CITY OF SWAINSBORO, GEORGIA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED NOVEMBER 30, 2015

City of Swainsboro, Georgia
Annual Financial Report
For The Fiscal Year Ended November 30, 2015

TABLE OF CONTENTS

Financial Section

Independent Auditors' Report 1-2

Management's Discussion and Analysis (Unaudited) 3-12

Basic Financial Statements

Government-wide Financial Statements:
Statement of Net Position 13
Statement of Activities 14

Fund Financial Statements:

Governmental Funds:
Balance Sheet 15
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position) 16
Statement of Revenues, Expenditures and Changes in Fund Balances 17
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-wide Statement of Activities) 18

Proprietary Funds:
Statement of Net Position 19
Statement of Revenues, Expenses, and Changes in Fund Net Position 20
Statement of Cash Flows 21-22

Notes to the Basic Financial Statements 23-46

Required Supplementary Information
Pension-Schedule of Contributions 47
Pension-Schedule of Changes in County's Net Pension Liability 48
Notes to Required Supplementary Information 49
General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual 50

Supplemental Information:

Combining and Individual Fund Statements and Schedules:

Governmental Funds:

Nonmajor Governmental Funds:
Combining Balance Sheet – By Fund Type 51
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – By Fund Type 52

Major *General Fund*:
Comparative Balance Sheet.......... 53
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances 54
Schedule of Revenues – Budget and Actual 55
Schedule of Expenditures – Budget and Actual.......... 56-57

Nonmajor Special Revenue Fund:
Hotel-Motel Tax Fund
Comparative Balance Sheet.......... 58
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual 59

Nonmajor Debt Service Fund:
Debt Service Fund
Comparative Balance Sheet.......... 60
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual 61

Major Capital Projects Fund:
SPLOST Fund 2005
Comparative Balance Sheet.......... 62
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual 63
SPLOST Fund 2012
Comparative Balance Sheet.......... 64
Schedule of Revenues, Expenditures and Changes in Fund
Balances - Budget and Actual 65

Proprietary Fund

Enterprise Fund:
Major Enterprise Fund
Water and Sewer Fund
Comparative Statement of Net Position 66
Comparative Statement of Revenues, Expenditures and Changes in
Fund Balances – By Fund Type.......... 67
Comparative Statement of Cash Flows.......... 68-69

Special Reports:

Schedule of Projects Constructed with Splost.......... 70

Auditor Reports:
Report on Internal Control over Financial Reporting and on Compliance 71-72

Stacie W. Avery
Certified Public Accountant
P.O. Box 189
241 W. Main Street
Swainsboro, GA 30401

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council
City of Swainsboro, Georgia

I have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia, as of and for the year ended November 30, 2015, 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

My responsibility is to express opinions on these financial statements based on my audit.
I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 nor for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I do not express such an 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia as of November 30, 2015, and the respective changes in financial position and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.
In accordance with *Government Auditing Standards*, I have also issued my report dated August 27, 2016, on my consideration of the County's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report

is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and analysis and budgetary comparison information on pages 3-12 and 50 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operation, economic, or historical context. I 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 basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures to not provide us with sufficient evidence to express an opinion or provide any assurance.

Other information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Swainsboro, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements, the SPLOST schedule and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basis 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 my opinion, the combining individual nonmajor fund financial statements and other supplementary is fairly state, in all material respects, in relation to the basic financial statements as a whole.

Stacie W. Avery

Stacie W. Avery, Certified Public Accountant

August 27, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Swainsboro, Georgia (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended November 30, 2015. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by $32,299,408 (net position) for the fiscal year reported. ,

- Total net position are comprised of the following:

  (1) Net investment in capital assets, of $27,808,462 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $667,316 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $3,823,630 represents the portion available to maintain the City's continuing obligations to citizens and creditors.

- The City's governmental funds reported total ending fund balance of $2,541,653 this year. This compares to the prior year ending fund balance of $3,674,594, showing a decrease of $1,132,941 during the current year. Unassigned fund balance of $2,305,784 at November 30, 2015 shows a $911,398 decrease from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $2,308,946 or 27.5% of total General Fund expenditures, as compared to 37.1% at November 30, 2015.

- Overall, the City continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available and feasible.

Government-wide Financial Statements

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

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

The second government-wide statement is the *Statement of Activities, which* reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include the water and sewer systems.

The government-wide financial statements are presented on pages 13 & 14 of this report.

Fund Financial Statements

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

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 15 - 18 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

The *Proprietary fund* is reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary fund is classified as an enterprise fund. This enterprise fund essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for water and sewer utilities.

The basic enterprise fund financial statements are presented on pages 19-22 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 23 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. Also included are notes to the RSI.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $32,299,408 as compared to a restated $31,882,684 at November 30, 2015. The following table provides a summary of the City's net position:

Summary of Net Position

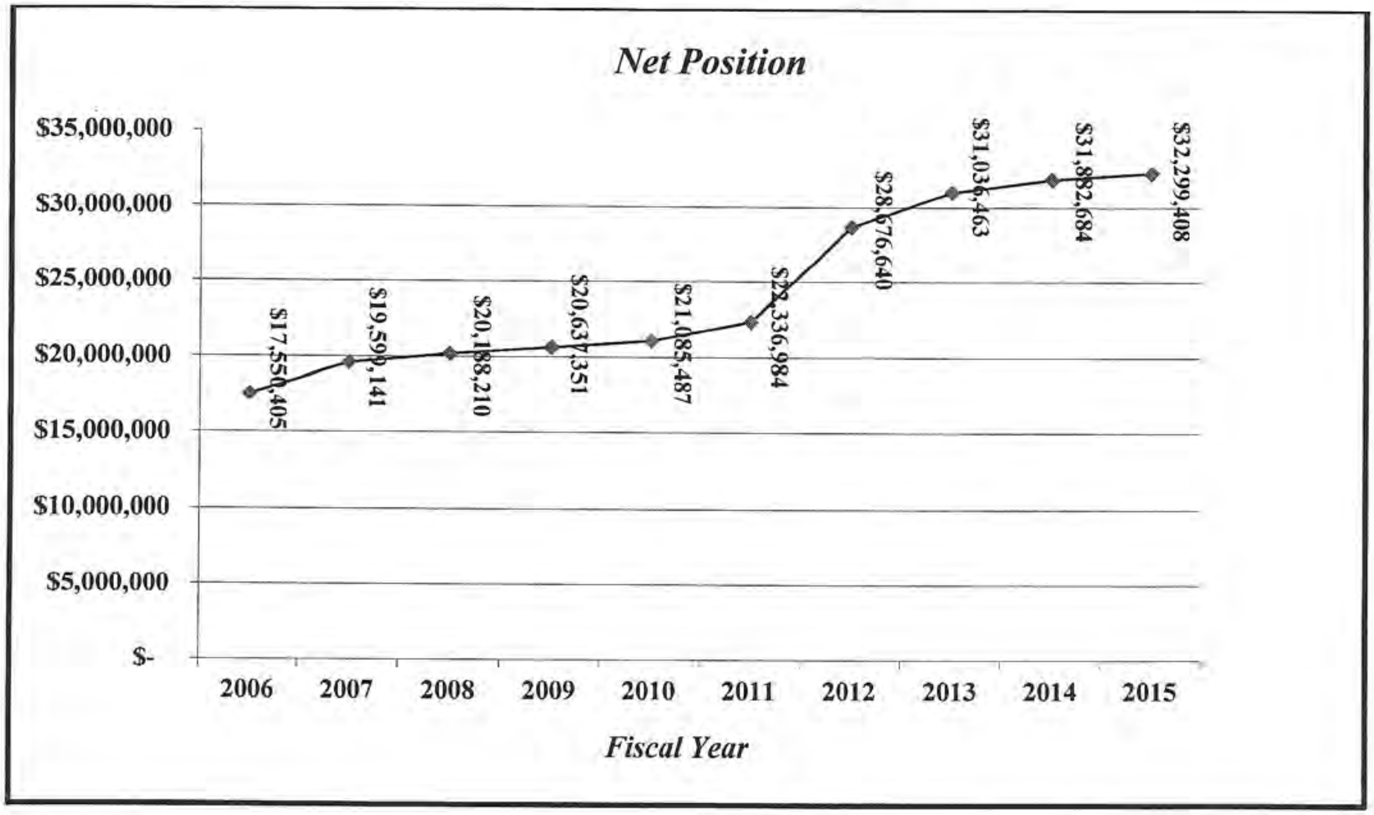
	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
Assets:						
Current assets	$ 3,175,622	$ 4,401,536	$ 1,035,570	$ 1,240,618	$ 4,211,192	$ 5,642,154
Capital assets	13,615,204	11,979,371	22,932,948	23,691,934	36,548,152	35,671,305
Net pension assets	495,292	-	-	-	495,292	-
Total assets	17,286,118	16,380,907	23,968,518	24,932,552	41,254,636	41,313,459
Liabilities:						
Current liabilities	810,835	340,918	541,605	478,342	1,352,440	819,260
Long-term liabilities	651,693	1,537,165	7,250,323	7,583,512	7,902,016	9,120,677
Total liabilities	1,462,528	1,878,083	7,791,928	8,061,854	9,254,456	9,939,937
Deferred inflows of resources	(299,228)	(374,038)	-	-	(299,228)	(374,038)
Net position:						
Net investment in capital assets	12,431,469	10,437,066	15,376,993	15,835,258	27,808,462	26,272,324
Restricted	197,297	418,826	470,019	367,187	667,316	786,013
Unrestricted	3,494,052	3,714,494	329,578	668,253	3,823,630	4,382,747
Total net position	$ 16,122,818	$ 14,570,386	$ 16,176,590	$ 16,870,698	$ 32,299,408	$ 31,441,084

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.3 to 1 as compared to 12.9 to 1 at November 30, 2014. The current ratio for business-type activities is 1.9 to 1 as compared to 2.6 to 1 at November 30, 2014.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $1,110,832 or 7.4% for governmental activities, and decreased $694,108 or 4.1% for business-type activities. The City's overall financial position improved during fiscal year 2015.

Note that approximately 77.1% of the governmental activities' net position is tied up in capital. The City uses these capital assets to provide services to its citizens. However, with business type activities, the City has spent approximately 95.1% of its net position on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. 86.1% of the City's total net position is included in capital assets.

