

**CITY OF SWAINSBORO, GEORGIA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED NOVEMBER 30, 2016**

**City of Swainsboro, Georgia**  
**Annual Financial Report**  
**For The Fiscal Year Ended November 30, 2016**

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## **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 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, 2016 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 from material misstatement.

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

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

### **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 units, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia as of November 30, 2016, and the respective change in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

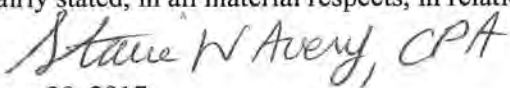
In accordance with *Government Auditing Standards*, I have also issued my report dated June 30, 2017 on my consideration of the City's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.

#### **Other Matters**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

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 have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The combining and individual non major fund financial statements and other supplementary information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements as a whole. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining individual nonmajor fund financial statements and other supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

  
June 30, 2017



## 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, 2016. 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 \$31,300,830 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  - 1) Net investment in capital assets, of \$ 26,796,761 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 \$735,383 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  - 3) Unrestricted net position of \$3,768,686 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 \$2,463,898 this year. This compares to the prior year ending fund balance of \$2,541,653, showing a decrease of \$77,755 during the current year. Unassigned fund balance of \$2,041,965 at November 30, 2016 shows a \$266,981 decrease from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,041,965 or 27.3% of total General Fund expenditures, as compared to 27.5% 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 \$31,300,830 as compared to a restated \$32,691,4068 at November 30, 2016. The following table provides a summary of the City's net position:

Summary of Net Position						
	Governmental Activities		Business-type Activities		Total	
		Restated				Restated
	2016	2015	2016	2015	2016	2015
Assets:						
Current assets	\$ 3,054,900	\$ 3,175,622	\$ 1,183,532	\$ 1,035,570	\$ 4,238,432	\$ 4,211,192
Capital assets	13,182,527	13,615,204	21,898,167	22,932,948	35,080,694	36,548,152
Net pension assets	179,536	495,292	-	-	179,536	495,292
Total assets	16,416,963	17,286,118	23,081,699	23,968,518	39,498,662	41,254,636
Deferred outflows of resources	310,284	391,998	-	-	310,284	391,998
Liabilities:						
Current liabilities	684,765	810,836	509,446	541,605	1,194,211	1,352,441
Long-term liabilities	572,281	651,693	6,966,045	7,250,323	7,538,326	7,902,016
Total liabilities	1,257,046	1,462,529	7,475,491	7,791,928	8,732,537	9,254,457
Deferred inflows of resources	(224,421)	(299,228)	-	-	(224,421)	(299,228)
Net position:						
Net investment in capital assets	12,187,753	12,431,469	14,609,008	15,376,993	26,796,761	27,808,462
Restricted	384,813	197,297	350,570	470,019	735,383	667,316
Unrestricted	3,122,056	3,886,049	646,630	329,578	3,768,686	4,215,627
Total net position	\$ 15,694,622	\$ 16,514,815	\$ 15,606,208	\$ 16,176,590	\$ 31,300,830	\$ 32,691,405

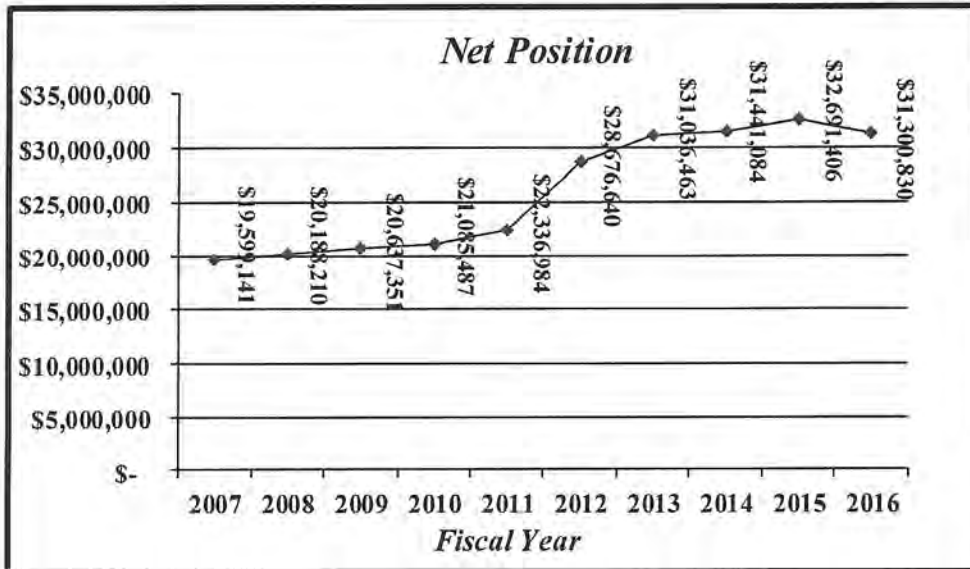


The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 4.5 to 1 as compared to 3.39 to 1 at November 30, 2015. The current ratio for business-type activities is 2.3 to 1 as compared to 1.9 to 1 at November 30, 2015.

The City reported positive balances in net position for both governmental and business-type activities. Net position decreased \$820,193 or 5% for governmental activities, and decreased \$570,382 or 3.5% for business-type activities. The City's overall financial position improved during fiscal year 2016.

Note that approximately 77.7% 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 93.9% 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. 85.7% of the City's total net position is included in capital assets.

The following chart reports the total net position balances from November 30, 2007 – 2016:



In this ten-year period, the net position increased \$11,701,689 or 59.7%. The addition of infrastructure beginning in fiscal year 2012 is the primary reason for the growth.

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	
		Restated				Restated
	2016	2015	2016	2015	2016	2015
Revenues:						
Program:						
Charges for services						
& fines	\$ 1,701,210	\$ 1,404,931	\$ 2,086,113	\$ 1,748,206	\$ 3,787,323	\$ 3,153,137
Operating grants	858,535	936,289	-	-	858,535	936,289
Capital grants	67,392	692,323	-	327,169	67,392	1,019,492
General:						
Taxes	5,025,692	4,689,430	-	-	5,025,692	4,689,430
Other	1,334	108,888	6,027	19,031	7,361	127,919
Total revenues	7,654,163	7,831,861	2,092,140	2,094,406	9,746,303	9,926,267
Program Expenses:						
General government	755,543	646,996	-	-	755,543	646,996
Public safety	3,360,633	2,643,436	-	-	3,360,633	2,643,436
Public works	2,401,289	1,865,454	-	-	2,401,289	1,865,454
Health and welfare	42,958	6,725	-	-	42,958	6,725
Culture and recreation	1,295,432	1,063,638	-	-	1,295,432	1,063,638
Housing and development	578,826	439,308	-	-	578,826	439,308
Interest	39,675	55,473	-	-	39,675	55,473
Water and sewer	-	-	2,662,522	2,788,514	2,662,522	2,788,514
Total expenses	8,474,356	6,721,030	2,662,522	2,788,514	11,136,878	9,509,544
Revenues over (under) expenses	(820,193)	1,110,831	(570,382)	(694,108)	(1,390,575)	416,723
Transfers in (out)	-	-	-	-	-	-
Net changes in net position	(820,193)	1,110,831	(570,382)	(694,108)	(1,390,575)	416,723
As restated beginning net position	16,514,815	15,403,984	16,176,590	16,870,698	32,691,405	32,274,682
Ending net position	\$ 15,694,622	\$ 16,514,815	\$ 15,606,208	\$ 16,176,590	\$ 31,300,830	\$ 32,691,405

#### GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 31.6% of the City's total governmental revenues as compared to 30.9% in fiscal year 2016. Sales taxes make up 14.9% of the City's total governmental revenues as compared to 10.5% in fiscal year 2016.

User charges and fines are the second largest revenue source totaling over \$1.7 million or 22.2% of total governmental revenues. This percentage compared to 17.9% in fiscal year 2016. Because of the City's healthy financial position, we have been able to earn \$960 in interest earnings to support governmental activities. Also, note that program revenues cover 31% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 69% of the governmental activities.

## GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up approximately 68% of the total governmental activities expenses as compared to 67.1% in fiscal year 2016. General government totals over \$755 thousand and the culture and recreation costs the City almost \$1.3 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	\$ 755,543	8.9%	\$ 148,906	2.5%
Public safety	3,360,633	39.7%	3,086,254	52.8%
Public works	2,401,289	28.3%	1,477,416	25.3%
Health and welfare	42,958	0.5%	42,958	0.7%
Culture and recreation	1,295,432	15.3%	817,959	14.0%
Housing and development	578,826	6.8%	234,051	4.0%
Interest	39,675	0.5%	39,675	0.7%
Total	<u>\$ 8,474,356</u>	<u>100.0%</u>	<u>\$ 5,847,219</u>	<u>100.0%</u>

The public safety totals 52.8% of the net cost of services and public works totals 25.3% 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 \$1,997,508 or up \$331,651, or 19.9% due to an increase in the user charge.

Operating expenses decreased \$153,832 or 5.9% less than fiscal year 2016. Employee benefit costs increased \$5,615 or 40.8%, due to an increase in health insurance costs. Purchased services decrease \$63,244 or 5.6% and materials and supplies decreased \$99,335 or 26.8% because some fiscal year 2015 costs were not duplicated in fiscal year 2016.

## 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 \$2,463,898 as compared to the 2015 fiscal year amount of \$2,541,653. Of this year-end total, \$2,041,965 is unassigned indicating availability for continuing City service requirements. Fund balance includes \$304,549 restricted for capital outlay, \$9 restricted for debt service and \$80,255 for housing and development. Fund balance includes assets not available for current expenditure of \$37,120, which is tied up in inventory.

The total ending fund balances of governmental funds show a decrease of \$77,755 or a decrease of 3.1% 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 \$268,433 in fiscal year 2016. In fiscal year 2015, the fund balance decreased \$908,250.

Total revenues decreased \$227,107 or 3.1% from that of fiscal year 2016.

General property taxes decreased \$38,553 or 1.8% below that of fiscal year 2015. In total, motor vehicle taxes decreased \$37,561 due to the change on how these taxes are levied. Ultimately, this revenue should level off.

