthly Budget meetings to ensure all payables are recorded in a timely manner.

##### **Finding 2018-005 - Timeliness of Bank Reconciliations**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the findings. The Finance Clerk has since been appropriately trained; therefore, she has the

knowledge and intention to carry forward with the correct procedure when it comes to reconciling the cash accounts to the general ledger in a timely manner. Management will verify these reconciliations with consultations with monthly Budget meetings.

**Finding 2018-006 - Unexplained Variances in Customer Deposit Listing (recurring)**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding. Management understands the importance; therefore, a plan and procedures will be put into place to print this report at day's end of June 30th going forward. Management will verify this action on June 30th and monitor progress.

**Finding 2018-007 - Inventory**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding and will implement the recommendation of the auditor on a monthly basis with Public Works Director.

**Finding 2018-008 - Year-end Close Process**

*Views of Responsible Official and Planned Corrective Actions:* Management agrees with the finding and will implement procedures outlined in the auditor's recommendation. Management will consult with staff/consultants to ensure all activities have been completed on a year-end basis during consultation with the aforementioned staff.

**Name of the Contact Person Responsible for Corrective Action Plan:**

Charles Akridge, City Manager

**Anticipated Completion Date:**

Fiscal year 2019