The following chart reports the total net position balances from November 30, 2006 – 2015:



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

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	Restated 2014	2015	2014	2015	Restated 2014
Revenues:						
Program:						
Charges for services & fines	$ 1,404,931	$ 1,361,042	$ 1,748,206	$ 2,017,634	$ 3,153,137	$ 3,378,676
Operating grants	936,289	691,353	-	-	936,289	691,353
Capital grants	692,323	182,540	327,169	688,292	1,019,492	870,832
General:						
Taxes	4,689,430	5,501,470	-	-	4,689,430	5,501,470
Other	108,888	118,525	19,031	17,201	127,919	135,726
Total revenues	7,831,861	7,854,930	2,094,406	2,723,127	9,926,267	10,578,057
Program Expenses:						
General government	646,996	596,830	-	-	646,996	596,830
Public safety	2,643,436	2,878,597	-	-	2,643,436	2,878,597
Public works	1,865,454	2,042,963	-	-	1,865,454	2,042,963
Health and welfare	6,725	19,430	-	-	6,725	19,430
Culture and recreation	1,063,638	1,086,767	-	-	1,063,638	1,086,767
Housing and development	439,308	624,206	-	-	439,308	624,206
Interest	55,473	44,626	-	-	55,473	44,626
Water and sewer	-	-	1,748,206	2,880,017	1,748,206	2,880,017
Total expenses	6,721,030	7,293,419	1,748,206	2,880,017	8,469,236	10,173,436
Revenues over (under) expenses	1,110,831	561,511	346,200	(156,890)	1,457,031	404,621
Transfers in (out)	-	-	-	-	-	-
Net changes in net position	1,110,831	561,511	346,200	(156,890)	1,457,031	404,621
As restated beginning net position	14,008,875	14,637,948	17,027,588	17,027,588	31,036,463	31,665,536
Ending net position	$ 15,119,706	$ 15,199,459	$ 17,373,788	$ 16,870,698	$ 32,493,494	$ 32,070,157

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 30.9% of the City's total governmental revenues as compared to 31.1% in fiscal year 2015. Sales taxes make up 10.5% of the City's total governmental revenues as compared to 15.7% in fiscal year 2015.

User charges and fines are the second largest revenue source totaling over $1.4 million or 17.9% of total governmental revenues. This percentage compared to 17.3% in fiscal year 2015. Because of the City's healthy financial position, we have been able to earn $4,528 in interest earnings to support governmental activities. Also, note that program revenues cover 45.1% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 54.9% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 67.1% of the total governmental activities expenses as compared to 57.5% in fiscal year 2015. General government totals over $600 thousand and the culture and recreation costs the City over $1 million annually.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	%	Net Cost of Services	%
General government	$ 646,996	9.6%	$ 407,553	11.1%
Public safety	2,643,436	39.3%	2,323,822	63.0%
Public works	1,865,454	27.8%	495,407	13.4%
Health and welfare	6,725	0.1%	6,725	0.2%
Culture and recreation	1,063,638	15.8%	213,115	5.8%
Housing and development	439,308	6.5%	185,392	5.0%
Interest	55,473	0.8%	55,473	1.5%
Total	$ 6,721,030	100.0%	$ 3,687,487	100.0%

The public safety totals 63% of the net cost of services and public works totals 13.4% of these costs.

BUSINESS-TYPE ACTIVITIES

The major enterprise fund is the City's water and sewer system. Charges for services for the water and sewer fund were $1,665,857 or down $257,208, or 13.4%. Much of this decrease relates to some meters that were not working properly.

Operating expenses decreased $81,679 or 3% less than fiscal year 2015. Personal services costs decreased $11,889 or 36%, as there was a gap in employment. Depreciation expense increased $9,573 over last year.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $2,541,653 as compared to the 2014 fiscal year amount of $3,674,594. Of this year-end total, $2,305,784 is unassigned indicating availability for continuing City service requirements. Fund balance includes $126,708 restricted for capital outlay, $11,106 restricted for debt service and $59,483 for housing and development. Fund balance includes assets not available for current expenditure of $38,572, which is tied up in inventory.

The total ending fund balances of governmental funds show a decrease of $1,132,941 or a decrease of 308% below the prior year.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased $908,250 in fiscal year 2015. In fiscal year 2014, the fund balance increased $499,734.

Total revenues decreased $126,768 or 1.7% from that of fiscal year 2015.

General property taxes decreased $162,193 or 7% over that of fiscal year 2014 because of timely tax collections and no tax sales were held in fiscal year 2015. In total, motor vehicle taxes increased $21,897 due to the change on how these taxes are levied. Ultimately, this revenue should level off.

Franchise taxes increased $87,763 or 17.5% due to increased sales and an additional phone company came to the city.

Alcoholic beverage taxes decreased $19,425 or 62.5% from fiscal year 2014.

Fines were up $6,608 or 36% from last year. Garbage collection fees were $42,674 or 9.9% above fiscal year 2014, primarily due to a policy change regarding the use of polycarts.

Total expenditures decreased $329,421 or 3.8% below the fiscal year 2015 total, mostly related to capital items.

Culture and recreation fees increased $14,048 or 30%.

Under financial administration, personal services increased $17,517 or 5% over fiscal year 2014, primarily due to normal salary increases.
Police personal services increased $93,406 or 8.2%, due primarily to needed overtime services.

Public works operations decreased $228,435, due to a grant received in fiscal year 2014 that was not duplicated in fiscal year 2015.

The expenditures for the other functions were approximately equal to the fiscal year 2014 amount.

The general fund's ending unassigned fund balance decreased $2,308,946 or 28.2% below the November 30, 2014 balance. This balance is considered adequate, representing the equivalent of 27.7% of annual expenditures, as compared to 37.1% last year.

2005 SPLOST Fund – In fiscal year 2015, this fund reported interest earnings of just $126. The City did not spend anything in this fiscal year. The ending fund balance totals $126,708.

2012 SPLOST Fund – In fiscal year 2015, this fund reported revenues of $387,810, of which $387,740 was SPLOST taxes received from the County. The City spent $589,992. The ending fund balance totals a deficit of $3,162.

The Proprietary Fund

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2015, the City Council did not amend the general fund budget.

The City recognized $243,249 more than anticipated total revenues, primarily in the intergovernmental and TIA tax, which was not budgeted. Total tax revenue was $218,576 below the budget, resulting from property taxes and TIA taxes. The budget for motor vehicles was $76,016, due to an inaccurate budget.

On the expenditure side, both the police and fire department budgets were over expended, due primarily to capital expenditures not budgeted completely.

The public works function was over expended by $154,881, due to capital expenditures.

In total, the City overspent the budget by $1,572,486 as explained above.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of November 30, 2015, was $13,615,204 and $22,932,948 respectively. The increase in net investment was ____% for governmental activities and a 3.2% decrease for business-type activities. See Note 3-F for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities		Business Activities		Total	
	2015	2014	2015	2014	2015	2014
Non-depreciable assets:						
Land	$ 1,139,999	$ 1,139,999	$ 520,300	$ 520,300	$ 1,660,299	$ 1,660,299
Depreciable assets:						
Buildings	9,936,099	8,333,949	31,319	31,319	9,967,418	8,365,268
Utility plant	-	-	32,708,187	32,403,459	32,708,187	32,403,459
Machinery and equipment	2,965,350	2,839,183	827,387	811,103	3,792,737	3,650,286
Infrastructure	6,346,126	5,788,902	-	-	6,346,126	5,788,902
Total depreciable assets	19,247,575	16,962,034	33,566,893	33,245,881	52,814,468	50,207,915
Less accumulated depreciation	6,772,370	6,122,662	11,154,245	10,074,247	17,926,615	16,196,909
Book value - depreciable assets	12,475,205	10,839,372	22,412,648	23,171,634	34,887,853	34,011,006
Percentage depreciated	35%	36%	33%	30%	34%	32%
Book value - all assets	$ 13,615,204	$ 11,979,371	$ 22,932,948	$ 23,691,934	$ 36,548,152	$ 35,671,305

At November 30, 2015, the depreciable capital assets for governmental activities were 35% depreciated. This compares to 36% at the November 30, 2014 percentage. This comparison indicates that the City is replacing its assets at about the same rate as they are depreciating which is a positive indicator.

With the City's business type activities, 33% of the asset values were depreciated at November 30, 2015, which compares to 30% at November 30, 2014.

Additions to the general government buildings included:

- Fire station ($1,064,036)
- Dixie theater (294,565)
- Airport hangar ($163,627)

Additions to infrastructure include:

- Landfill ($135,975)
- Paving ($234,809)
- Street improvements ($186,640)

Machinery and equipment additions included three vehicles and an excavator.

Long-term Debt

During the year, the City retired $100,000 or 48.8% of the beginning outstanding governmental activities general obligation bonds.

	Governmental Activities		Business-type Activities		Totals	
	2015	Restated 2014	2015	2014	2015	Restated 2014
General obligation bonds	$ 105,000	$ 205,000	$ -	$ -	$ 105,000	$ 205,000
Capital leases:	176,339	252,282	-	-	176,339	252,282
Promissory note	902,397	1,085,023	-	-	902,397	1,085,023
GEFA loans	-	-	1,559,707	1,752,701	1,559,707	1,752,701
USDA loan	-	-	5,996,248	6,103,975	5,996,248	6,103,975
Net pension liability (excess)	(495,292)	(67,562)	-	-	(495,292)	-
Total	$ 688,444	$ 1,474,743	$ 7,555,955	$ 7,856,676	8,244,399	$ 9,398,981

The fiscal year 2015, the new promissory in governmental activities relates to the construction of a new airplane hangar.

See Note 3-G for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The City is physically located in the mid-eastern portion of the State of Georgia, 182 miles southeast of the State capitol, Atlanta, Georgia. The County's land area is 690 square miles with 31.8 persons per square mile. This compares favorably with the State of Georgia's rate of 141.4 persons per square mile. The County seat is Swainsboro, Georgia, which makes up approximately 33.5 % of the County's population. Services are the largest employment sector providing 32.3% of the jobs. Statewide, the service industry provides 25.6% of the jobs.

The City's population is estimated at 7,535. Since the City relies primarily on property and sales taxes for its operating revenue, changes in the economy definitely affect these revenue streams. Since sales taxes are, an "elastic revenue stream," in a sluggish economy, the sales tax revenues are reduced immediately. Property taxes are considered "inelastic" in the short-term; this revenue stream is more stable. Fortunately, for the City, because of its revenue stream makeup, it is able to survive financially in a slow economy. With the new growth and addition of a Super Walmart, new apartment complex, new shopping center, and other additions, the tax base looks positive for the upcoming years.

The estimated unemployment rate for the City of Swainsboro (i.e., Emanuel County) is 10.8%. This rate compares to the State of Georgia's rate of 8.4% and the United States rate of 7.4%, both for the same period. In November 2015, there are 8,761 employed in the County.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Administrator at 478/237-7025 or stop by City Hall, 101 West Main Street, Swainsboro, Georgia, 30401.