Sales taxes decreased \$52,223 or 6.5%, because of a stale economy. Franchise taxes increased \$54,282 or 9.2% due to an increase in businesses and corporations within the City. A new restaurant and more liquor sales establishments resulted in an increase of liquor license revenue.

Insurance premium taxes increased \$34,865 or 8.3% over fiscal year 2015, due to more insurance sold within the City limits. Federal revenue decreased by \$237,191 from fiscal year 2015 due to 2015 airport grant that was not duplicated in fiscal year 2016.

Fines were down \$31,186 or 13.4% from last year, due to more citizen compliance with speeding limits. Dumpster fees were \$69,777 or 24.1% above fiscal year 2015, primarily due to an increase in the fee.

Total expenditures decreased \$875,584 or 10.5% below the fiscal year 2015 total.

Personal service costs increased \$26,088 or 26.9% for the City Council due to full staffing. Operating costs for financial administration decreased \$22,538 or 16.8%.

Police operating costs decreased \$93,168 or 22.6%, due primarily to some fiscal year 2015 costs that were not duplicated in fiscal year 2016. Fire operating costs increased \$72,575 or 83.4%, due to the costs of operating the new fire station.

Public works operations increased \$422,440 or 39.5% over fiscal year 2015 because of the closing of the inert landfill

The general fund's ending unassigned fund balance decreased \$266,981 or 11.6% below the November 30, 2015 balance. This balance is considered adequate, representing the equivalent of 27.3% of annual expenditures, as compared to 27.7% last year.

**2005 SPLOST Fund** – In fiscal year 2016, this fund reported interest earnings of just \$119. The City spend \$25,009 in this fiscal year. The ending fund balance totals \$101,818.

**2012 SPLOST Fund** – In fiscal year 2016, this fund reported revenues of \$372,378, of which \$372,295 was SPLOST taxes received from the County. The City spent \$166,485, which included road paving the completion of the construction of a fire station. The ending fund balance totals \$202,731.

#### **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 2016, the City Council did not amend the general fund budget.



The City recognized \$102,676 less than anticipated total revenues. Total tax revenue was \$106,360 below the budget. Property taxes were \$209,149 below the final budget due to an incorrect budget estimate. The total budget for motor vehicles taxes was \$32,784 over budget. The local option sales tax was \$128,717 below the budget, indicating a stagnant economy.

On the expenditure side, police personal services over expended the budget by \$102,541, due to full staffing but the budget was not increased. Fire personal services over expended the budget by \$85,255

The public works operating budget was over expended by \$383,443, 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, 2016, was \$13,182,527 and \$21,897,767\_ respectively. The decrease in net investment was 3.23% for governmental activities and a 4.5% 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	
	2016	2015	2016	2015	2016	2015
Non-depreciable assets:						
Land	\$ 1,139,999	\$ 1,139,999	\$ 520,300	\$ 520,300	\$ 1,660,299	\$ 1,660,299
Depreciable assets:						
Buildings	10,113,587	9,936,099	31,319	31,319	10,144,906	9,967,418
Utility plant	-	-	32,708,187	32,708,187	32,708,187	32,708,187
Machinery and equipment	2,995,669	2,965,350	875,434	827,387	3,871,103	3,792,737
Infrastructure	6,359,946	6,346,126	-	-	6,359,946	6,346,126
Total depreciable assets	19,469,202	19,247,575	33,614,940	33,566,893	53,084,142	52,814,468
Less accumulated depreciation	7,426,674	6,772,370	12,237,473	11,154,245	19,664,147	17,926,615
Book value - depreciable assets	12,042,528	12,475,205	21,377,467	22,412,648	33,419,995	34,887,853
Percentage depreciated	38%	35%	36%	33%	37%	34%
Book value - all assets	\$ 13,182,527	\$ 13,615,204	\$ 21,897,767	\$ 22,932,948	\$35,080,294	\$36,548,152

At November 30, 2016, the depreciable capital assets for governmental activities were 38% depreciated. This compares to 35% at the November 30, 2015 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, 36% of the asset values were depreciated at November 30, 2016, which compares to 33% at November 30, 2015.



Additions to the general government buildings included:

- Fire station (\$110,620)
- Dixie theater (15,729)
- SPLOST funded building additions (\$51,139)

Machinery and equipment additions included a police vehicle (\$8,000) and a fire pumper (\$70,7660.

### Long-term Debt

During the year, the City issued a promissory note for \$70,000 used to purchase the above-mentioned fire pumper.

	Governmental					
	Activities		Business-type Activities		Totals	
		Restated				Restated
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ -	\$ 105,000	\$ -	\$ -	\$ -	\$ 105,000
Capital leases:	98,154	176,339	-	-	98,154	176,339
Promissory note	896,619	902,397	38,836	-	935,455	902,397
GEFA loans	-	-	1,364,251	1,559,707	1,364,251	1,559,707
USDA loan	-	-	5,886,072	5,996,248	5,886,072	5,996,248
Net pension liability (excess)	(179,536)	(495,292)	-	-	(179,536)	(495,292)
Compensated absences	112,988	110,393	-	-	-	110,393
Total	\$ 928,225	\$ 798,837	\$ 7,289,159	\$ 7,555,955	8,217,384	\$ 8,354,792

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 capital, 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 2016, 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, 2016

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note 3A)	\$ 367,253	\$ 73,755	\$ 441,008	\$ 36,282
Investments	859,041	-	859,041	-
Receivables:				
Accounts	205,547	210,538	416,085	-
Taxes	2,134,608	-	2,134,608	-
Intergovernmental	-	-	-	-
Interfund	(548,669)	548,669	-	-
Inventories	37,120	-	37,120	-
Restricted assets	-	350,570	350,570	-
<b>Total Current Assets</b>	<b>3,054,900</b>	<b>1,183,532</b>	<b>4,238,432</b>	<b>36,282</b>
<b>Noncurrent Assets</b>				
Net pension liability (excess)	179,536	-	179,536	-
Capital assets (Note 3D)				
Nondepreciable	1,139,999	520,300	1,660,299	-
Depreciable, net	12,042,528	21,377,867	33,420,395	-
<b>Total Noncurrent Assets</b>	<b>13,362,063</b>	<b>21,898,167</b>	<b>35,260,230</b>	<b>-</b>
<b>Deferred Outflows of Resources</b>	<b>310,284</b>	<b>-</b>	<b>310,284</b>	<b>-</b>
<b>Total Assets</b>	<b>16,727,247</b>	<b>23,081,699</b>	<b>39,808,946</b>	<b>36,282</b>
<b>Liabilities</b>				
<b>Current Liabilities</b>				
Accounts payable	147,419	-	147,419	-
Accrued expenses	1,864	-	1,864	-
Compensated absences payable	84,741	-	84,741	-
Customer deposits	-	186,332	186,332	-
Promissory notes payable	378,016	9,806	387,822	-
GEFA loans payable	-	200,627	200,627	-
Capital leases payable	72,725	-	72,725	-
USDA bonds payable	-	112,681	112,681	-
<b>Total Current Liabilities</b>	<b>684,765</b>	<b>509,446</b>	<b>1,194,211</b>	<b>-</b>
<b>Long-term Liabilities: (net of current portion) (Note 3G)</b>				
Compensated absences payable	28,248	-	28,248	-
Loan payable	-	29,030	29,030	-
GEFA loans payable	-	1,163,624	1,163,624	-
Capital leases payable	25,429	-	25,429	-
USDA bonds payable	-	5,773,391	5,773,391	-
Promissory note payable	518,604	-	518,604	81,684
<b>Total Long-term Liabilities</b>	<b>572,281</b>	<b>6,966,045</b>	<b>7,538,326</b>	<b>81,684</b>
<b>Total Liabilities</b>	<b>1,257,046</b>	<b>7,475,491</b>	<b>8,732,537</b>	<b>81,684</b>
<b>Deferred Inflows of Resources</b>	<b>(224,421)</b>	<b>-</b>	<b>(224,421)</b>	<b>-</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>1,032,625</b>	<b>7,475,491</b>	<b>8,508,116</b>	<b>81,684</b>
<b>Net Position</b>				
Net investment in capital assets (Note 3I)	12,187,753	14,609,008	26,796,761	-
Restricted for debt service	9	350,570	350,579	-
Restricted for housing and development	80,255	-	80,255	-
Restricted for capital outlay	304,549	-	304,549	-
Unrestricted	3,122,056	646,630	3,768,686	(45,402)
<b>Total Position</b>	<b>\$ 15,694,622</b>	<b>\$ 15,606,208</b>	<b>\$ 31,300,830</b>	<b>\$ (45,402)</b>

City of Swainsboro, Georgia  
Statement of Activities  
For the Year Ended November 30, 2016