City of Swainsboro, Georgia
Statement of Net Position
November 30, 2015

	Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Downtown Development Authority Component Unit
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 349,842	$ 87,577	$ 437,419	$ 5,766
Investments	768,129	-	768,129	-
Receivables:				
Accounts	47,553	247,390	294,943	-
Taxes	2,202,110	-	2,202,110	-
Intergovernmental	-	-	-	-
Interfund	(230,584)	230,584	-	-
Inventories	38,572	-	38,572	-
Restricted assets	-	470,019	470,019	11,685
Total Current Assets	3,175,622	1,035,570	4,211,192	17,451
Noncurrent Assets				
Net pension liability (excess)	495,292	-	495,292	-
Capital assets (Note 3D)				
Nondepreciable	1,139,999	520,300	1,660,299	-
Depreciable, net	12,475,205	22,412,648	34,887,853	-
Total Noncurrent Assets	14,110,496	22,932,948	37,043,444	-
Total Assets	17,286,118	23,968,518	41,254,636	17,451
Liabilities				
Current Liabilities				
Accounts payable	151,656	52,761	204,417	-
Accrued expenses	16,744	-	16,744	-
Compensated absences payable	82,795	-	82,795	-
Customer deposits	-	183,212	183,212	-
Promissory notes payable	376,455	-	376,455	-
GEFA loans payable	-	195,456	195,456	-
Capital leases payable	78,185	-	78,185	-
USDA bonds payable	-	110,176	110,176	-
General obligation bonds payable	105,000	-	105,000	-
Total Current Liabilities	810,835	541,605	1,352,440	-
Long-term Liabilities: (net of current portion) (Note 3G)				
Compensated absences payable	27,598	-	27,598	-
Loan payable	-	-	-	-
GEFA loans payable	-	1,364,252	1,364,252	
Capital leases payable	98,154	-	98,154	-
USDA bonds payable	-	5,886,071	5,886,071	-
Promissory note payable	525,941	-	525,941	36,806
Total Long-term Liabilities	651,693	7,250,323	7,902,016	36,806
Total Liabilities	1,462,528	7,791,928	9,254,456	36,806
Deferred Inflows of Resources	(299,228)	-	(299,228)	-
Total Liabilities and Deferred Inflows of Resources	1,163,300	7,791,928	8,955,228	36,806
Net Position				
Net investment in capital assets (Note 3I)	12,431,469	15,376,993	27,808,462	-
Restricted for debt service	11,106	470,019	481,125	-
Restricted for housing and development	59,483	-	59,483	-
Restricted for capital outlay	126,708	-	126,708	-
Unrestricted	3,494,052	329,578	3,823,630	(19,355)
Total Position	$ 16,122,818	$ 16,176,590	$ 32,299,408	$ (19,355)

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia

Statement of Activities

For the Year Ended November 30, 2015

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
					Primary Government			
Function/Program	Expenses	Charges for Services and Sales	Operating Grants	Capital Grants	Governmental Activities	Business-Type Activities	Total	Component Unit
Primary Government								
Governmental Activities								
General government	$ 646,996	$ 212,698	$ 26,745	$ -	$ (407,553)	$ -	$ (407,553)	$ -
Public safety	2,643,436	232,608	87,006	-	(2,323,822)	-	(2,323,822)	-
Public works	1,865,454	807,632	174,675	387,740	(495,407)	-	(495,407)	-
Health and welfare	6,725	-	-	-	(6,725)	-	(6,725)	-
Culture and recreation	1,063,638	84,797	461,143	304,583	(213,115)	-	(213,115)	-
Housing and development	439,308	67,196	186,720	-	(185,392)	-	(185,392)	-
Interest	55,473	-	-	-	(55,473)	-	(55,473)	-
Total Governmental Activities	6,721,029	1,404,931	936,289	692,323	(3,687,486)	-	(3,687,486)	-
Business-type Activities:								
Water and sewerage	2,788,514	1,748,206	-	327,169	-	(713,139)	(713,139)	-
Total - Primary Government	$ 9,509,543	$ 3,153,137	$ 936,289	$ 1,019,492	(3,687,486)	(713,139)	(4,400,625)	-
Component Unit								
Downtown Development Authority	$ 1,400	$ 22,193	$ -	$ -	$ -	-	-	20,793
		General Revenues						
		Property taxes levied for general government purposes			2,420,523	-	2,420,523	-
		Sales tax			824,506	-	824,506	-
		T-SPLOST			111,904	-	111,904	-
		TIA			66,577	-	66,577	-
		Insurance premium tax			419,073	-	419,073	-
		Franchise tax			588,483	-	588,483	-
		Beer and liquor tax			181,872	-	181,872	-
		Hotel/motel tax			76,492	-	76,492	-
		Investment earnings			4,528	902	5,430	-
		Miscellaneous			104,360	18,129	122,489	-
		Total General Revenues			4,798,318	19,031	4,817,349	-
		Change in Net Position			1,110,832	(694,108)	416,724	20,793
		Net Position (Deficit) Beginning of Year, As Restated			15,011,986	16,870,698	31,882,684	(40,148)
		Net Position (Deficit) End of Year			$ 16,122,818	$ 16,176,590	$ 32,299,408	$ (19,355)

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Balance Sheet
Governmental Fund
November 30, 2015

	General	2005 SPLOST	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 95,010	$ 126,708	$ 55,722	$ 72,402	$ 349,842
Investments	768,129	-	-	-	768,129
Receivables:					
Accounts	47,553	-	-	-	47,553
Taxes	2,202,110	-	-	-	2,202,110
Intergovernmental	-	-	-	-	-
Interfund	128,336	-	69,452	-	197,788
Inventories	38,572	-	-	-	38,572
Total Assets	$ 3,279,710	$ 126,708	$ 125,174	$ 72,402	$ 3,603,994
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 149,843	$ -	$ -	$ 1,813	$ 151,656
Payroll liabilities payable	16,744	-	-	-	16,744
Interfund payable	300,036	-	128,336	-	428,372
Total Liabilities	466,623	-	128,336	1,813	596,772
Deferred Inflows of Resources - Property Taxes	465,569	-	-	-	465,569
Total Liabilities and Deferred Inflows of Resources	932,192	-	128,336	1,813	1,062,341
Fund Balances					
Nonspendable	38,572	-	-	-	38,572
Restricted	-	126,708	-	70,589	197,297
Unassigned	2,308,946		(3,162)	-	2,305,784
Total Fund Balances	2,347,518	126,708	(3,162)	70,589	2,541,653
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,279,710	$ 126,708	$ 125,174	$ 72,402	$ 3,603,994

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
November 30, 2015

Total Governmental Fund Balances			$	2,541,653
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 in the funds.				
Cost of capital assets	$	20,387,574		
Less accumulated depreciation		(6,772,370)		13,615,204
Deferred inflows of resources for pensions reported on the government-wide statement of position but not reported on the govermental fund balance sheet.				299,228
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.				465,569
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position.				
Compensated absences	$	(110,393)		
Promissory note payable		(902,396)		
Capital lease payable		(176,339)		
Revenue bonds payable		(105,000)		
Net pension liability payable (excess)		495,292		(798,836)
Net Position of Governmental Activities			$	16,122,818

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Fund
For the Year Ended November 30, 2015

	General	2005 SPLOST	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 4,715,288	$ -	$ -	$ 76,492	$ 4,791,780
Licenses and permits	182,889	-	-	-	182,889
Intergoverrnmental	1,240,871	-	387,740	-	1,628,611
Charges for services	949,270	-	-	23,964	973,234
Fines and forfeitures	232,608	-	-	-	232,608
Investment earnings	4,241	126	70	91	4,528
Miscellaneous	120,561	-	-	-	120,561
Total Revenues	7,445,728	126	387,810	100,547	7,934,211
Expenditures					
Current:					
General government	684,733	-	-	-	684,733
Public safety	3,358,129	-	-	-	3,358,129
Public works	2,130,580	-	-	-	2,130,580
Health and welfare	244,824	-	-	-	244,824
Culture and recreation	1,072,463	-	-	-	1,072,463
Housing and development	423,220	-	-	34,300	457,520
Capital Outlay	48,447	-	589,992	66,421	704,860
Debt Service:					
Principal	386,739	-	-	100,000	486,739
Interest	41,300	-	-	14,173	55,473
Total Expenditures	8,390,435	-	589,992	214,894	9,195,321
Excess (Deficiency) of Revenues Over (Under) Expenditures	(944,707)	126	(202,182)	(114,347)	(1,261,110)
Other Financing Sources (Uses)					
Issuance of promissory note	128,169	-	-	-	128,169
Transfers in	-	-	-	91,712	91,712
Transfers (out)	(91,712)	-	-	-	(91,712)
Total Other Financing Sources (Uses)	36,457	-	-	91,712	128,169
Net Change in Fund Balances	(908,250)	126	(202,182)	(22,635)	(1,132,941)
Fund Balances Beginning of Year	3,255,768	126,582	199,020	93,224	3,674,594
Fund Balances End of Year	$ 2,347,518	$ 126,708	$ (3,162)	$ 70,589	$ 2,541,653

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia

Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended November 30, 2015

Net Changes In Fund Balances - Total Governmental Funds			$ (1,132,941)
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. 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 capitalized capital outlay exceeded the depreciation expense in the current period.			
Depreciation expense	$	(649,708)	
Capital outlay		2,205,819	1,556,111
Property tax revenues in the government-wide statement of activities do not provide current financial resources are not reported as revenues in the governmental fund operating statement.			
Liability @ 11/30/15	$	(567,919)	
Liability @ 11/30/14		465,569	(102,350)
Pensions costs reported on the government-wide statement of activities but not reported on the govermental fund operating statement. These amounts are negative expenses.			432,632
The governmental funds report the inception of the capital lease as an other financing source at the fund financial reporting level but the capital lease is reported as a long-term liability at the government-wide statement of net position.			(128,169)
Repayment of general obligation debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.			486,739
Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.			
Liability @ 11/30/15	$	(110,393)	
Liability @ 11/30/14		109,193	(1,200)
Change In Net Position of Governmental Activities			$ 1,110,822

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
November 30, 2015

Assets		
Current Assets:		
Cash and cash equivalents	$	87,577
Investments		-
Accounts receivable (net)		247,390
Interfund receivable		300,036
Restricted assets:		
Cash and cash equivalents		470,019
Total Current Assets		1,105,022
Noncurrent Assets:		
Capital assets:		
Nondepreciable		520,300
Depreciable, net		22,412,648
Total Noncurrent Assets		22,932,948
Total Assets		24,037,970
Liabilities		
Current Liabilities:		
Accounts payable		52,761
Customer deposits payable		183,212
Interfund payable		69,452
GEFA loans payable		195,456
USDA bonds payable		110,176
Total Current Liabilities		611,057
Long-term Liabilities (net of current portion):		
Loan payable		-
GEFA loans payable		1,364,252
USDA bonds payable		5,886,071
Total Long-term Liabilities		7,250,323
Total Liabilities		7,861,380
Net Position		
Net investment in capital assets		15,376,993
Restricted for debt service		470,019
Unrestricted		329,578
Total Net Position	$	16,176,590

See accompanying notes to the basic financial statements

-

City of Swainsboro, Georgia
Statement of Revenues, Expenses
and Changes in Fund Net Assets
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2015

Operating Revenues	
Charges for services	1,665,857
Service charges	82,349
Miscellaneous	18,129
Total Operating Revenues	1,766,335
Operating Expenses	
Personal services - salaries	21,139
Personal services - benefits	13,750
Purchased services - professional and technical	1,132,097
Materials and supplies	370,123
Depreciation	1,079,998
Total Operating Expenses	2,617,107
Operating (Loss)	(850,772)
Non-Operating Revenues (Expenses)	
Investment earnings	902
Interest and fiscal charges	(171,407)
Total Non-Operating Revenues (Expenses)	(170,505)
Income Before Contributions	(1,021,277)
Contributions	327,169
Change in Net Position	(694,108)
Net Position Beginning of Year	16,870,698
Net Position End of Year	$ 16,176,590

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia
Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2015

Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$	1,753,775
Cash payments to employees for services		(34,889)
Cash payments for goods and services		(1,512,731)
Net Cash Provided by (Used in) Operating Activities		206,155
Cash Flows from Noncapital Financing Activities		
Interfund receivable		(108,580)
Interfund payable		(245,432)
Net Cash Provided by (Used in) Noncapital Financing Activities		(354,012)
Cash Flows from Capital and Related Financing Activities		
Capital grants		327,169
Principal paid on USDA loan		(107,727)
Principal paid on notes and capital leases		(192,994)
Interest paid on notes and capital leases		(171,407)
Accquisition of capital assets		(321,012)
Net Cash Provided by (Used in) Capital and Related Financing Activities		(465,971)
Cash Flows from Investing Activities		
Net decrease (increase) in investments		358,826
Investment earnings		902
Net Cash Flows from Investing Activities		359,728
Net Increase (Decrease) in Cash and Cash Equivalents		(254,100)
Cash and Cash Equivalents Beginning of Year		811,696
Cash and Cash Equivalents End of Year	$	557,596
Reconciliation to Statement of Net Assets		
Cash and cash equalivalents	$	87,577
Restricted assets		470,019
Total Cash and Cash Equivalents	$	557,596

City of Swainsboro, Georgia
Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Year Ended November 30, 2015

(continued)

Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$	(850,772)
Adjustments:		
Depreciation		1,079,999
(Increase) Decrease in Assets:		
Accounts receivable		(53,866)
Increase (Decrease) in Liabilities:		
Accounts payable		(10,511)
Customer deposits		41,306
Net Cash Provided by (Used in) Operating Activities	$	206,155

See accompanying notes to the basic financial statements

Index

Summary of Significant Accounting Policies 1
Reporting Entity 1-A
Basis of Presentation 1-B
Measurement Focus 1-C
Basis of Accounting 1-D
Assets, Liabilities, and Fund Equity 1-E
Cash, Cash Equivalents and Investments 1-E-1
Receivables 1-E-2
Interfund Balances 1-E-3
Consumable Inventories 1-E-4
Capital Assets 1-E-5
Compensated Absences 1-E-6
Accrued Liabilities and Long-term Obligations 1-E-7
Fund Equity 1-E-8
Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses 1-E-9
Operating Revenues and Expenses 1-E-10
Contributions of Capital 1-E-11
Interfund Activity 1-E-12
Estimates 1-E-13
Comparative Data 1-E-14

Stewardship, Compliance, and Accountability 2
Budgetary Information 2-A
Excess of Expenditures over Appropriations 2-B

Detailed Notes on All Funds 3
Deposits 3-A
Receivables 3-B
Property Taxes 3-C
Capital Assets 3-D
Interfund Balances 3-E
Compensated Absences 3-F
Long-Term Debt 3-G
Pensions 3-H
Fund Equity 3-I

Other Notes 4
Risk Management 4-A
Contingent Liabilities 4-B
Joint Ventures 4-C
Hotel/motel Taxes 4-D
Prior Period Adjustment 4-E

The City of Swainsboro, Georgia (the "City") was incorporated in 1890. The City operates under a council-mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, sanitation, and general and administrative services. In addition, the City operates a public utility (water and wastewater).

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City has elected not to follow private-sector guidance issued after November 30, 1989.

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

1-A. Reporting Entity

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

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

The following separate entity is the discretely presented component unit of the City.

The City of Swainsboro Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. The Mayor and City Council appoint all members of the Development Authority Financial statements of the Downtown Development Authority, if material, are required to be included in the City's basic financial statements as a discretely presented component unit. This is in accordance with a determination made for such entities by the Georgia Department of Audits and Accounts. Specific information relative to the Authority may be obtained at City Hall, Swainsboro, Georgia as the Development Authority does not issue a separate financial report.

Emanuel County and City of Swainsboro Development Authority and Swainsboro Housing Authority are related organizations in that the City appoints all or some of the members of the authorities/commission but does not have any financial responsibility for them.

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with charges to external customers.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

The three major individual funds, the general fund, the SPLOST fund and the water and sewer system enterprise fund are reported in separate columns.

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

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

The General Fund – The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of State of Georgia.

2005 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2005 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including a sewer construction project, LAS and water tower, public safety building and equipment and upgrade to recreation irrigation.

Note 1 - Summary of Significant Accounting Policies (Continued)

2012 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2012 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including a Water improvements , public safety equipment, fire building, recreation site improvements.

Proprietary Fund - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's proprietary fund is classified as a major enterprise fund, which is the water and sewer fund, which provides utility services to the City's citizens.

The Water and Sewer System Fund –This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the incorporated and immediately surrounding areas.

1-C. Measurement Focus

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

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

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

1-D. Basis of Accounting

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

1-E. Assets, Liabilities, and Fund Equity

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

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

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

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

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

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at November 30, 2015.

1-E-3 Interfund Balances

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-4. Consumable Inventories

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

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

1-E-5 Capital Assets

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of five thousand dollars for equipment and vehicles, fifty thousand dollars for buildings, and two hundred and fifty thousand dollars for infrastructure. The City began capitalizing its infrastructure in December 2003. The City is not capitalizing their infrastructure retroactively to 1980. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise fund is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Lives	
Asset Class	Governmental Activities	Business-type Activities
Buildings and improvements	30-50 Years	30-50 Years
Infrastructure	15-50 Years	N/A
Utility plant and lines	N/A	40 Years
Machinery and equipment	5-10 Years	N/A

1-E-6 Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

Note 1 - Summary of Significant Accounting Policies (Continued)

The total compensated absence liability is reported on the government-wide financial statements. The enterprise fund reports the total compensated liability in the individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due*."

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

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

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-8 Fund Equity

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

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

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the approval of a motion. Only, the City also may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. By motion, the City Council has authorized the Mayor or City Clerk or designee to assign fund balances.

- ***Unassigned*** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds. Currently, the City only reports unassigned fund balance.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City's policy to use restricted – net position first before using unrestricted – net position.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions – It is the City's policy to consider restricted fund balance to have been used 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, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net position - Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-9. Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts, are deferred and amortized over the life of the using the effective interest method.

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refunding debt (new debt) and the refunded debt (the old debt).

Bond issuance costs are recognized as an outflow of resources in the reporting period in which they are incurred.

1-E-10 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for sanitation services. Operating expenses are necessary costs incurred to provide the water and sewerage services. All other revenues and expenses are classified as nonoperating and include interest expense, operating grants, gains and the losses on the disposition of capital assets and earnings on investments.

1-E-11 Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-12 Interfund Activity

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-13 Estimates

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

1-E-14 Comparative Data

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

Note 2 – Stewardship, Compliance, and Accountability

2-A. Budgetary Information – The City adopts an annual operating budget for the general fund, each special revenue and the water and sewer system fund. The City also adopts a project length budget for the SPLOST capital projects fund.

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects fund, which is adopted on a project length basis, rather than an annual basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Administrator may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as a budget amendment. The 2015 budget was not amended.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

The following departments had expenditures in excess of departmental appropriations:

General fund:	
Governing body	$ 1,703
Mayor and commission	16,861
Financial administration	67,671
Police	34,410
Fire	653,200
Public works operations	189,356
Community services	95,351
Culture and recreation	105,973
Libraries	132,293
Protective inspection	1,926
Airport	41,203
Debt service	162,078
Hotel/motel fund	40,721

Note 3 - Detailed Notes on All Funds

3-A. Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of November 30, 2015, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the City is as follows at November 30, 2015:

		Maturity
Certificates of deposit	$ 591,204	current to one year

3-B. Receivables

Receivables at November 30, 2015, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility. At November 30, 2015, allowances for uncollectibles were reported as follows:

General fund (property taxes)	$25,350
Water and sewerage fund (charges for services)	89,404

3-C. Property Taxes

The City Council levied property taxes October 15, 2015. Property taxes attach as an enforceable lien on property as off January 1, 2015. Property taxes are billed on October 20, 2015 and were payable on December 31, 2015.

(This page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities for the year ended November 30, 2015, was as follows:

	Balance 12/1/2014	Additions	Deductions	Balance 11/30/2015
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 1,139,999	$ -	$ -	$ 1,139,999
Other capital assets:				
Buildings and improvements	8,334,149	1,601,950	-	9,936,099
Machinery and equipment	2,839,183	126,167	-	2,965,350
Infrastructure	5,788,702	557,424	-	6,346,126
Total other capital assets	16,962,034	2,285,541	-	19,247,575
Total capital assets	18,102,033	2,285,541	-	20,387,574
Accumulated depreciation:				
Buildings and improvements	2,781,404	261,369	-	3,042,773
Machinery and equipment	2,456,147	202,125	-	2,658,272
Infrastructure	885,111	186,214	-	1,071,325
Total accumulated depreciation	6,122,662	649,708	-	6,772,370
Governmental activities capital assets, net	$ 11,979,371	$ 1,635,833	$ -	$ 13,615,204

Governmental activities depreciation expense:

General government	$ 9,825
Public safety	192,072
Public works	159,577
Health and welfare	2,750
Culture and recreation	127,364
Housing and development	158,120
Total governmental activities depreciation expense	$ 649,708

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended November 30, 2015, was as follows:

	Balance 12/1/2014	Additions	Deductions	Balance 11/30/2015
Water and sewerage fund				
Nondepreciable capital assets				
Land	$ 520,300	$ -	$ -	$ 520,300
Other capital assets:				
Buildings	31,319	-	-	31,319
Utility plant and lines	32,403,459	304,728	-	32,708,187
Machinery and equipment	811,103	16,284	-	827,387
Total other capital assets	33,245,881	321,012	-	33,566,893
Total capital assets	33,766,181	321,012	-	34,087,193
Accumulated depreciation:				
Buildings	20,257	1,081	-	21,338
Utility plant and lines	9,252,416	1,071,235	-	10,323,651
Machinery and equipment	801,574	7,682	-	809,256
Total accumulated depreciation	10,074,247	1,079,998	-	11,154,245
Water and sewerage fund capital assets, net	$ 23,691,934	$ (758,986)	$ -	$ 22,932,948

3-E. Interfund Balances

Interfund Receivables/Payables – The following are interfund balances between funds:

	Payable from:			
Receivable to:	General	Water and sewer	2012 SPLOST	Total
General	$ -	$ -	$ 128,336	$ 128,336
Water and sewer	300,036	-	-	300,036
2012 SPLOST	-	69,452	-	69,452
Total	$ 300,036	$ 69,452	$ 128,336	$ 497,824

Interfund balances at November 30, 2015, consisted of interfund loans between funds for cash flow purposes and for other budgeted purposes.

Interfund Transfers – The general fund transferred $91,752 to debt service fund to cover the cost of the annual debt service for the general obligation bonds.

Note 3 - Detailed Notes on All Funds (Continued)

3-F. Compensated Absences

In general, employees earn annual leave at the rate of 3 days per year for the first year of service, 6 days per year for 1-4 years of service, 12 days per year for 5-9 years of service and 15 days per year for over 10 years of service. A maximum of 30 days may be carried over into an employee's next service year. Any unused, accrued leave in excess of 30 days from service year to service year will be forfeited. Upon termination, employees are paid for any accrued annual leave.

In general, employees accrue sick leave at the rate of 12 days per year. Unused sick leave is allowed to accumulate from service year to service year. Upon termination, employees forfeit all accumulated unused sick leave.

3-G. Long-Term Debt

The following is a summary of the outstanding long-term debt issues at November 30, 2015:

Governmental Activities Debt – The County reports one outstanding general obligation bond issue, two capital leases and three promissory notes for governmental activities.

Sales Tax General Obligation Bonds, Series 1996 – On July 1, 1996, the City issued the *Georgia Sales Tax General Obligation Bonds, Series 1996* in the original aggregate principal amount of $1,250,000 at interest rate range of 5.55% - 6.50%. The final payment is due August 1, 2016. Principal is payable annually on August 1 and interest is due semi-annually February 1 and August 1. The purpose of the bonds was to extend and improve the Swainsboro Municipal Golf Course.

These bonds are being retired from the debt service fund.

Annual debt service requirements for these general obligation bonds payable as of November 30, 2015 follow:

Fiscal Year Ended November 30,	Principal	Interest	Total
2016	$ 105,000	$ 6,825	$ 111,825

Capital Leases Payable – The City has three outstanding capital leases at November 30, 2015.

2011 BB&T Capital Lease #4 - In 2011, the City entered into a capital lease for a fire truck with BB&T bank for $300,000. The financing period is 26 quarterly payments of $12,587 (which includes interest expense) at a 2.97% interest rate. The equipment cost was $293,739, with accumulated depreciation of $215,785 and a book value at November 30, 2015 is $79,954.

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of November 30, 2015 follow:

Year	Principal	Interest	Total
2016	$ 48,295	$ 3,133	$ 51,428
2017	49,745	1,682	51,427
2018	25,429	283	25,712
Total	$ 123,469	$ 5,098	$ 128,567

DBC Finance Capital Lease #5 – On July 21, 2015 the City entered into a capital lease for three police vehicles with DBC Finance for $89,062. The financing period is 12 quarterly payments $7,769 (with includes interest expense) at a 2.84% interest rate. The equipment cost was $89,062, with accumulated depreciation of $11,000 and a book value at November 30, 2015 is $78,062.

Annual debt service requirements to amortize this debt, as of November 30, 2015 follow:

Year	Principal	Interest	Total
2016	$ 29,890	$ 1,185	$ 31,075
2017	22,980	327	23,307
Total	$ 52,870	$ 1,512	$ 54,382

Bancorp Promissory Note – On June 11, 2015, the City entered into a promissory note for $1 million to finance the construction of an airport hanger. The City drew down $481,206 in fiscal year 2014. The note is due in full at June 11, 2016, and carries an interest rate of 3.25%. The loan is secured by a land parcel at 23 Airport Road.

International Decision Systems, Inc. - On March 22, 2016 the City entered into a promissory note for one Mini-excavator with Bancorp Equipment Finance for $48,447. The financing period is six annual payments $9,806 (with includes monthly interest expense) at a .40% interest rate. The equipment cost was $48,447, with accumulated depreciation of $9,689 and a book value at November 30, 2015 is $38,758.

Annual debt service requirements to amortize this debt, as of November 30, 2015 follow:

Year	Principal	Interest	Total
2016	$ 9,612	$ 194	$ 9,806
2017	9,650	156	9,806
2018	9,689	117	9,806
2019	9,728	78	9,806
2020	9,767	39	9,806
Total	$ 48,446	$ 584	$ 49,030

Promissory Note – Marion L. Sowell - On August 1, 2014, the City entered into a promissory note for the purchased a "movies to go," building with Marion L. Sowell for $79,722. The financing period is 60 monthly payments $1,527 (with includes monthly interest expense) at a 3.0032% interest rate. The building cost was $79,772, with accumulated depreciation of $2,044 and a book value at November 30, 2015 is $77,728.

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of November 30, 2015 follow:

Year	Principal	Interest	Total
2016	$ 16,156	$ 2,174	$ 18,330
2017	16,649	1,681	18,330
2018	17,155	1,175	18,330
2019	17,722	608	18,330
2020	12,040	137	12,177
Total	$ 79,722	$ 5,775	$ 85,497

Business-type Activities – November 30, 2015, the City has four loans outstanding with the Georgia Environmental Finance Authority (GEFA).

GEFA Loan —CW 98-006 – On April 1, 2003 the City borrowed $2,876,436 at a 3% interest rate for extending the water system. Payments of $50,792, which includes principal and interest, are due quarterly with a final maturity date of January 1, 2023.

Annual debt service requirements to amortize this debt, as of November 30, 2015 follow:

Fiscal Year	Principal	Interest	Total
2016	$ 137,899	$ 35,269	$ 173,168
2017	175,627	27,541	203,168
2018	180,956	22,212	203,168
2019	186,446	16,722	203,168
2020	191,248	11,920	203,168
2121-2024	249,198	4,760	253,958
Total	$ 1,121,374	$ 118,424	$ 1,239,798

GEFA Loan –DW09034—During fiscal year 2011, the City was advanced $349,579 on a $500,000 construction loan for a water tank project. The additional $150,421 was advanced resulting in a total loan of $500,000. Loan was converted to a fixed amortization loan on March 1 2012. Payments are being made at $2,917 for 240 months at a 0% interest rate.

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of November 30, 2015 follow:

Fiscal Year	Principal
2016	$ 25,000
2017	25,000
2018	25,000
2019	25,000
2020	25,000
2021-2025	125,000
2026-2030	125,000
2031-2033	35,333
Total	$ 410,333

USDA Rural Development Loan – On December 21, 2011, the USDA loaned the City $6,413,000 to construct a water treatment plant. A portion of the loan proceeds were used to repay the advance funding from the GEFA which was used to begin this project. Payments of $20,330, which includes principal and interest, are due monthly with a final maturity date of November 21, 2051.

Annual debt service requirements to amortize this debt, as of November 30, 2015 follow:

Fiscal Year	Principal	Interest	Total
2016	$ 110,176	$ 133,784	$ 243,960
2017	112,681	131,279	243,960
2018	115,242	128,718	243,960
2019	117,862	126,098	243,960
2020	120,542	123,418	243,960
2021-2025	645,080	574,720	1,219,800
2026-2030	721,716	498,084	1,219,800
2031-2035	807,679	412,121	1,219,800
2036-2040	903,756	316,044	1,219,800
2041-2045	1,011,261	208,539	1,219,800
2046-2050	1,131,457	88,343	1,219,800
2051	198,796	1,983	200,779
Total	$ 5,996,248	$ 2,743,131	$ 8,739,379

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended November 30, 2015:

	Restated Outstanding 12/1/2014	Additions	Reductions	Outstanding 11/30/2015	Amounts Due in One Year
Governmental Activities:					
General obligation bonds	$ 205,000	$ -	$ 100,000	$ 105,000	$ 105,000
Capital leases:					
BT&T Bank#4	170,356	-	46,887	123,469	48,295
DBC Finance	81,926	-	29,056	52,870	29,890
Promissory note	1,085,023	-	294,636	790,387	350,000
Promissory note	-	48,448		48,448	9,806
Promissory note		79,722	16,160	63,562	16,646
Net pension liability (excess)	(67,562)	(427,730)	-	(495,292)	-
Compensated absences	109,193	83,095	81,895	110,393	82,795
Total Governmental Activities	$ 1,583,936	$ (216,465)	$ 568,634	$ 798,837	$ 642,432
Business-type Activities:					
GEFA loan - CW 98-006	$ 1,319,368	$ -	$ 167,994	$ 1,151,374	$ 170,456
GEFA loan - DW09034	433,333	-	25,000	408,333	25,000
USDA loan	6,103,975	-	107,727	5,996,248	110,176
Total Business-Type Activities	$ 7,856,676	$ -	$ 300,721	$ 7,555,955	$ 305,632

The capital leases payable, the promissory notes and revenue bonds payable of the City's governmental funds are retired by general fund revenues. Principal and interest payments related to the City's GEFA loans payable and USDA bonds are being repaid from the City's water and sewerage fund.

The compensated absences liability will be paid from the fund from which the employees' salaries are paid, normally the general fund.

3-J. Pensions

Defined Benefit Pension Plan

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plan, adopted by a City Council Ordinance dated September 24, 1973, established the benefit provisions and has the authority to amend these provisions through City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. That report may be obtained by writing to:

Georgia Municipal Employees Benefit System
201 Pryor Street SW
Atlanta, Georgia 30303-3606
404/688-0472

Note 3 - Detailed Notes on All Funds (Continued)

All full-time City employees (i.e., 30 hours per week) have immediate participation in the plan with benefits vesting after 10 years of service. The plans provide either:

- Normal retirement benefit, whereas the employee retires at age 65 with five years of service
- Early retirement benefit, whereas the employee may retire at age 55 or older with ten years of service

Membership in the plan is as follows:

Active participants	56
Fully vested former participants	14
Retirees and beneficiaries currently receiving benefits	44
Active elected officials	7
Total membership	121

Benefits Provided.

Employees who retire at or after age sixty-five with five years of credited service or after age fifty-five with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits.

Contributions. City employees are not required to contribute to the Plan. The City contributes the entire cost of the Plan, using the actuarial basis described in the annual valuation report. The City's actuarially determined contribution rate for the fiscal year ended December 31, 2015 was 6.79% of covered-employee payroll. The City's covered payroll for employees participating in the Plan as of January 1, 2015, (the most recent actuarial valuation date) was $2,028,991 (based on covered earnings for the preceding year). The City's contributions were $141,871.

The Georgia Constitution enables the governing authority of the City, the City Council, to establish, and amend from time-to-time contribution rates for the City and its Plan participants.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2015, the City reported a net pension liability of $495,292 (an excess). The net pension liability was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014. For the year ended December 31, 2015, the City recognized pension expense of $10,063.

Note 3 - Detailed Notes on All Funds (Continued)

The components of the net pension liability are as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at November 30, 2013	$ 6,616,786	$ 6,684,348	$ (67,562)
Changes for the year:			
Service cost	83,957	-	83,957
Interest	497,371	-	497,371
Differences between expected and actual experience	(31,747)	-	(31,747)
Employer contributions	-	138,565	(138,565)
Net investment income	-	710,728	(710,728)
Benefit payments	(398,193)	(398,193)	-
Administrative expense	-	(11,092)	11,092
Other changes	(139,110)	-	(139,110)
Net changes	12,278	440,008	(427,730)
Balances at December 31, 2014	$ 6,629,064	$ 7,124,356	$ (495,292)

Plan fiduciary net position as a percentage of the total pension liability	107.47%
Covered employee payroll	$ 4,231,406
Net pension liability as a percentage of covered employee payroll	-11.71%

At December 31, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Inflows of Resources
Demographic	$ (25,396)
Assumption change	(111,288)
Net difference between projected and actual earnings on pension plan investments	(162,544)
Total	$ (299,228)

The $299,228 of deferred inflows of resources resulting from the City's demographic changes, assumption changes and investment changes will be recognized as an increase of the net pension liability in the fiscal year ending November 30, 2016.