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services and Sales	Operating Grants	Capital Grants	Primary Government			
					Governmental Activities	Business-Type Activities	Total	Component Unit
<b>Primary Government</b>								
<b>Governmental Activities</b>								
General government	\$ 755,543	\$ 562,154	\$ 44,483	\$ -	\$ (148,906)	\$ -	\$ (148,906)	\$ -
Public safety	3,360,633	209,242	65,137	-	(3,086,254)	-	(3,086,254)	-
Public works	2,401,289	822,670	101,203	-	(1,477,416)	-	(1,477,416)	-
Health and welfare	42,958	-	-	-	(42,958)	-	(42,958)	-
Culture and recreation	1,295,432	62,163	347,918	67,392	(817,959)	-	(817,959)	-
Housing and development	578,826	44,981	299,794	-	(234,051)	-	(234,051)	-
Interest	39,675	-	-	-	(39,675)	-	(39,675)	-
<b>Total Governmental Activities</b>	<b>8,474,356</b>	<b>1,701,210</b>	<b>858,535</b>	<b>67,392</b>	<b>(5,847,219)</b>	<b>-</b>	<b>(5,847,219)</b>	<b>-</b>
<b>Business-type Activities:</b>								
Water and sewerage	2,662,522	2,086,113	-	-	-	(576,409)	(576,409)	-
<b>Total - Primary Government</b>	<b>\$ 11,136,878</b>	<b>\$ 3,787,323</b>	<b>\$ 858,535</b>	<b>\$ 67,392</b>	<b>(5,847,219)</b>	<b>(576,409)</b>	<b>(6,423,628)</b>	<b>-</b>
<b>Component Unit</b>								
Downtown Development Authority	\$ 184,990	\$ 158,224	\$ -	\$ -	\$ -	-	-	(26,766)
<b>General Revenues</b>								
Property taxes levied for general government purposes					2,418,304	-	2,418,304	-
Sales tax					1,143,578	-	1,143,578	-
T-SPLOST					103,159	-	103,159	-
Insurance premium tax					453,938	-	453,938	-
Franchise tax					642,765	-	642,765	-
Beer and liquor tax					188,049	-	188,049	-
Hotel/motel tax					75,899	-	75,899	-
Investment earnings					960	651	1,611	19
Miscellaneous					374	5,376	5,750	700
<b>Total General Revenues</b>					<b>5,027,026</b>	<b>6,027</b>	<b>5,033,053</b>	<b>719</b>
<b>Change in Net Position</b>					<b>(820,193)</b>	<b>(570,382)</b>	<b>(1,390,575)</b>	<b>(26,047)</b>
<b>Net Position (Deficit) Beginning of Year, as Restated</b>					<b>16,514,815</b>	<b>16,176,590</b>	<b>32,691,405</b>	<b>(19,355)</b>
<b>Net Position (Deficit) End of Year</b>					<b>\$ 15,694,622</b>	<b>\$ 15,606,208</b>	<b>\$ 31,300,830</b>	<b>\$ (45,402)</b>

See accompanying notes to the basic financial statements

City of Swainsboro, Georgia  
*Balance Sheet*  
*Governmental Fund*  
*November 30, 2016*

	General	2005 SPLOST	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>		0			
Cash and cash equivalents	\$ 60,735	\$ 101,818	\$ 122,615	\$ 82,085	\$ 367,253
Investments	859,041	-	-	-	859,041
Receivables:					
Accounts	205,547	-	-	-	205,547
Taxes	2,134,608	-	-	-	2,134,608
Intergovernmental	-	-	-	-	-
Interfund	1,812	-	80,116	-	81,928
Inventories	37,120	-	-	-	37,120
<b>Total Assets</b>	<u>\$ 3,298,863</u>	<u>\$ 101,818</u>	<u>\$ 202,731</u>	<u>\$ 82,085</u>	<u>\$ 3,685,497</u>
		\$ -			
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable	\$ 147,419	\$ -	\$ -	\$ -	\$ 147,419
Payroll liabilities payable	1,864	-	-	-	1,864
Interfund payable	628,776	-	-	1,821	630,597
<b>Total Liabilities</b>	778,059	-	-	1,821	779,880
<b>Deferred Inflows of Resources - Property Taxes</b>	441,719	-	-	-	441,719
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>1,219,778</u>	<u>-</u>	<u>-</u>	<u>1,821</u>	<u>1,221,599</u>
<b>Fund Balances</b>					
Nonspendable	37,120	-	-	-	37,120
Restricted	-	101,818	202,731	80,264	384,813
Unassigned	2,041,965	-	-	-	2,041,965
<b>Total Fund Balances</b>	<u>2,079,085</u>	<u>101,818</u>	<u>202,731</u>	<u>80,264</u>	<u>2,463,898</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 3,298,863</u>	<u>\$ 101,818</u>	<u>\$ 202,731</u>	<u>\$ 82,085</u>	<u>\$ 3,685,497</u>

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, 2016*

<b>Total Governmental Fund Balances</b>	<b>\$ 2,463,898</b>
<b>Amounts reported for governmental activities in the statement of net position are different because:</b>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	
Cost of capital assets	\$ 20,609,201
Less accumulated depreciation	<u>(7,426,674)</u>
	13,182,527
Deferred inflows of resources for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.	224,421
Deferred outflows of resources for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.	310,284
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.	441,719
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	\$ (112,989)
Promissory note payable	(896,620)
Capital lease payable	(98,154)
Net pension liability payable (excess)	<u>179,536</u>
	<u>(928,227)</u>
<b>Net Position of Governmental Activities</b>	<b>\$ <u>15,694,622</u></b>

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, 2016*

	General	2005 SPLOST	2012 SPLOST	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 4,601,348	\$ -	\$ 372,295	\$ 75,899	\$ 5,049,542
Licenses and permits	204,365	-	-	-	204,365
Intergovernmental	925,926	-	-	-	925,926
Charges for services	1,259,521	-	-	10,902	1,270,423
Fines and forfeitures	201,422	-	-	-	201,422
Investment earnings	664	119	83	94	960
Miscellaneous	25,375	-	-	-	25,375
<b>Total Revenues</b>	<u>7,218,621</u>	<u>119</u>	<u>372,378</u>	<u>86,895</u>	<u>7,678,013</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	695,219	-	-	-	695,219
Public safety	3,037,151	-	-	-	3,037,151
Public works	2,132,873	-	1,535	-	2,134,408
Health and welfare	16,680	-	-	-	16,680
Culture and recreation	1,093,550	-	-	-	1,093,550
Housing and development	353,415	-	-	55,196	408,611
<b>Capital Outlay</b>	-	25,009	164,950	-	189,959
<b>Debt Service:</b>					
Principal	105,515	-	-	105,000	210,515
Interest	32,002	-	-	7,673	39,675
<b>Total Expenditures</b>	<u>7,466,405</u>	<u>25,009</u>	<u>166,485</u>	<u>167,869</u>	<u>7,825,768</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(247,784)</u>	<u>(24,890)</u>	<u>205,893</u>	<u>(80,974)</u>	<u>(147,755)</u>
<b>Other Financing Sources (Uses)</b>					
Issuance of promissory note	70,000	-	-	-	70,000
Transfers in	-	-	-	90,649	90,649
Transfers (out)	(90,649)	-	-	-	(90,649)
<b>Total Other Financing Sources (Uses)</b>	<u>(20,649)</u>	<u>-</u>	<u>-</u>	<u>90,649</u>	<u>70,000</u>
<b>Net Change in Fund Balances</b>	<u>(268,433)</u>	<u>(24,890)</u>	<u>205,893</u>	<u>9,675</u>	<u>(77,755)</u>
<b>Fund Balances Beginning of Year</b>	<u>2,347,518</u>	<u>126,708</u>	<u>(3,162)</u>	<u>70,589</u>	<u>2,541,653</u>
<b>Fund Balances End of Year</b>	<u>\$ 2,079,085</u>	<u>\$ 101,818</u>	<u>\$ 202,731</u>	<u>\$ 80,264</u>	<u>\$ 2,463,898</u>

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, 2016*

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		<b>\$ (77,755)</b>
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
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	\$ (663,993)	
Capital outlay	<u>270,074</u>	(393,919)
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 @ 11/30/16	\$ (465,569)	
Liability @ 11/30/15	<u>441,719</u>	(23,850)
Pensions costs reported on the government-wide statement of activities but not reported on the governmental fund operating statement. These amounts are negative expenses.		(472,277)
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.		(70,000)
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.		210,515
Miscellaneous debt service adjustment		9,689
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 @ 11/30/16	\$ (112,989)	
Liability @ 11/30/15	<u>110,393</u>	(2,596)
<b>Change In Net Position of Governmental Activities</b>		<b><u>\$ (820,193)</u></b>
See accompanying notes to the basic financial statements		

City of Swainsboro, Georgia  
*Statement of Net Position*  
*Proprietary Fund - Water and Sewerage Fund*  
*November 30, 2016*

<b>Assets</b>	
<b>Current Assets:</b>	
Cash and cash equivalents	\$ 73,755
Investments	-
Accounts receivable (net)	210,538
Interfund receivable	548,669
Restricted assets:	
Cash and cash equivalents	<u>350,570</u>
<b>Total Current Assets</b>	<u>1,183,532</u>
<b>Noncurrent Assets:</b>	
Capital assets:	
Nondepreciable	520,300
Depreciable, net	<u>21,377,867</u>
<b>Total Noncurrent Assets</b>	<u>21,898,167</u>
<b>Total Assets</b>	<u>23,081,699</u>
<b>Liabilities</b>	
<b>Current Liabilities:</b>	
Accounts payable	-
Customer deposits payable	186,332
Interfund payable	-
Note payable	9,806
GEFA loans payable	200,627
USDA bonds payable	<u>112,681</u>
<b>Total Current Liabilities</b>	<u>509,446</u>
<b>Long-term Liabilities (net of current portion):</b>	
Note payable	29,030
GEFA loans payable	1,163,624
USDA bonds payable	<u>5,773,391</u>
<b>Total Long-term Liabilities</b>	<u>6,966,045</u>
<b>Total Liabilities</b>	<u>7,475,491</u>
<b>Net Position</b>	
Net investment in capital assets	14,609,008
Restricted for debt service	350,570
Unrestricted	<u>646,630</u>
<b>Total Net Position</b>	<u>\$ 15,606,208</u>

See accompanying notes to the basic financial statements

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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, 2016

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<b>Operating Revenues</b>	
Charges for services	2,086,113
Service charges	-
Miscellaneous	<u>5,376</u>
<b>Total Operating Revenues</b>	<u>2,091,489</u>
<b>Operating Expenses</b>	
Personal services - salaries	21,041
Personal services - benefits	19,366
Purchased services - professional and technical	1,068,853
Materials and supplies	270,788
Depreciation	<u>1,083,227</u>
<b>Total Operating Expenses</b>	<u>2,463,275</u>
<b>Operating (Loss)</b>	<u>(371,786)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Investment earnings	651
Interest and fiscal charges	<u>(199,247)</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(198,596)</u>
<b>Income Before Contributions</b>	(570,382)
<b>Contributions</b>	<u>-</u>
<b>Change in Net Position</b>	(570,382)
<b>Net Position Beginning of Year</b>	<u>16,176,590</u>
<b>Net Position End of Year</b>	<u><u>\$ 15,606,208</u></u>