Note 3 - Detailed Notes on All Funds (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending December 31		
2016	$	(74,807)
2017		(74,807)
2018		(74,807)
2019		(74,807)
Totals	$	(299,228)

Actuarial Assumptions. The total pension liability in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Future salary increases	8.75% – 3.75% per year with an age based scale
Cost of living adjustments	3.25%
Net investment rate of return	7.75%

Healthy mortality rates were based on the RP-2000 Combined Healthy Mortality Table. Disabled rates were derived from a 1977 Social Security Administration study.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2014 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Long-term Nominal Real Rate of Return
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

Note 3 - Detailed Notes on All Funds (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75%t) or one percentage-point higher (8.75%) than the current rate:

	Discount Rate	Net Pension Liability
1% decrease	6.75%	$ 1,241,094
Current discount rate	7.75%	30,921
1% increase	8.75%	(976,420)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Association County Commissioners of Georgia GEBCorp financial report.

3-I. Fund Equity

- ***Nonspendable*** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:	
Inventories	$ 38,572

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

Nonmajor Funds:	
Principal and interest on long-term bonds	$ 11,106
Housing and development	59,483
Total Nonmajor Funds	$ 70,589
Major Capital Projects SPLOST Funds:	
SPLOST 2005 Capital projects	$ 126,708

- ***Unassigned*** – The following fund balances include the general fund unassigned amount:

General Fund	$ 2,308,946
2012 SPLOST	(3,162)
Total	$ 2,305,784

Note 3 - Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of November 30, 2015 are as follows:

Net investment in capital assets:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 20,387,574	$ 34,087,194
Less accumulated depreciation	6,772,370	11,154,245
Book value	13,615,204	22,932,949
Less capital related debt	(1,183,735)	(7,555,955)
Net investment in capital assets	$ 12,431,469	$ 15,376,994

Note 4 - Other Notes

4-A. Risk Management

Both the City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance. The City manages its risk of potential loss from injuries to employees by participating in the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. There have been no significant reductions in insurance coverage during the current year.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pools' agents and 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 to allow the pools' agents and attorneys to represent them in investigation, settlement discussions and all levels of litigation arising out of any claim made against them within the scope of loss protection provided by the funds.

The funds are to defend and protect the members of the funds against any liability or loss as prescribed in the member governments' contracts and in accordance with the workers' compensation laws of Georgia. The Funds are to pay all costs assessed to its members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

Settled claims in the last three years have not exceeded coverage.

4-B. Contingent Liabilities

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

The City was a defendant in several lawsuits at November 30, 2015. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other municipalities and counties in the middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Development Center (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

Heart of Georgia Altamaha Regional Development Center
501 Oak Street
Eastman, Georgia 31023

4-D. Hotel/Motel Taxes

The City levies a 5% lodging tax. A summary of the transactions in the hotel/motel tax fund for the year ended November 30, 2015 follows:

Fund balance, December 1, 2014	$ 83,649
Add hotel/motel taxes and investment earnings	76,555
Less expenditures	(100,721)
Fund balance, November 30, 2015	$ 59,483

Expenditures of $64,459 (84.2% current year's receipts) were for promotion of tourism as required by OCGA 48-13-51. This complies with the expenditure requirements of OCGA 48-13-51.

Note 4 - Other Notes (Continued)

4-D. Prior Period Adjustments

Pensions - The City has implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of* **GASB Statement No.** 27, and GASB Statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date* in this fiscal year. These statements require the City to restate net position at June 30, 2014 at the government-wide financial reporting level and for the area transit enterprise fund.

	Governmental Activities
Net Position, previously report @ December 31, 2014	$ 14,570,386
Add beginning net pension liability (excess)	67,562
Add beginning deferred inflows (excess)	374038
Net Position, as restated @ December 31, 2014	$ 15,011,986

City opf Swainsboro, Georgia
Required Supplementary Information
Schedule of Contributions
City of Swainsboro Retirement Plan
For the Last Ten Fiscal Years

Fiscal Year Ended December 31,	*Actuarially Determined Contribution*	*Actual Employer Contribution*	*Contribution Deficiency (Excess)*	*Covered Payroll*	*Contributions as a % of Covered Payroll*
2015	$ 138,271	$ 138,271	$ -	$ 2,028,991	6.81%

Notes to The Schedule:

Methods and Assumptions Used to Determine Contribution Rates:

Valuation Timing	Actuarially determined contribution rates are calculated as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuariaslly contribution rate will be reported for the fiscal year
Actuarial Cost Method	Entry Age Normal
Amortization Method	Closed Level Dollar for the remaining unfunded liability
Remaining Amortization Period	N/A
Asset Valuation Method	Some of actuarial value at beginning of year and the cash flow during the year plud the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at year end. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Inflation Rate	3.25%
Salary Increases	3.25% plus service based merit increases
Investment Rate of Return	8%
Cost of Living Adjustments	3.25%
Retirement Age	Rates Based on Age and History
Mortality	RP-2000 mortality with sex-distinct rates, set forward 2 years for males and one year for females.

City of Swainsboro, Georgia
Required Supplementary Information
Schedule of Changes in the County's Net Pension Liability and Related Ratios
City of Swainsboro Retirement Plan
For the Year Ended November 30, 2015

Total Pension Liability		**November 30, 2015**
Service cost	$	83,957
Interest on total pension liability		497,371
Differences between expected and actual experience		(31,747)
Assumption changes		(139,110)
Benefit payments, including refunds of employee contributions		(398,193)
Net Change in Total Pension Liability		12,278
Total Pension Liability - Beginning of Fiscal Year		6,616,786
Total Pension Liability - End of Fiscal Year	$	6,629,064
Plan Fiduciary Net Position		
Employer contributions	$	138,565
Net investment income		710,728
Benefit payments, including refunds of employee contributions		(398,193)
Administrative expenses		(11,092)
Net Change in Plan Fiduciary Net Position		440,008
Total Plan Fiduciary Net Position - Beginning of Fiscal Year		6,684,348
Fiduciary Net Position - End of Fiscal Year	$	7,124,356
City's Net Pension Liability - End of Fiscal Year	$	(495,292)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		107.47%
Covered Employee Payroll	$	2,028,991
Net Pension Liability as a Percentage of Covered Employee Payroll		-24.41%

Notes to this Schedule:
This schedule will present 10 years of information once it is accumulated.

Schedule of Investment Returns	
Annual money-weighted 20 rate of return, net of investment expensed	7.44%

Notes to this Schedule:
This schedule will present 10 years of information once it is accumulated.

Note 1- Budgetary Information

The budget for the general fund was adopted on a basis that is consistent with accounting principles generally accepted in the United States as applied to governments. The legal level of control (the level at which expenditures many not legally exceed appropriations) for each adopted annual operating budget is the department level within the fund.

City of Swainsboro, Georgia

Schedule of Revenues - Budget and Actual - General Fund

For the Year Ended November 30, 2015

(With Comparative Actual Amounts for the Year Ended November 30, 2014)

	2015				2014
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**Actual**
Real and personal property taxes					
General property tax - current	$ 2,270,864	$ 2,270,864	$ 2,153,112	$ (117,752)	$ 2,315,305
Motor vehicle property tax - current	180,000	180,000	103,984	(76,016)	132,200
Timber tax	-	-	-	-	5,158
Motor vehicle title adv tax	200,000	200,000	184,361	(15,639)	134,248
Mobile home - personal property	3,000	3,000	1,649	(1,351)	2,127
Other - personal property	7,000	7,000	14,052	7,052	9,160
Real estate transfer taxes	2,000	2,000	3,254	1,254	2,722
Railroad taxes	2,000	2,000	-	(2,000)	1,947
Penalties and interest on taxes	64,000	64,000	62,461	(1,539)	53,771
Total real and personal property taxes	2,728,864	2,728,864	2,522,873	(205,991)	2,656,638
Selective taxes:					
Sales tax	950,000	950,000	824,506	(125,494)	839,642
TIA	-	-	66,577	66,577	583,596
Franchise tax	505,000	505,000	588,483	83,483	500,720
Alcholic beverage tax	205,000	205,000	181,872	(23,128)	183,809
Insurance premium tax	420,000	420,000	419,073	(927)	392,268
Lost excise	25,000	25,000	20,524	(4,476)	-
T-SPLOST	100,000	100,000	91,380	(8,620)	87,011
Total selective taxes	2,205,000	2,205,000	2,192,415	(12,585)	2,587,046
Licenses and permits:					
Alcoholic beverages	35,000	35,000	11,675	(23,325)	31,100
General business license	140,000	140,000	133,938	(6,062)	114,647
General business license - insurance	35,000	35,000	19,673	(15,327)	31,850
Building structure and equipment permit	4,000	4,000	10,038	6,038	4,495
Inspections	6,000	6,000	7,565	1,565	3,745
Business license penalties	-	-	-	-	2,250
Total licenses and permits:	220,000	220,000	182,889	(37,111)	188,087
Intergovernmental					
Federal	363,091	363,091	304,583	(58,508)	276,224
State and local	682,278	682,278	936,288	254,010	597,669
Total intergovernmental	1,045,369	1,045,369	1,240,871	195,502	873,893
Fines and forfeitures:					
Court - superior	225,000	225,000	232,006	7,006	224,621
Court - recorders	1,000	1,000	602	(398)	-
Total fines and forfeitures:	226,000	226,000	232,608	6,608	224,621
Charges for services:					
Garbage collections	470,000	470,000	472,005	2,005	429,331
Dumpster	345,000	345,000	289,552	(55,448)	292,106
Recycled materials	40,000	40,000	46,075	6,075	44,339
Airport	44,400	44,400	67,196	22,796	74,620
Culture and recreation	14,500	14,500	60,833	46,333	46,785
Miscellaneous	10,250	10,250	13,609	3,359	20,941
Total charges for services:	924,150	924,150	949,270	25,120	908,122
Investment earnings	5,000	5,000	4,241	(759)	1,133
Miscellaneous:					
Rents and royalities	16,200	16,200	16,200	-	16,200
Reimbursements for damaged properties	-	-	-	-	-
Miscellaneous	56,896	56,896	104,361	47,465	116,756
Total miscellaneous	73,096	73,096	120,561	47,465	132,956
Total revenues	$ 7,427,479	$ 7,427,479	$ 7,445,728	$ 18,249	$ 7,572,496

City of Swainsboro, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
November 30, 2015

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Assets			
Equity in pooled cash and investments	$ 61,296	$ 11,106	$ 72,402
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 1,813	$ -	$ 1,813
Fund Balances			
Restricted for debt service	-	11,106	11,106
Restricted for housing and development	59,483	-	59,483
Total Fund Balances	59,483	11,106	70,589
Liabilities and Fund Balances	$ 61,296	$ 11,106	$ 72,402

City of Swainsboro, Georgia

Schedule of Revenues and Changes in Fund Balances

Nonmajor Governmental Funds - By Fund Type

For the Year Ended November 30, 2015

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:			
Taxes	$ 76,492	$ -	$ 76,492
Charges for services	-	23,964	23,964
Investment earnings	63	28	91
Total Revenues	76,555	23,992	100,547
Expenditures			
Current:			
Housing and development	34,300	-	34,300
Capital Outlay	66,421	-	66,421
Debt Service:			
Principal	-	100,000	100,000
Interest and fiscal charges	-	14,173	14,173
Total Expenditures	100,721	114,173	214,894
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,166)	(90,181)	(114,347)
Other Financing Sources			
Transfers in	-	91,712	91,712
Net Change in Fund Balances	(24,166)	1,531	(22,635)
Fund Balances Beginning of Year	83,649	9,575	93,224
Fund Balances End of Year	$ 59,483	$ 11,106	$ 70,589

City of Swainsboro, Georgia
General Fund
Comparative Balance Sheet
November 30, 2015 and 2014

		2105		2104
Assets				
Cash and cash equivalents	$	95,010	$	293,626
Investments		768,129		870,574
Receivables (net, where applicable):				
Property taxes		2,041,428		2,226,822
Sales taxes		149,448		150,125
Federal excise taxes		11,234		-
Accounts		47,553		109,541
Intergovernmental		-		239,460
Interfund		128,336		314,884
Inventories		38,572		38,586
Total Assets	$	3,279,710	$	4,243,618
Liabilities, Deferred Inflows of Resources and Fund Balances				
Liabilities				
Accounts payable	$	149,843	$	144,240
Accrued expenditures		16,744		14,783
Interfund payable		300,036		260,908
Total Liabilities		466,623		419,931
Deferred Inflows of Resources - Property Taxes		465,569		567,919
Total Liabilities and Deferred Inflows of Resources		932,192		987,850
Fund Balances				
Nonspendable		38,572		38,586
Unassigned		2,308,946		3,217,182
Total Fund Balances		2,347,518		3,255,768
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$	3,279,710	$	4,243,618
	$	-		

City of Swainsboro, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended November 30, 2015 and 2014

	2015	2014
Revenues		
Taxes	$ 4,715,288	$ 5,243,684
Licenses and permits	182,889	188,087
Intergovernmental	1,240,871	873,893
Charges for services	949,270	908,122
Fines and forfeitures	232,608	224,621
Investment earnings	4,241	1,133
Miscellaneous	120,561	132,956
Total Revenues	7,445,728	7,572,496
Expenditures		
Current:		
General government	684,733	584,455
Public safety	3,358,129	2,846,207
Public works	2,130,580	2,707,287
Health and welfare	244,824	16,680
Culture and recreation	1,072,463	983,216
Housing and development	423,220	1,424,525
Debt Service:		
Principal retirement	386,739	84,571
Interest and fiscal charges	41,300	24,468
Total Expenditures	8,341,988	8,671,409
(Deficiency) of Revenues (Under) Expenditures	(896,260)	(1,098,913)
Other Financing Sources (Uses)		
Issuance of promissory notes	79,722	603,817
Inception of capital lease	-	89,062
Transfers out	(91,712)	(93,700)
Total Other Financing Sources (Uses)	(11,990)	599,179
Net Change in Fund Balances	(908,250)	(499,734)
Fund Balances Beginning of Year	3,255,768	3,755,502
Fund Balances End of Year	$ 2,347,518	$ 3,255,768

City of Swainsboro, Georgia

Schedule of Revenues - Budget and Actual - General Fund

For the Year Ended November 30, 2015

(With Comparative Actual Amounts for the Year Ended November 30, 2014)

	2015				2014
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Real and personal property taxes					
General property tax - current	$ 2,270,864	$ 2,270,864	$ 2,153,112	$ (117,752)	$ 2,315,305
Motor vehicle property tax - current	180,000	180,000	103,984	(76,016)	132,200
Timber tax	-	-	-	-	5,158
Motor vehicle title adv tax	200,000	200,000	184,361	(15,639)	134,248
Mobile home - personal property	3,000	3,000	1,649	(1,351)	2,127
Other - personal property	7,000	7,000	14,052	7,052	9,160
Real estate transfer taxes	2,000	2,000	3,254	1,254	2,722
Railroad taxes	2,000	2,000	-	(2,000)	1,947
Penalties and interest on taxes	64,000	64,000	62,461	(1,539)	53,771
Total real and personal property taxes	2,728,864	2,728,864	2,522,873	(205,991)	2,656,638
Selective taxes:					
Sales tax	950,000	950,000	824,506	(125,494)	839,642
TIA	-	-	66,577	66,577	583,596
Franchise tax	505,000	505,000	588,483	83,483	500,720
Alcholic beverage tax	205,000	205,000	181,872	(23,128)	183,809
Insurance premium tax	420,000	420,000	419,073	(927)	392,268
Lost excise	25,000	25,000	20,524	(4,476)	-
T-SPLOST	100,000	100,000	91,380	(8,620)	87,011
Total selective taxes	2,205,000	2,205,000	2,192,415	(12,585)	2,587,046
Licenses and permits:					
Alcoholic beverages	35,000	35,000	11,675	(23,325)	31,100
General business license	140,000	140,000	133,938	(6,062)	114,647
General business license - insurance	35,000	35,000	19,673	(15,327)	31,850
Building structure and equipment permit	4,000	4,000	10,038	6,038	4,495
Inspections	6,000	6,000	7,565	1,565	3,745
Business license penalties	-	-	-	-	2,250
Total licenses and permits:	220,000	220,000	182,889	(37,111)	188,087
Intergovernmental					
Federal	363,091	363,091	304,583	(58,508)	276,224
State and local	682,278	682,278	936,288	254,010	597,669
Total intergovernmental	1,045,369	1,045,369	1,240,871	195,502	873,893
Fines and forfeitures:					
Court - superior	225,000	225,000	232,006	7,006	224,621
Court - recorders	1,000	1,000	602	(398)	-
Total fines and forfeitures:	226,000	226,000	232,608	6,608	224,621
Charges for services:					
Garbage collections	470,000	470,000	472,005	2,005	429,331
Dumpster	345,000	345,000	289,552	(55,448)	292,106
Recycled materials	40,000	40,000	46,075	6,075	44,339
Airport	44,400	44,400	67,196	22,796	74,620
Culture and recreation	14,500	14,500	60,833	46,333	46,785
Miscellaneous	10,250	10,250	13,609	3,359	20,941
Total charges for services:	924,150	924,150	949,270	25,120	908,122
Investment earnings	5,000	5,000	4,241	(759)	1,133
Miscellaneous:					
Rents and royalities	16,200	16,200	16,200	-	16,200
Reimbursements for damaged properties	-	-	-	-	-
Miscellaneous	56,896	56,896	104,361	47,465	116,756
Total miscellaneous	73,096	73,096	120,561	47,465	132,956
Total revenues	$ 7,427,479	$ 7,427,479	$ 7,445,728	$ 18,249	$ 7,572,496

City of Swainsboro, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended November 30, 2015
(With Comparative Actual Amounts for the Year Ended November 30, 2014)

	2015				2014
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
General government					
Governing body:					
Personal services	$ 97,569	$ 97,569	$ 97,133	$ 436	$ 97,429
Operating	12,478	12,478	14,617	(2,139)	12,062
Total governing body	110,047	110,047	111,750	(1,703)	109,491
Mayor and commission:					
Personal services	29,785	29,785	30,732	(947)	29,742
Operating	9,713	9,713	25,627	(15,914)	18,155
Total mayor and commission	39,498	39,498	56,359	(16,861)	47,897
Financial administration:					
Personal services	360,947	360,947	371,137	(10,190)	353,620
Operating	88,006	88,006	134,487	(46,481)	121,447
Capital outlay	-		11,000	(11,000)	-
Less reimbursement from other funds	-	-	-	-	(48,000)
Total financial administration	448,953	448,953	516,624	(67,671)	427,067
Total general government	598,498	598,498	684,733	(86,235)	584,455
Public safety:					
Police:					
Personal services	1,280,256	1,280,256	1,287,672	(7,416)	1,190,264
Operating	390,474	390,474	412,568	(22,094)	409,705
Capital outlay	-	-	4,900	(4,900)	191,683
Total police	1,670,730	1,670,730	1,705,140	(34,410)	1,791,652
Fire:					
Personal services	797,533	797,533	787,456	10,077	761,102
Operating	92,351	92,351	87,045	5,306	108,416
Capital outlay	-	-	668,583	(668,583)	62,749
Total fire	889,884	889,884	1,543,084	(653,200)	932,267
Animal control:					
Personal services	71,681	71,681	79,720	(8,039)	78,034
Operating	52,589	52,589	30,185	22,404	44,254
Capital outlay	5,000	5,000	-	5,000	-
Total animal control	129,270	129,270	109,905	19,365	122,288
Total public safety	2,689,884	2,689,884	3,358,129	(668,245)	2,846,207
Public works:					
Public works - operations:					
Operating	1,087,340	1,087,340	1,069,993	17,347	1,298,428
Capital outlay	218,000	218,000	424,703	(206,703)	783,690
Total - public works - operations	1,305,340	1,305,340	1,494,696	(189,356)	2,082,118

Sanitation and recycling:					
Personal services	28,133	28,133	33,760	(5,627)	30,631
Operating	642,226	642,226	602,124	40,102	594,538
Total sanitation and recycling	670,359	670,359	635,884	34,475	625,169
Total public works	1,975,699	1,975,699	2,130,580	(154,881)	2,707,287
Health and welfare	16,200	16,200	16,200	-	16,200
Community services					
Operating	133,273	133,273	480	132,793	480
Capital outlay	-	-	228,144	(228,144)	-
Community services	133,273	133,273	228,624	(95,351)	480
Total health and welfare	149,473	149,473	244,824	(95,351)	16,680
Culture and recreation					
Recreation					
Personal services	506,760	506,760	497,476	9,284	463,658
Operating	239,837	239,837	355,094	(115,257)	299,665
Total recreation	746,597	746,597	852,570	(105,973)	763,323
Sports facilities:					
Operating	87,600	87,600	87,600	-	87,600
Libraries:					
Operating	-	-	132,293	(132,293)	132,293
Total culture and recreation	834,197	834,197	1,072,463	(238,266)	983,216
Housing and development:					
Protective inspection					
Personal services	64,627	64,627	68,723	(4,096)	66,117
Operating	8,113	8,113	5,943	2,170	6,453
Total protective inspection	72,740	72,740	74,666	(1,926)	72,570
City Downtown Development Authority:					
Personal services	53,872	53,872	56,787	(2,915)	53,745
Operating	23,963	23,963	12,076	11,887	29,850
Total City Downtown Development Authority:	77,835	77,835	68,863	8,972	83,595
Enterprise applications					
Operating	-	-	-	-	22,273
Airport:					
Personal services	1,175	1,175	-	1,175	-
Operating	227,313	227,313	116,064	111,249	252,319
Capital outlay	10,000	10,000	163,627	(153,627)	993,768
Total airport	238,488	238,488	279,691	(41,203)	1,246,087
Total housing and development:	389,063	389,063	423,220	(34,157)	1,424,525
Debt Service:					
Principal retirement	256,720	256,720	386,739	(130,019)	84,571
Interest and fiscal charges	9,241	9,241	41,300	(32,059)	24,468
Total Debt Service	265,961	265,961	428,039	(162,078)	109,039
Total Expenditures	$ 6,902,775	$ 6,902,775	$ 8,341,988	$ (1,439,213)	$ 8,671,409

City of Swainsboro, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
November 30, 2015 and 2014