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, 2016*

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**Increase (Decrease) in Cash and Cash Equivalents**

**Cash Flows from Operating Activities**

Cash received from customers	\$ 2,131,461
Cash payments to employees for services	(40,407)
Cash payments for goods and services	<u>(1,392,402)</u>

**Net Cash Provided by (Used in) Operating Activities**

698,652

**Cash Flows from Noncapital Financing Activities**

Interfund receivable	(248,633)
Interfund payable	<u>(69,452)</u>

**Net Cash Provided by (Used in) Noncapital  
Financing Activities**

(318,085)

**Cash Flows from Capital and  
Related Financing Activities**

Capital grants	-
Principal paid on USDA loan	(107,727)
Principal paid on notes and capital leases	(192,994)
Interest paid on notes and capital leases	(199,247)
Acquisition of capital assets	<u>(321,012)</u>

**Net Cash Provided by (Used in) Capital and Related  
Financing Activities**

(820,980)

**Cash Flows from Investing Activities**

Net decrease (increase) in investments	358,826
Investment earnings	<u>651</u>

**Net Cash Flows from Investing Activities**

359,477

**Net Increase (Decrease) in  
Cash and Cash Equivalents**

(80,936)

**Cash and Cash Equivalents Beginning of Year**

557,596

**Cash and Cash Equivalents End of Year**

\$ 476,660

**Reconciliation to Statement of Net Assets**

Cash and cash equivalents	\$ 73,755
Restricted assets	<u>350,570</u>

**Total Cash and Cash Equivalents**

\$ 424,325

City of Swainsboro, Georgia  
*Statement of Cash Flows*  
*Proprietary Fund - Water and Sewerage Fund*  
*For the Year Ended November 30, 2016*

(continued)

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**Reconciliation of Operating Income to Net Cash  
Provided by (Used in) Operating Activities**

<b>Operating Income (Loss)</b>	\$ (371,786)
<b>Adjustments:</b>	
Depreciation	1,083,227
<b>(Increase) Decrease in Assets:</b>	
Accounts receivable	36,852
<b>Increase (Decrease) in Liabilities:</b>	
Accounts payable	(52,761)
Customer deposits	<u>3,120</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u><u>\$ 698,652</u></u>

See accompanying notes to the basic financial statements

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

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*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

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.

*City of Swainsboro, Georgia  
Notes to the Basic Financial Statements  
For the Year Ended November 30, 2016*

**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 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.

**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 water improvements, public safety equipment, fire building, recreation site improvements.



*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

***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 way 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.

***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.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

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, 2016.

***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.

***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.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

***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:

Asset Class	Estimated Lives	
	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.

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.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

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

***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



*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***Note 1 - Summary of Significant Accounting Policies (Continued)***

**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 for reporting purposes. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts are deferred and amortized over the life of the debt 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) or 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 with the exception of prepaid bond insurance costs which are deferred and amortized over the life of the debt as amortization expense.

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

***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 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.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***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 2016 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	\$ 26,132
Mayor and Commission	12,209
Police	24,905
Fire	308,985
Public works operations	283,443
City Downtown Development Auth.	1,402
Culture and recreation	49,859
Enterprise applications	8,988
Protective inspection	1,112

Debt service fund 1,873

***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, 2016, are entirely insured or collateralized with securities held by the City's agent in the City's name.



*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***Note 3 - Detailed Notes on All Funds***

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, 2016:

		<u>Maturity</u>
Certificates of deposit	\$591,204	current to one year

***3-B. Receivables***

Receivables at November 30, 2016, 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, 2016, allowances for uncollectibles were reported as follows:

General fund (property taxes)	\$24,085
Water and sewerage fund (charges for services)	91,720

***3-C. Property Taxes***

The City Council levied property taxes October 15, 2015. Property taxes attach as an enforceable lien on property as of January 1 2016. Property taxes are billed on October 19, 2015 and were payable on December 30, 2015.

(This page continued on the subsequent page)

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**Note 3 - Detailed Notes on All Funds (Continued)**

**3-D. Capital Assets**

Capital asset activity for governmental activities for the year ended November 30, 2016, was as follows:

	Balance 12/1/2015	Additions	Deductions	Balance 11/30/2016
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,139,999	\$ -	\$ -	\$ 1,139,999
Other capital assets:				
Buildings and improvements	9,936,099	177,488	-	10,113,587
Machinery and equipment	2,965,350	78,766	48,447	2,995,669
Infrastructure	6,346,126	13,820	-	6,359,946
Total other capital assets	19,247,575	270,074	48,447	19,469,202
Total capital assets	20,387,574	270,074	48,447	20,609,201
Accumulated depreciation:				
Buildings and improvements	3,042,773	265,395	-	3,308,168
Machinery and equipment	2,658,272	211,233	9,689	2,859,816
Infrastructure	1,071,325	187,365	-	1,258,690
Total accumulated depreciation	6,772,370	663,993	9,689	7,426,674
Governmental activities capital assets, net	<u>\$ 13,615,204</u>	<u>\$ (393,919)</u>	<u>\$ 38,758</u>	<u>\$ 13,182,527</u>
Governmental activities depreciation expense:				
General government		\$ 9,825		
Public safety		205,782		
Public works		151,258		
Health and welfare		2,750		
Culture and recreation		136,258		
Housing and development		158,120		
Total governmental activities depreciation expense		<u>\$ 663,993</u>		

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**Note 3 - Detailed Notes on All Funds (Continued)**

Capital asset activity for business-type activities for the year ended November 30, 2016, was as follows:

	Balance 12/1/2015	Additions	Deductions	Balance 11/30/2016
Water and sewerage fund				
Nondepreciable capital assets				
Land	\$ 520,300	\$ -	\$ -	\$ 520,300
Other capital assets:				
Buildings	31,319	-	-	31,319
Utility plant and lines	32,708,187	-	-	32,708,187
Machinery and equipment	827,387	48,447	-	875,834
Total other capital assets	33,566,893	48,447	-	33,615,340
Total capital assets	34,087,193	48,447	-	34,135,640
Accumulated depreciation:				
Buildings	21,338	1,081	-	22,419
Utility plant and lines	10,323,651	1,073,259	-	11,396,910
Machinery and equipment	809,256	8,888	-	818,144
Total accumulated depreciation	11,154,245	1,083,228	-	12,237,473
Water and sewerage fund capital assets, net	<u>\$ 22,932,948</u>	<u>\$ (1,034,781)</u>	<u>\$ -</u>	<u>\$ 21,898,167</u>

**3-E. Interfund Balances**

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

	Payable from:		
Receivable to:	General	Hotel-motel	Total
General	\$ -	\$ 1,812	\$ 1,812
Water and sewer	548,669	-	548,669
2012 SPLOST	80,116	-	80,116
Total	<u>\$ 628,785</u>	<u>\$ 1,812</u>	<u>\$ 630,597</u>

Interfund balances at November 30, 2016, consisted of interfund loans between funds for cash flow purposes and for other budgeted purposes.

**Interfund Transfers** – The general fund transferred \$90,649 to debt service fund to cover the cost of the annual debt service for the general obligation bonds.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**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 more than 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, 2016:

**Governmental Activities Debt** – The County reports one outstanding general obligation bond issue, two capital leases and four 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 were retired from the debt service fund. The total of general obligation bonds was retired in fiscal year 2016.

**Capital Leases Payable** – The City has two outstanding capital leases at November 30, 2016.

**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 \$258,942 and a book value at November 30, 2016 is \$34,797.

Annual debt service requirements to amortize this debt, as of November 30, 2016 follow:

Year	Principal	Interest	Total
2017	\$ 49,745	\$ 1,682	\$ 51,427
2018	25,429	283	25,712
Total	<u>\$ 75,174</u>	<u>\$ 1,965</u>	<u>\$ 77,139</u>

**DBC Finance Capital Lease #5** – On July 21, 2016 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 \$28,712 and a book value at November 30, 2016 is \$63,350.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**Note 3 - Detailed Notes on All Funds (Continued)**

Annual debt service requirements to amortize this debt, as of November 30, 2016 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 22,980	\$ 327	\$ 23,307

**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 drawn down \$790,387 through fiscal year 2016. 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. Promissory Note**- On March 22, 2015 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. This note was transferred to business-type activities in fiscal year 2016.

**Promissory Note – Marion L. Sowell** - On August 1, 2015, 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 \$4,088 and a book value at November 30, 2016 is \$75,6848.

Annual debt service requirements to amortize this debt, as of November 30, 2016 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 16,649	\$ 1,681	\$ 18,330
2018	17,722	1,175	18,897
2019	13,035	608	13,643
Total	\$ 47,406	\$ 3,464	\$ 50,870

**Promissory Note BB&T** – On April 16, 2016, the City borrowed \$70,000 to purchase a 2003 Ford F550 mini-pumper fire truck. The financing period is 12 quarterly payments \$6,164 (with includes monthly interest expense) at a 3.43% interest rate. The truck cost was \$70,000, with accumulated depreciation of \$14,000 and a book value at November 30, 2016 is \$56,000.

Annual debt service requirements to amortize this debt, as of November 30, 2016 follow:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 22,929	1,725	\$ 24,654
2018	23,727	928	24,655
2019	12,170	157	12,327
Total	\$ 58,826	\$ 2,810	\$ 61,636

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**Note 3 - Detailed Notes on All Funds (Continued)**

**Business-type Activities** – November 30, 2016, 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, 2016 follow:

Fiscal Year	Principal	Interest	Total
2017	\$ 175,627	\$ 27,541	\$ 230,709
2018	180,956	22,212	225,380
2019	186,446	16,722	219,890
2020	191,248	11,920	215,088
2021	197,528	5,640	208,808
2122-2024	49,113	1,880	52,873
Total	<u>\$ 980,918</u>	<u>\$ 85,915</u>	<u>\$ 1,152,748</u>

**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.

Annual debt service requirements to amortize this debt, as of November 30, 2016 follow:

Fiscal Year	Principal
2017	\$ 25,000
2018	25,000
2019	25,000
2020	25,000
2021	25,000
2022-2026	125,000
2027-2031	125,000
2032-2034	8,333
Total	<u>\$ 383,333</u>

**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.



*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**Note 3 - Detailed Notes on All Funds (Continued)**

Annual debt service requirements to amortize this debt, as of November 30, 2016 follow:

Fiscal Year	Principal	Interest	Total
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	124,112	119,848	243,960
2022-2026	647,980	571,820	1,219,800
2027-2031	725,819	493,981	1,219,800
2032-2036	814,565	405,235	1,219,800
2037-2041	909,698	310,102	1,219,800
2042-2046	1,039,750	180,050	1,219,800
2047-2051	1,157,821	18,798	1,176,619
Total	<u>\$ 5,886,072</u>	<u>\$ 2,609,347</u>	<u>\$ 8,495,419</u>

**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. This note was originally reported in governmental activities but was moved to debt in the water and sewer fund in this fiscal year.