	2015	2014
Assets		
Equity in pooled cash and investments	$ 61,296	$ 83,649
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 1,813	$ -
Fund Balances		
Restricted for housing and development	59,483	83,649
Total Liabilities and Fund Balances	$ 61,296	$ 83,649

City of Swainsboro, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

Hotel/Motel Tax Fund

For the Year Ended November 30, 2015

(With Comparative Actual Amounts for the Year Ended November 30, 2014)

	2015				2014
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 60,000	$ 60,000	$ 76,492	$ 16,492	$ 75,929
Investment earnings	-	-	63	63	64
Total Revenues	60,000	60,000	76,555	16,555	75,993
Expenditures					
Current:					
Housing and development	60,000	60,000	34,300	25,700	34,586
Capital Outlay	-	-	66,421	(66,421)	
Total Expenditures	60,000	60,000	100,721	(40,721)	34,586
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ -	$ -	$ (24,166)	$ (24,166)	41,407
Fund Balances Beginning of Year			83,649		42,242
Fund Balances End of Year			$ 59,483		$ 83,649

City of Swainsboro, Georgia
Comparative Balance Sheet
Debt Service Fund
November 30, 2015 and 2014

	2015	2014
Assets		
Equity in pooled cash and investments	$ 11,106	$ 9,575
Fund Balances		
Restricted for debt service	$ 11,106	$ 9,575

City of Swainsboro, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

Debt Service Fund

For the Year Ended November 30, 2015

(With Comparative Actual Amounts for the Year Ended November 30, 2014)

	2015				2014
	Original Budget	**Final Budget**	**Actual**	**Variance With Final Budget**	**Actual**
Revenues:					
Charges for services	$ 25,000	$ 25,000	$ 23,964	$ (1,036)	$ 24,012
Investment earnings	50	50	28	(22)	14
Miscellaneous	750	750	-	(750)	-
Total Revenues	25,800	25,800	23,992	(1,808)	24,026
Expenditures					
Debt Service:					
Principal	85,000	85,000	100,000	(15,000)	95,000
Interest and fiscal charges	25,800	25,800	14,173	11,627	20,158
Total Expenditures	110,800	110,800	114,173	(3,373)	115,158
Excess (Deficiency) of Revenues Over (Under) Expenditures	(85,000)	(85,000)	(90,181)	(5,181)	(91,132)
Other Financing Sources					
Transfers in	85,000	85,000	91,712	6,712	93,700
Net Change in Fund Balances	$ -	$ -	1,531	$ 1,531	2,568
Fund Balances Beginning of Year			9,575		7,007
Fund Balances End of Year			$ 11,106		$ 9,575

City of Swainsboro, Georgia
Comparative Balance Sheet
2005 SPLOST Fund
November 30, 2015 and 2014

	2015	2014
Assets		
Equity in pooled cash and investments	$ 126,708	$ 126,582
Fund Balances		
Restricted for capital projects	$ 126,708	$ 126,582

City of Swainsboro, Georgia

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances

2005 SPLOST Fund

For the Fiscal Years Ended November 30, 2015 and 2014

	2015	2014
Revenues		
Investment earnings	$ 126	$ 180
Expenditures		
Capital Outlay	-	115,815
Excess (Deficiency) of Revenues Over (Under) Expenditures	126	(115,635)
Fund Balances Beginning of Year	126,582	242,217
Fund Balances End of Year	$ 126,708	$ 126,582

City of Swainsboro, Georgia
Comparative Balance Sheet
2012 SPLOST Fund
November 30, 2015 and 2014

	2015	2014
Assets		
Equity in pooled cash and investments	$ 55,722	$ 129,568
Interfund receivable	69,452	69,452
Total Assets	$ 125,174	$ 199,020
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 128,336	$ -
Fund Balances		
Restricted for capital projects	-	199,020
Unassigned (deficit)	(3,162)	-
Total Liabilities and Fund Balances	$ 125,174	$ 199,020

City of Swainsboro, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
2012 SPLOST Fund
For the Fiscal Years Ended November 30, 2015 and 2014

	2015	2014
Revenues		
Intergovernmental	$ 387,740	$ 394,717
Investment earnings	70	378
Total Revenues	387,810	395,095
Expenditures		
Capital Outlay:	589,992	573,632
Total Expenditures	589,992	573,632
Excess (Deficiency) of Revenues Over (Under) Expenditures	(202,182)	(178,537)
Fund Balances Beginning of Year	199,020	377,557
Fund Balances End of Year	$ (3,162)	$ 199,020

City of Swainsboro, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
November 30, 2015 and 2014

Assets	**2015**	**2014**
Current Assets:		
Cash and cash equivalents	$ 87,577	$ 444,509
Investments	-	358,826
Receivable:		
Accounts (net)	247,390	193,524
Interfund	300,036	191,456
Restricted assets:		
Cash and cash equivalents	470,019	367,187
Total Current Assets	1,105,022	1,555,502
Noncurrent Assets:		
Capital assets:		
Nondepreciable	520,300	520,300
Depreciable, net	22,412,648	23,171,634
Total Noncurrent Assets	22,932,948	23,691,934
Total Assets	24,037,970	25,247,436
Liabilities		
Current Liabilities:		
Accounts payable	52,761	63,272
Customer deposits payable	183,212	141,906
Interfund payable	69,452	314,884
GEFA loans payable	195,456	165,437
USDA bonds payable	110,176	107,727
Total Current Liabilities	611,057	793,226
Long-term Liabilities (net of current portion):		
Note payable	-	-
GEFA loans payable	1,364,252	1,587,264
USDA bonds payable	5,886,071	5,996,248
Total Long-term Liabilities	7,250,323	7,583,512
Total Liabilities	7,861,380	8,376,738
Net Position		
Net investment in capital assets	15,376,993	15,835,258
Restricted for debt service	470,019	367,187
Unrestricted	329,578	668,253
Total Net Position	$ 16,176,590	$ 16,870,698

-

City of Swainsboro, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Position
Proprietary Fund - Water and Sewerage Fund
For the Years Ended November 30, 2015 and 2014

	2015	2014
Operating Revenues		
Charges for services	$ 1,665,857	$ 1,923,065
Service charges	82,349	94,569
Miscellaneous	18,129	16,044
Total Operating Revenues	1,766,335	2,033,678
Operating Expenses		
Personal services - salaries	21,139	33,028
Personal services - benefits	13,750	15,819
Purchased services	1,132,097	1,167,965
Materials and supplies	370,123	411,549
Depreciation	1,079,998	1,070,425
Total Operating Expenses	2,617,107	2,698,786
Operating (Loss)	(850,772)	(665,108)
Non-Operating Revenues (Expenses)		
Investment earnings	902	1,157
Interest and fiscal charges	(171,407)	(181,231)
Total Non-Operating Revenues (Expenses)	(170,505)	(180,074)
Income (Loss) Before Contributions	(1,021,277)	(845,182)
Contributions	327,169	688,292
Change in Net Position	(694,108)	(156,890)
Net Position Beginning of Year	16,870,698	17,027,588
Net Position End of Year	$ 16,176,590	$ 16,870,698

City of Swainsboro, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended November 30, 2015 and 2014

		2015		2014
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows from Operating Activities				
Cash received from customers	$	1,753,775	$	2,032,502
Cash payments to employees for services		(34,889)		(48,847)
Cash payments for goods and services		(1,512,731)		(1,576,342)
Net Cash Provided by (Used in) Operating Activities		206,155		407,313
Cash Flows from Noncapital Financing Activities				
Interfund receivable		(108,580)		(92,094)
Interfund payable		(245,432)		(535,457)
Net Cash Provided by (Used in) Noncapital Financing Activities		(354,012)		(627,551)
Cash Flows from Capital and Related Financing Activities				
Capital grants		327,169		688,292
Principal paid on USDA loan		(107,727)		(105,332)
Principal paid on notes and loans		(192,994)		(185,565)
Interest paid on notes and capital leases		(171,407)		(181,231)
Accquisition of capital assets		(321,012)		(605,910)
Net Cash Provided by (Used in) Capital and Related Financing Activities		(465,971)		(389,746)
Cash Flows from Investing Activities				
Net decrease (increase) in investments		358,826		(12,573)
Investment earnings		902		1,157
Net Cash Flows from Investing Activities		359,728		(11,416)
Net Increase (Decrease) in Cash and Cash Equivalents		(254,100)		(621,400)
Cash and Cash Equivalents Beginning of Year		811,696		1,433,096
Cash and Cash Equivalents End of Year	$	557,596	$	811,696
Reconciliation to Statement of Net Position				
Cash and cash equalivalents	$	87,577	$	444,509
Restricted assets		470,019		367,187
Total Cash and Cash Equivalents	$	557,596	$	811,696

(continued)

City of Swainsboro, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended November 30, 2015 and 2014

(continued)

	2015	2014
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ (850,772)	$ (665,108)
Adjustments:		
Depreciation	1,079,998	1,070,425
(Increase) Decrease in Assets:		
Accounts receivable	(53,866)	(1,176)
Increase (Decrease) in Liabilities:		
Accounts payable	(10,511)	3,172
Customer deposits	41,306	-
Net Cash Provided by (Used in) Operating Activities	$ 206,155	$ 407,313

City of Swainsboro, Georgia
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax
For the Year Ended November 30, 2015

	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Current Year	Total
2005 SPLOST	$2,383,835	$2,383,835			
Public Safety Buildings and Equipment			$ 1,071,991		$ 1,071,991
Recreation Equipment			79,645		79,645
Water and Sewer System Improvements			2,561,839		2,561,839
Total not including transfers out			$ 3,713,475	$ -	$ 3,713,475
			TOTAL	$ -	

Note A: The SPLOST Schedule has been prepared on the modified accrual basis.

	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Current Year	Total
2012 SPLOST	$3,000,000	$3,000,000			
Public Safety Buildings and Equipment			$ 316,851	$ 453,452	$ 770,303
Recreation Equipment				-	-
Water and Sewer System Improvements			305,340	136,541	305,340
			$ 305,340	$ 589,993	$ 895,333
			TOTAL	$ 589,993	

Note A: The SPLOST Schedule has been prepared on the modified accrual basis.

Stacie W. Avery
Certified Public Accountant
P.O. Box 189
Swainsboro, GA 30401

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*

To Mayor and Council
Swainsboro, Georgia

I have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia, as of and for the year ended November 30, 2015, which collectively comprise City of Swainsboro, Georgia's basic financial statements and have issued my report thereon dated August 27, 2016. I conducted my 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.

Internal Control Over Financial Reporting

Management of City of Swainsboro, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing my audit, I considered City of Swainsboro, Georgia's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the City of Swainsboro, Georgia's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the City of Swainsboro, Georgia's internal control over financial reporting.

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

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Swainsboro, Georgia's financial statements are free of material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain matters that I reported to management of City of Swainsboro, Georgia, in a separate letter dated August 27, 2016.

Purpose of this Report

The purpose of this report is solely to describe the scope of my 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 over compliance. Accordingly, this communication is not suitable for any other purpose.

Stacie W. Avery

Stacie W. Avery, Certified Public Accountant

August 27, 2016