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

Year	Principal	Interest	Total
2017	\$ 9,650	\$ 156	\$ 9,806
2018	9,689	117	9,806
2019	9,728	78	9,806
2020	<u>9,767</u>	<u>39</u>	<u>9,806</u>
Total	<u>\$ 38,834</u>	<u>\$ 390</u>	<u>\$ 39,224</u>

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***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, 2016:

GEFA loan - DW09034	408,333	-	25,000	383,333	25,000
USDA loan	5,996,248	-	110,176	5,886,072	112,681
Promissory note - International	-	48,448	9,612	38,836	9,650
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Business-Type Activities	<u>\$ 7,555,955</u>	<u>\$ 48,448</u>	<u>\$ 315,244</u>	<u>\$ 7,289,159</u>	<u>\$ 322,958</u>

The amortization of the capital assets acquired via capital leases is included in the depreciation expense reported.

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.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**Note 3 - Detailed Notes on All Funds (Continued)**

That report may be obtained by writing to:

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

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	53
Fully vested former participants	16
Retirees and beneficiaries currently receiving benefits	45
Active elected officials	<u>7</u>
Total membership	<u><u>121</u></u>

***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, 2016 was 6.72% of covered-employee payroll. The City's covered payroll for employees participating in the Plan as of January 1, 2016, (the most recent actuarial valuation date) was \$1,997,936 (based on covered earnings for the preceding year). The City's contributions were \$138,264

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, 2016, the City reported a net pension liability of \$179,536 (an excess). The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. For the year ended December 31, 2016, the City recognized pension expense of \$68,936.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**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)
<b>Balances at November 30, 2014</b>	\$ 6,629,064	\$ 7,124,356	\$ (495,292)
Changes for the year:			
Service cost	91,846	-	91,846
Interest	498,108	-	498,108
Differences between expected and actual experience	66,286	-	66,286
Employer contributions	-	138,271	(138,271)
Net investment income	-	215,620	(215,620)
Benefit payments	(403,729)	(403,729)	-
Administrative expense	-	(13,407)	13,407
Other changes	-	-	-
Net changes	252,511	(63,245)	315,756
<b>Balances at December 31, 2015</b>	<u>\$ 6,881,575</u>	<u>\$ 7,061,111</u>	<u>\$ (179,536)</u>
Plan fiduciary net position as a percentage of the total pension liability		102.61%	
Covered employee payroll		\$ 1,997,936	
Net pension liability as a percentage of covered employee payroll		-8.99%	

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Demographic	\$ (19,047)	\$ 49,716
Assumption change	(83,466)	-
Net difference between projected and actual earnings on pension plan investments	(121,908)	138,660
<b>Total</b>	<u>\$ (224,421)</u>	<u>188,376</u>

The \$85,863 of deferred inflows and deferred outflows of resources resulting from the City's demographic changes, assumption changes and investment changes will be recognized as an increase or decrease of the net pension liability in the fiscal year ending November 30, 2016.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended 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	
2017	\$ 6,907
2018	6,907
2019	6,907
2020	65,142
Totals	<u>\$ 85,863</u>

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

Inflation	3.25%
Future salary increases	3.25% plus service merit increases
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, 2016 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%	1.35%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	<u>100%</u>		

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**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%) or one percentage-point higher (8.75%) than the current rate:

	<u>Discount Rate</u>	<u>Net Pension Liability</u>
1% decrease	6.75%	\$ 597,740
Current discount rate	7.75%	(179,536)
1% increase	8.75%	(836,298)

**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	<u>\$ 37,120</u>
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- **Restricted** – The following fund balances are legally restricted to specified purposes:

**Nonmajor Funds:**

Principal and interest on long-term bonds	\$ 9
Housing and development	<u>80,255</u>

<b>Total Nonmajor Funds</b>	<u>\$ 80,264</u>
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**Major Capital Projects SPLOST Funds:**

SPLOST 2005 Capital projects	\$ 101,818
SPLOST 2012 Capital projects	<u>202,731</u>

**Major Capital Projects**

<b>SPLOST Funds</b>	<u>\$ 304,549</u>
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- **Unassigned** – The following fund balances include the general fund unassigned amount:

**General Fund:**

General Fund	<u>\$ 2,041,965</u>
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*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

***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, 2016 are as follows:

	Governmental Activities	Business Type Activities
Net investment in capital assets:		
Cost of capital assets	\$ 20,609,201	\$ 34,135,640
Less accumulated depreciation	7,426,674	12,237,473
Book value	13,182,527	21,898,167
Less capital related debt	994,774	7,289,159
Net investment in capital assets	<u>\$ 12,187,753</u>	<u>\$ 14,609,008</u>

***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, 2016. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**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, 2016 follows:

Fund balance, December 1, 201	\$ 59,483
Add hotel/motel taxes and	
investment earnings	75,968
Less expenditures	55,196
Fund balance, November 30, 2015	\$ 80,255

Expenditures of \$46,475 (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.

*City of Swainsboro, Georgia*  
*Notes to the Basic Financial Statements*  
*For the Year Ended November 30, 2016*

**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 the prior fiscal year. We failed to report the deferred outflows or resources so this prior period adjustment corrects this omission to restate net position at June 30, 2015 at the government-wide financial reporting level.

	Government-wide Governmental Activities
Net Position, previously reported @ December 31, 2015	\$ 16,122,818
Add beginning deferred outflows (excess)	<u>391,998</u>
Net Position, as restated @ December 31, 2015	<u><u>\$ 16,514,816</u></u>

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

<i><b>Fiscal Year Ended November 30, 2016</b></i>	<i><b>Actuarially Determined Contribution</b></i>	<i><b>Actual Employer Contribution</b></i>	<i><b>Contribution Deficiency (Excess)</b></i>	<i><b>Covered Payroll</b></i>	<i><b>Contributions as a % of Covered Payroll</b></i>
2016	\$ 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, 2016, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially 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 plus 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	7.75%
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 December 31, 2016**

<b>Total Pension Liability</b>	<b>December 31, 2016</b>
Service cost	\$ 91,846
Interest on total pension liability	498,108
Differences between expected and actual experience	66,286
Benefit payments, including refunds of employee contributions	(403,729)
<b>Net Change in Total Pension Liability</b>	<b>252,511</b>
<b>Total Pension Liability - Beginning of Fiscal Year</b>	<b>6,629,064</b>
<b>Total Pension Liability - End of Fiscal Year</b>	<b>\$ 6,881,575</b>
<b>Plan Fiduciary Net Position</b>	
Employer contributions	\$ 138,271
Net investment income	215,620
Benefit payments, including refunds of employee contributions	(403,729)
Administrative expenses	(13,407)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(63,245)</b>
<b>Total Plan Fiduciary Net Position - Beginning of Fiscal Year</b>	<b>7,124,356</b>
<b>Fiduciary Net Position - End of Fiscal Year</b>	<b>\$ 7,061,111</b>
<b>City's Net Pension Liability - End of Fiscal Year</b>	<b>\$ (179,536)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>102.61%</b>
<b>Covered Employee Payroll</b>	<b>\$ 1,997,936</b>
<b>Net Pension Liability as a Percentage of Covered Employee Payroll</b>	<b>-8.99%</b>

**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.

City of Swainsboro, Georgia  
Notes to the Required Supplementary information  
For the year ended November 30, 2016

**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 may not legally exceed appropriations) for each adopted annual operating budget is the department level within the fund.



City of Swainsboro, Georgia  
**General Fund**  
*Schedule of Revenues, Expenditures and  
Changes in Fund Balances - Budget and Actual  
For the Year Ended November 30, 2016*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 4,707,708	\$ 4,707,708	\$ 4,601,348	\$ (106,360)
Licenses and permits	223,000	223,000	204,365	(18,635)
Intergovernmental	1,133,171	1,133,171	925,926	(207,245)
Charges for services	962,718	962,718	1,259,521	296,803
Fines and forfeitures	226,000	226,000	201,422	(24,578)
Investment earnings	1,500	1,500	664	(836)
Miscellaneous	67,200	67,200	25,375	(41,825)
<b>Total Revenues</b>	<u>7,321,297</u>	<u>7,321,297</u>	<u>7,218,621</u>	<u>(102,676)</u>
<b>Expenditures</b>				
<b>Current:</b>				
General government	674,647	674,647	695,219	(20,572)
Public safety	2,709,549	2,709,549	3,037,151	(327,602)
Public works	1,888,922	1,888,922	2,132,873	(243,951)
Health and welfare	149,473	149,473	16,680	132,793
Culture and recreation	1,044,691	1,044,691	1,093,550	(48,859)
Housing and development	555,582	555,582	353,415	202,167
<b>Debt Service:</b>				
Principal retirement	272,833	272,833	105,515	167,318
Interest and fiscal charges	10,999	10,999	32,002	(21,003)
<b>Total Expenditures</b>	<u>7,306,696</u>	<u>7,306,696</u>	<u>7,466,405</u>	<u>(159,709)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>14,601</u>	<u>14,601</u>	<u>(247,784)</u>	<u>(262,385)</u>
<b>Other Financing Sources (Uses)</b>				
Issuance of promissory note	-	-	70,000	70,000
Transfers out	-	-	(90,649)	(90,649)
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>(20,649)</u>	<u>(20,649)</u>
<b>Net Change in Fund Balances</b>	<u>\$ 14,601</u>	<u>\$ 14,601</u>	<u>(268,433)</u>	<u>\$ (283,034)</u>
<b>Fund Balances Beginning of Year</b>			<u>2,347,518</u>	
<b>Fund Balances End of Year</b>			<u>\$ 2,079,085</u>	

City of Swainsboro, Georgia  
Combining Balance Sheet  
Nonmajor Governmental Funds - By Fund Type  
November 30, 2016

	Nonmajor Special Revenue Fund	Nonmajor Debt Service Fund	Total Nonmajor Governmental Funds
<b>Assets</b>			
Equity in pooled cash and investments	\$ 82,076	\$ 9	\$ 82,085
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Interfund payable	\$ 1,821	\$ -	\$ 1,821
<b>Fund Balances</b>			
Restricted for debt service	-	9	9
Restricted for housing and development	80,255	-	80,255
<b>Total Fund Balances</b>	80,255	9	80,264
<b>Liabilities and Fund Balances</b>	\$ 82,076	\$ 9	\$ 82,085

**City of Swainsboro, Georgia**  
**Schedule of Revenues and Changes in Fund Balances - Budget and Actual**  
**Nonmajor Governmental Funds - By Fund Type**  
**For the Year Ended November 30, 2016**

	<b>Nonmajor Special Revenue Fund</b>	<b>Nonmajor Debt Service Fund</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues:</b>			
Taxes	\$ 75,899	\$ -	\$ 75,899
Charges for services	-	10,902	10,902
Investment earnings	69	25	94
<b>Total Revenues</b>	<b>75,968</b>	<b>10,927</b>	<b>86,895</b>
<b>Expenditures</b>			
<b>Current:</b>			
Housing and development	55,196	-	55,196
<b>Capital Outlay</b>	-	-	-
<b>Debt Service:</b>			
Principal	-	105,000	105,000
Interest and fiscal charges	-	7,673	7,673
<b>Total Expenditures</b>	<b>55,196</b>	<b>112,673</b>	<b>167,869</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>20,772</b>	<b>(101,746)</b>	<b>(80,974)</b>
<b>Other Financing Sources</b>			
Transfers in	-	90,649	90,649
<b>Net Change in Fund Balances</b>	<b>20,772</b>	<b>(11,097)</b>	<b>9,675</b>
<b>Fund Balances Beginning of Year</b>	<b>59,483</b>	<b>11,106</b>	<b>70,589</b>
<b>Fund Balances End of Year</b>	<b>\$ 80,255</b>	<b>\$ 9</b>	<b>\$ 80,264</b>

City of Swainsboro, Georgia  
**General Fund**  
**Comparative Balance Sheet**  
**November 30, 2016 and 2015**

	<b>2106</b>	<b>2105</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 60,735	\$ 95,010
Investments	859,041	768,129
Receivables (net, where applicable):		
Property taxes	1,985,924	2,041,428
Sales taxes	130,100	149,448
Federal excise taxes	18,584	11,234
Accounts	205,547	47,553
Interfund	1,812	128,336
Inventories	37,120	38,572
<b>Total Assets</b>	<b>\$ 3,298,863</b>	<b>\$ 3,279,710</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>		
<b>Liabilities</b>		
Accounts payable	\$ 147,419	\$ 149,843
Accrued expenditures	1,864	16,744
Interfund payable	628,776	300,036
<b>Total Liabilities</b>	778,059	466,623
<b>Deferred Inflows of Resources - Property Taxes</b>	441,719	465,569
<b>Total Liabilities and Deferred Inflows of Resources</b>	1,219,778	932,192
<b>Fund Balances</b>		
Nonspendable	37,120	38,572
Unassigned	2,041,965	2,308,946
<b>Total Fund Balances</b>	2,079,085	2,347,518
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 3,298,863</b>	<b>\$ 3,279,710</b>
	\$ -	

City of Swainsboro, Georgia  
**General Fund**  
*Comparative Statement of Revenues, Expenditures and  
Changes in Fund Balances*  
For the Years Ended November 30, 2016 and 2015

	<b>2016</b>	<b>2015</b>
<b>Revenues</b>		
Taxes	\$ 4,601,348	\$ 4,715,288
Licenses and permits	204,365	182,889
Intergovernmental	925,926	1,240,871
Charges for services	1,259,521	949,270
Fines and forfeitures	201,422	232,608
Investment earnings	664	4,241
Miscellaneous	25,375	120,561
<b>Total Revenues</b>	<b>7,218,621</b>	<b>7,445,728</b>
<b>Expenditures</b>		
<b>Current:</b>		
General government	695,219	684,733
Public safety	3,037,151	3,358,129
Public works	2,132,873	2,130,580
Health and welfare	16,680	16,200
Culture and recreation	1,093,550	1,072,463
Housing and development	353,415	423,220
<b>Debt Service:</b>		
Principal retirement	105,515	386,739
Interest and fiscal charges	32,002	41,300
<b>Total Expenditures</b>	<b>7,466,405</b>	<b>8,113,364</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(247,784)</b>	<b>(667,636)</b>
<b>Other Financing Sources (Uses)</b>		
Issuance of promissory notes	70,000	79,722
Transfers out	(90,649)	(91,712)
<b>Total Other Financing Sources (Uses)</b>	<b>(20,649)</b>	<b>(11,990)</b>
<b>Net Change in Fund Balances</b>	<b>(268,433)</b>	<b>(908,250)</b>
<b>Fund Balances Beginning of Year</b>	<b>2,347,518</b>	<b>3,255,768</b>
<b>Fund Balances End of Year</b>	<b>\$ 2,079,085</b>	<b>\$ 2,347,518</b>
	2,079,085	2,347,518

0

City of Swainsboro, Georgia  
Schedule of Revenues - Budget and Actual - General Fund  
For the Year Ended November 30, 2016  
(With Comparative Actual Amounts for the Year Ended November 30, 2015)

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Real and personal property taxes					
General property tax - current	\$ 2,323,708	\$ 2,323,708	\$ 2,114,559	\$ (209,149)	\$ 2,153,112
Motor vehicle property tax - current	150,000	150,000	74,721	(75,279)	103,984
Motor vehicle title adv tax (TAVT)	68,000	68,000	176,063	108,063	184,361
Mobile home - personal property	2,500	2,500	2,737	237	1,649
Other - personal property	7,000	7,000	43	(6,957)	14,052
Real estate transfer taxes	2,500	2,500	3,591	1,091	3,254
Railroad taxes	2,000	2,000	2,125	125	-
Heavy equipment taxes	-	-	5,681	5,681	-
Penalties and interest on taxes	55,000	55,000	62,634	7,634	62,461
Total real and personal property taxes	2,610,708	2,610,708	2,442,154	(168,554)	2,522,873
Selective taxes:					
Sales tax	900,000	900,000	771,283	(128,717)	824,506
TIA	-	-	-	-	66,577
Franchise tax	505,000	505,000	642,765	137,765	588,483
Alcoholic beverage tax	200,000	200,000	188,049	(11,951)	181,872
Insurance premium tax	395,000	395,000	453,938	58,938	419,073
Lost excise	10,000	10,000	19,052	9,052	20,524
T-SPLOST	87,000	87,000	84,107	(2,893)	91,380
Total selective taxes	2,097,000	2,097,000	2,159,194	62,194	2,192,415
Licenses and permits:					
Alcoholic beverages	35,000	35,000	27,175	(7,825)	11,675
General business license	140,000	140,000	151,205	11,205	133,938
General business license - insurance	35,000	35,000	17,100	(17,900)	19,673
Building structure and equipment permit	4,000	4,000	4,385	385	10,038
Inspections	6,000	6,000	4,500	(1,500)	7,565
Business license penalties	3,000	3,000	-	(3,000)	-
Total licenses and permits:	223,000	223,000	204,365	(18,635)	182,889
Intergovernmental					
Federal	150,000	150,000	67,392	(82,608)	304,583
State and local	983,171	983,171	858,534	(124,637)	936,288
Total intergovernmental	1,133,171	1,133,171	925,926	(207,245)	1,240,871
Fines and forfeitures:					
Court - superior	225,000	225,000	201,355	(23,645)	232,006
Court - recorders	1,000	1,000	67	(933)	602
Total fines and forfeitures:	226,000	226,000	201,422	(24,578)	232,608
Charges for services:					
Garbage collections	470,000	470,000	436,099	(33,901)	472,005
Dumpster	345,000	345,000	359,329	14,329	289,552
Recycled materials	40,000	40,000	27,242	(12,758)	46,075
Airport	33,100	33,100	44,981	11,881	67,196
Police	19,250	19,250	7,820	(11,430)	-
Culture and recreation	23,000	23,000	51,261	28,261	60,833
Sale of timber	-	-	294,636	294,636	-
Miscellaneous	32,368	32,368	38,153	5,785	13,609
Total charges for services:	962,718	962,718	1,259,521	296,803	949,270
Investment earnings	1,500	1,500	664	(836)	4,241
Miscellaneous:					
Rents and royalties	18,700	18,700	25,000	6,300	16,200
Reimbursements for damaged properties	-	-	-	-	-
Reimbursement for administrative costs	48,000	48,000	-	(48,000)	-
Miscellaneous	500	500	375	(125)	104,361
Total miscellaneous	67,200	67,200	25,375	(41,825)	120,561
Total revenues	\$ 7,321,297	\$ 7,321,297	\$ 7,218,621	\$ (102,676)	\$ 7,445,728



**City of Swainsboro, Georgia**  
**General Fund**  
*Schedule of Expenditures - Budget and Actual*  
*For the Year Ended November 30, 2016*  
*(With Comparative Actual Amounts for the Year Ended November 30, 2015)*

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
General government					
Governing body:					
Personal services	\$ 103,602	\$ 103,602	\$ 123,221	\$ (19,619)	\$ 97,133
Operating	13,660	12,660	19,173	(6,513)	14,617
Total governing body	117,262	116,262	142,394	(26,132)	111,750
Mayor and commission:					
Personal services	30,771	30,771	33,305	(2,534)	30,732
Operating	11,093	11,093	20,768	(9,675)	25,627
Total mayor and commission	41,864	41,864	54,073	(12,209)	56,359
Financial administration:					
Personal services	362,010	362,010	386,802	(24,792)	371,137
Operating	153,511	153,511	111,949	41,562	134,487
Capital outlay	-	-	-	-	11,000
Less reimbursement from other funds	-	-	-	-	-
Total financial administration	515,521	515,521	498,751	16,770	516,624
Total general government	674,647	673,647	695,218	(21,571)	684,733
Public safety:					
Police:					
Personal services	1,272,008	1,272,008	1,374,549	(102,541)	1,287,672
Operating	395,036	395,036	319,400	75,636	412,568
Capital outlay	10,000	10,000	8,000	2,000	4,900
Total police	1,677,044	1,677,044	1,701,949	(24,905)	1,705,140
Fire:					
Personal services	768,645	768,645	853,900	(85,255)	787,456
Operating	117,276	117,276	159,620	(42,344)	87,045
Capital outlay	-	-	181,386	(181,386)	668,583
Total fire	885,921	885,921	1,194,906	(308,985)	1,543,084
Animal control:					
Personal services	94,805	94,805	100,075	(5,270)	79,720
Operating	51,779	51,779	40,221	11,558	30,185
Capital outlay	-	-	-	-	-
Total animal control	146,584	146,584	140,296	6,288	109,905
Total public safety	2,709,549	2,709,549	3,037,151	(327,602)	3,358,129
Public works:					
Public works - operations:					
Operating	1,108,990	1,108,990	1,492,433	(383,443)	1,069,993
Capital outlay	100,000	100,000	-	100,000	424,703
Total - public works - operations	1,208,990	1,208,990	1,492,433	(283,443)	1,494,696
Sanitation and recycling:					
Personal services	31,645	31,645	31,228	417	33,760
Operating	648,287	648,287	609,212	39,075	602,124
Total sanitation and recycling	679,932	679,932	640,440	39,492	635,884

Total public works	<u>1,888,922</u>	<u>1,888,922</u>	<u>2,132,873</u>	<u>(243,951)</u>	<u>2,130,580</u>
Health and welfare	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,200</u>
Community services					
Operating	<u>149,473</u>	<u>149,473</u>	<u>16,680</u>	<u>132,793</u>	<u>480</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>228,144</u>
Community services	<u>149,473</u>	<u>149,473</u>	<u>16,680</u>	<u>132,793</u>	<u>228,624</u>
Total health and welfare	<u>149,473</u>	<u>149,473</u>	<u>16,680</u>	<u>132,793</u>	<u>244,824</u>
Culture and recreation					
Recreation					
Personal services	<u>522,688</u>	<u>522,688</u>	<u>545,212</u>	<u>(22,524)</u>	<u>497,476</u>
Operating	<u>298,610</u>	<u>298,610</u>	<u>309,716</u>	<u>(11,106)</u>	<u>355,094</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>15,729</u>	<u>(15,729)</u>	<u>-</u>
Total recreation	<u>821,298</u>	<u>821,298</u>	<u>870,657</u>	<u>(49,359)</u>	<u>852,570</u>
Sports facilities:					
Operating	<u>88,100</u>	<u>88,100</u>	<u>87,600</u>	<u>500</u>	<u>87,600</u>
Libraries:					
Operating	<u>135,293</u>	<u>135,293</u>	<u>135,293</u>	<u>-</u>	<u>132,293</u>
Total culture and recreation	<u>1,044,691</u>	<u>1,044,691</u>	<u>1,093,550</u>	<u>(48,859)</u>	<u>1,072,463</u>
Housing and development:					
Protective inspection					
Personal services	<u>67,600</u>	<u>67,600</u>	<u>72,761</u>	<u>(5,161)</u>	<u>68,723</u>
Operating	<u>9,023</u>	<u>9,023</u>	<u>4,974</u>	<u>4,049</u>	<u>5,943</u>
Total protective inspection	<u>76,623</u>	<u>76,623</u>	<u>77,735</u>	<u>(1,112)</u>	<u>74,666</u>
City Downtown Development Authority:					
Personal services	<u>57,161</u>	<u>57,161</u>	<u>60,134</u>	<u>(2,973)</u>	<u>56,787</u>
Operating	<u>24,343</u>	<u>24,343</u>	<u>22,772</u>	<u>1,571</u>	<u>12,076</u>
Total City Downtown Development Authority:	<u>81,504</u>	<u>81,504</u>	<u>82,906</u>	<u>(1,402)</u>	<u>68,863</u>
Enterprise applications					
Operating	<u>17,919</u>	<u>17,919</u>	<u>26,907</u>	<u>(8,988)</u>	<u>-</u>
Airport:					
Personal services	<u>7,112</u>	<u>7,112</u>	<u>1,102</u>	<u>6,010</u>	<u>-</u>
Operating	<u>235,343</u>	<u>235,343</u>	<u>138,410</u>	<u>96,933</u>	<u>116,064</u>
Capital outlay	<u>155,000</u>	<u>155,000</u>	<u>26,355</u>	<u>128,645</u>	<u>163,627</u>
Total airport	<u>397,455</u>	<u>397,455</u>	<u>165,867</u>	<u>231,588</u>	<u>279,691</u>
Total housing and development:	<u>555,582</u>	<u>555,582</u>	<u>353,415</u>	<u>229,074</u>	<u>423,220</u>
<b>Debt Service:</b>					
Principal retirement	<u>272,833</u>	<u>272,833</u>	<u>105,515</u>	<u>167,318</u>	<u>386,739</u>
Interest and fiscal charges	<u>10,999</u>	<u>10,999</u>	<u>32,002</u>	<u>(21,003)</u>	<u>41,300</u>
<b>Total Debt Service</b>	<u>283,832</u>	<u>283,832</u>	<u>137,517</u>	<u>146,315</u>	<u>428,039</u>
<b>Total Expenditures</b>	<u>\$ 7,306,696</u>	<u>\$ 7,305,696</u>	<u>\$ 7,466,404</u>	<u>\$ (133,801)</u>	<u>\$ 8,341,988</u>

**City of Swainsboro, Georgia**  
**Comparative Balance Sheet**  
**Hotel/Motel Tax Fund**  
**November 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Equity in pooled cash and investments	<u>\$ 82,076</u>	<u>\$ 61,296</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Interfund payable	\$ 1,821	\$ 1,813
<b>Fund Balances</b>		
Restricted for housing and development	<u>80,255</u>	<u>59,483</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 82,076</u>	<u>\$ 61,296</u>

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, 2016*  
*(With Comparative Actual Amounts for the Year Ended November 30, 2015)*

	2016			2015
	Original Budget	Final Budget	Actual	Variance With Final Budget
				Actual
<b>Revenues:</b>				
Hotel/motel taxes	\$ 60,000	\$ 60,000	\$ 75,899	\$ 15,899
Investment earnings	-	-	69	69
<b>Total Revenues</b>	<u>60,000</u>	<u>60,000</u>	<u>75,968</u>	<u>15,968</u>
<b>Expenditures</b>				
<b>Current:</b>				
Housing and development	60,000	60,000	55,196	4,804
<b>Capital Outlay</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Expenditures</b>	<u>60,000</u>	<u>60,000</u>	<u>55,196</u>	<u>4,804</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,772</u>	<u>\$ 20,772</u>
<b>Fund Balances Beginning of Year</b>			<u>59,483</u>	<u>83,649</u>
<b>Fund Balances End of Year</b>			<u>\$ 80,255</u>	<u>\$ 59,483</u>

City of Swainsboro, Georgia  
*Comparative Balance Sheet*  
*Debt Service Fund*  
*November 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Equity in pooled cash and investments	<u>\$ 9</u>	<u>\$ 11,106</u>
<b>Fund Balances</b>		
Restricted for debt service	<u>\$ 9</u>	<u>\$ 11,106</u>

City of Swainsboro, Georgia  
*Schedule of Revenues and Changes in Fund Balances - Budget and Actual*  
*Debt Service Fund*  
*For the Year Ended November 30, 2016*  
*(With Comparative Actual Amounts for the Year Ended November 30, 2015)*

	2016			2015	
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
<b>Revenues:</b>					
Charges for services	\$ 25,000	\$ 25,000	\$ 10,902	\$ (14,098)	\$ 23,964
Investment earnings	50	50	25	(25)	28
Miscellaneous	750	750	-	(750)	-
<b>Total Revenues</b>	<u>25,800</u>	<u>25,800</u>	<u>10,927</u>	<u>(14,873)</u>	<u>23,992</u>
<b>Expenditures</b>					
<b>Debt Service:</b>					
Principal	85,000	85,000	105,000	(20,000)	100,000
Interest and fiscal charges	<u>25,800</u>	<u>25,800</u>	<u>7,673</u>	<u>18,127</u>	<u>14,173</u>
		-			
<b>Total Expenditures</b>	<u>110,800</u>	<u>110,800</u>	<u>112,673</u>	<u>(1,873)</u>	<u>114,173</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(85,000)	(85,000)	(101,746)	(16,746)	(90,181)
<b>Other Financing Sources</b>					
Transfers in	<u>85,000</u>	<u>85,000</u>	<u>90,649</u>	<u>5,649</u>	<u>91,712</u>
<b>Net Change in Fund Balances</b>	<u>\$ -</u>	<u>\$ -</u>	(11,097)	<u>\$ (11,097)</u>	1,531
<b>Fund Balances Beginning of Year</b>			<u>11,106</u>		<u>9,575</u>
<b>Fund Balances End of Year</b>			<u>\$ 9</u>		<u>\$ 11,106</u>



**City of Swainsboro, Georgia**  
**Comparative Balance Sheet**  
**2005 SPLOST Fund**  
**November 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Equity in pooled cash and investments	<u>\$ 101,818</u>	<u>\$ 126,708</u>
<b>Fund Balances</b>		
Restricted for capital projects	<u>\$ 101,818</u>	<u>\$ 126,708</u>

**City of Swainsboro, Georgia**  
**Comparative Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**  
**2005 SPLOST Fund**  
**For the Fiscal Years Ended November 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Investment earnings	\$ 119	\$ 126
<b>Expenditures</b>		
<i>Capital Outlay</i>	<u>25,009</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues</b>		
<b>Over (Under) Expenditures</b>	(24,890)	126
<b>Fund Balances Beginning of Year</b>	<u>126,708</u>	<u>126,582</u>
<b>Fund Balances End of Year</b>	<u><u>\$ 101,818</u></u>	<u><u>\$ 126,708</u></u>

**City of Swainsboro, Georgia**  
**Comparative Balance Sheet**  
**2012 SPLOST Fund**  
**November 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
<b>Assets</b>		
Equity in pooled cash and investments	\$ 122,615	\$ 55,722
Interfund receivable	<u>80,116</u>	<u>69,452</u>
<b>Total Assets</b>	<u><u>\$ 202,731</u></u>	<u><u>\$ 125,174</u></u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Interfund payable	\$ -	\$ 128,336
<b>Fund Balances</b>		
Restricted for capital projects	202,731	-
Unassigned (deficit)	<u>-</u>	<u>(3,162)</u>
<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 202,731</u></u>	<u><u>\$ 125,174</u></u>

City of Swainsboro, Georgia  
*Comparative Statement of Revenues, Expenditures  
and Changes in Fund Balances*  
**2012 SPLOST Fund**  
*For the Fiscal Years Ended November 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
<b>Revenues</b>		
Sales taxes	\$ 372,295	\$ 387,740
Investment earnings	<u>83</u>	<u>70</u>
<b>Total Revenues</b>	<u>372,378</u>	<u>387,810</u>
<b>Expenditures</b>		
<i>Current</i>		
Public works	1,535	-
<i>Capital Outlay:</i>	<u>164,950</u>	<u>589,992</u>
<b>Total Expenditures</b>	<u>166,485</u>	<u>589,992</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	205,893	(202,182)
<b>Fund Balances Beginning of Year</b>	<u>(3,162)</u>	<u>199,020</u>
<b>Fund Balances End of Year</b>	<u><u>\$ 202,731</u></u>	<u><u>\$ (3,162)</u></u>

City of Swainsboro, Georgia  
*Comparative Statement of Net Position*  
*Proprietary Fund - Water and Sewerage Fund*  
*November 30, 2016 and 2015*

<b>Assets</b>	<b>2016</b>	<b>2015</b>
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 73,755	\$ 87,577
Investments	-	-
Receivable:		
Accounts (net)	210,538	247,390
Interfund	548,669	300,036
Restricted assets:		
Cash and cash equivalents	350,570	470,019
<b>Total Current Assets</b>	<b>1,183,532</b>	<b>1,105,022</b>
<b>Noncurrent Assets:</b>		
Capital assets:		
Nondepreciable	520,300	520,300
Depreciable, net	21,377,867	22,412,648
<b>Total Noncurrent Assets</b>	<b>21,898,167</b>	<b>22,932,948</b>
<b>Total Assets</b>	<b>23,081,699</b>	<b>24,037,970</b>
<b>Liabilities</b>		
<b>Current Liabilities:</b>		
Accounts payable	-	52,761
Customer deposits payable	186,332	183,212
Interfund payable	-	69,452
Note payable	9,806	-
GEFA loans payable	200,627	195,456
USDA bonds payable	112,681	110,176
<b>Total Current Liabilities</b>	<b>509,446</b>	<b>611,057</b>
<b>Long-term Liabilities (net of current portion):</b>		
Note payable	29,030	-
GEFA loans payable	1,163,624	1,364,252
USDA bonds payable	5,773,391	5,886,071
<b>Total Long-term Liabilities</b>	<b>6,966,045</b>	<b>7,250,323</b>
<b>Total Liabilities</b>	<b>7,475,491</b>	<b>7,861,380</b>
<b>Net Position</b>		
Net investment in capital assets	14,609,008	15,376,993
Restricted for debt service	350,570	470,019
Unrestricted	646,630	329,578
<b>Total Net Position</b>	<b>\$ 15,606,208</b>	<b>\$ 16,176,590</b>

City of Swainsboro, Georgia  
*Comparative Statement of Revenues,  
Expenses and Changes in Fund Position  
Proprietary Fund - Water and Sewerage Fund  
For the Fiscal Years Ended November 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
<b>Operating Revenues</b>		
Charges for services	\$ 1,997,508	\$ 1,665,857
Service charges	88,605	82,349
Miscellaneous	5,376	18,129
<b>Total Operating Revenues</b>	<u>2,091,489</u>	<u>1,766,335</u>
<b>Operating Expenses</b>		
Personal services - salaries	21,041	21,139
Personal services - benefits	19,366	13,750
Purchased services	1,068,853	1,132,097
Materials and supplies	270,788	370,123
Depreciation	1,083,227	1,079,998
<b>Total Operating Expenses</b>	<u>2,463,275</u>	<u>2,617,107</u>
<b>Operating (Loss)</b>	<u>(371,786)</u>	<u>(850,772)</u>
<b>Non-Operating Revenues (Expenses)</b>		
Investment earnings	651	902
Interest and fiscal charges	(199,247)	(171,407)
<b>Total Non-Operating Revenues (Expenses)</b>	<u>(198,596)</u>	<u>(170,505)</u>
<b>Income (Loss) Before Contributions</b>	(570,382)	(1,021,277)
<b>Contributions</b>	<u>-</u>	<u>327,169</u>
<b>Change in Net Position</b>	(570,382)	(694,108)
<b>Net Position Beginning of Year</b>	<u>16,176,590</u>	<u>16,870,698</u>
<b>Net Position End of Year</b>	<u>\$ 15,606,208</u>	<u>\$ 16,176,590</u>



City of Swainsboro, Georgia  
*Comparative Statement of Cash Flows*  
*Proprietary Fund - Water and Sewerage Fund*  
*For the Fiscal Years Ended November 30, 2016 and 2015*

	<u>2016</u>	<u>2015</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>		
<b>Cash Flows from Operating Activities</b>		
Cash received from customers	\$ 2,131,461	\$ 1,753,775
Cash payments to employees for services	(40,407)	(34,889)
Cash payments for goods and services	<u>(1,392,402)</u>	<u>(1,512,731)</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>698,652</u>	<u>206,155</u>
<b>Cash Flows from Noncapital Financing Activities</b>		
Interfund receivable	(248,633)	(108,580)
Interfund payable	<u>(69,452)</u>	<u>(245,432)</u>
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>(318,085)</u>	<u>(354,012)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Capital grants	-	327,169
Principal paid on USDA loan	(107,727)	(107,727)
Principal paid on notes and loans	(192,994)	(192,994)
Interest paid on notes and capital leases	(199,247)	(171,407)
Acquisition of capital assets	<u>(321,012)</u>	<u>(321,012)</u>
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<u>(820,980)</u>	<u>(465,971)</u>
<b>Cash Flows from Investing Activities</b>		
Net decrease (increase) in investments	358,826	358,826
Investment earnings	<u>651</u>	<u>902</u>
<b>Net Cash Flows from Investing Activities</b>	<u>359,477</u>	<u>359,728</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	(80,936)	(254,100)
<b>Cash and Cash Equivalents Beginning of Year</b>	<u>557,596</u>	<u>811,696</u>
<b>Cash and Cash Equivalents End of Year</b>	<u><u>\$ 476,660</u></u>	<u><u>\$ 557,596</u></u>
<b>Reconciliation to Statement of Net Position</b>		
Cash and cash equivalents	\$ 73,755	\$ 87,577
Restricted assets	<u>350,570</u>	<u>470,019</u>
<b>Total Cash and Cash Equivalents</b>	<u><u>\$ 424,325</u></u>	<u><u>\$ 557,596</u></u>
	\$ 52,335	

(continued)

City of Swainsboro, Georgia  
*Comparative Statement of Cash Flows*  
*Proprietary Fund - Water and Sewerage Fund*  
*For the Fiscal Years Ended November 30, 2016 and 2015*

(continued)

	<u>2016</u>	<u>2015</u>
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities</b>		
<b>Operating (Loss)</b>	\$ (371,786)	\$ (850,772)
<b>Adjustments:</b>		
Depreciation	1,083,227	1,079,998
<b>(Increase) Decrease in Assets:</b>		
Accounts receivable	36,852	(53,866)
<b>Increase (Decrease) in Liabilities:</b>		
Accounts payable	(52,761)	(10,511)
Customer deposits	<u>3,120</u>	<u>41,306</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 698,652</u>	<u>\$ 206,155</u>

City of Swainsboro, Georgia  
Schedule of Projects Constructed with Special Purpose Local Option Sales Tax  
For the Year Ended November 30, 2016

	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			<u>2,561,839</u>	<u>25,009</u>	<u>2,586,848</u>
Total not including transfers out			<u>\$ 3,713,475</u>	<u>\$ 25,009</u>	<u>\$ 3,738,484</u>
			TOTAL	<u>\$ 25,009</u>	

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			\$ 770,303	\$ -	\$ 770,303
Recreation Equipment				-	-
Water and Sewer System Improvements			<u>305,340</u>	<u>589,992</u>	<u>305,340</u>
			<u>\$ 1,075,643</u>	<u>\$ 589,992</u>	<u>\$ 1,665,635</u>
			TOTAL	<u>\$ 589,992</u>	

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

Stacie W. Avery  
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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*

The Mayor and Council  
City of Swainsboro, Georgia

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Governmental Audit Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Swainsboro, Georgia, as of and for the year ended November 30, 2016 and the related notes to the financial statements, which collectively comprise the City of Swainsboro, Georgia's basic financial statements and have issued my report thereon dated June 30, 2017.

Internal Control Over Financial Reporting

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

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

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 material weaknesses or significant deficiencies. Given these limitations, during our audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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*.

Purpose of this Report

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

A handwritten signature in black ink that reads "Stacie W. Avery, CPA". The signature is written in a cursive, flowing style.

Stacie W. Avery, Certified Public Accountant  
Swainsboro, GA  
June 30, 2017