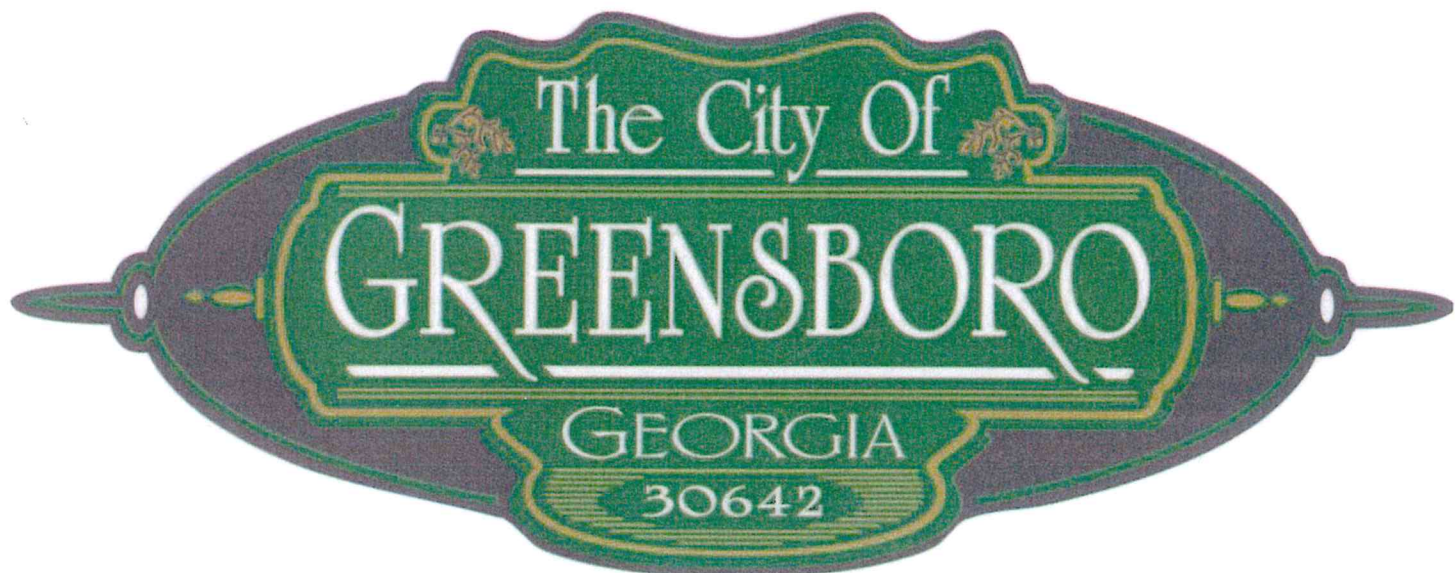


CITY OF GREENSBORO GEORGIA



ANNUAL FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015**

CITY OF GREENSBORO, GEORGIA
INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2015

CITY OF GREENSBORO, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1 – 3
MANAGEMENT'S DISCUSSION & ANALYSIS	4 – 12
FINANCIAL STATEMENTS	
Government-wide Financial Statements:	
Statement of Net Position	13 – 14
Statement of Activities.....	15 – 16
Fund Financial Statements:	
Balance Sheet – Governmental Funds	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	21
Statement of Net Position – Proprietary Funds	22 – 23
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	24 – 25
Statement of Cash Flows – Proprietary Funds	26 – 27
Notes to the Financial Statements.....	28 – 54
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Changes in the Net Pension Liability and Related Ratios	55
Schedule of Contributions	56
Notes to the Required Supplementary Information	57 - 58
SUPPLEMENTARY INFORMATION	
<u>Governmental Funds</u>	
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	59

CITY OF GREENSBORO, GEORGIA
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS
(CONTINUED)

	<u>Page</u>
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds.....	60
Confiscated Assets Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	61
Hotel/Motel Tax Fund Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	62
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – From Inception: Reynolds St. CDBG	63
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – From Inception: Water Improvements CDBG	64
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – From Inception: Redevelopment CDBG.....	65
Schedule of Projects Constructed with Special Sales Tax Proceeds	66
Component Units Balance Sheet-Better Hometown	67
Statement of Revenues, Expenditures, and Changes in Fund Balances-Better Hometown	68
Balance Sheet-Downtown Development Authority	69
Statement of Revenues, Expenditures, and Changes in Fund Balances-Downtown Development Authority	70
 GOVERNMENTAL REPORTS	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	71– 72
Schedule of Findings and Responses.....	73 – 78



INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the
City of Greensboro, Georgia

Report on the Financial Statements

We have audited the accompanying 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 the City of Greensboro, Georgia (the "City") as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Greensboro, Georgia, as of September 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the fiscal year then ended, in accordance with accounting principles generally accepted in the United States of America.

Matter of Emphasis

As discussed in Note 19 to the financial statements, in 2015, the City implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 12, the schedule of changes in the City's net pension liability and related ratios on page 55, the schedule of City contributions on page 56, and the notes to the required supplementary information on pages 57 and 58 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Greensboro, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, the schedule of project expenditures with special sales tax proceeds, and the component unit's financial statements 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 schedules, the schedule of project expenditures with special sales tax proceeds, and the component units financial statements are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United State of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules, the schedule of project expenditures with special sales tax proceeds, and the component unit's financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2017 on our consideration of City of Greensboro's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Greensboro, Georgia's internal control over financial reporting and compliance.



Macon, Georgia
January 18, 2017

MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Greensboro Georgia, we present management's analysis of the City's financial condition and activities for the fiscal year ended September 30, 2015. This information should be read and considered in conjunction with the financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of fiscal year 2015 by \$17,724,128 (total net position). Of this amount, \$2,203,038, (unrestricted net position) was available for use to meet the City's ongoing obligations to its citizens and creditors.
- The City's total net position increased by \$374,777 during the most recent fiscal year resulting from governmental and business-type activities.
- At the close of fiscal year 2015, the City's governmental funds reported combined ending fund balances of \$1,525,756. This is an increase of \$503,891 from prior year.
- At the end of the fiscal year, the total fund balance for the general fund was \$470,813. This is an increase of \$397,567 from prior year.

Overview of the Financial Statements

Management's Discussion and Analysis (MD&A) serves as an introduction to the City of Greensboro's basic financial statements. The City's basic financial statements include the government-wide financial statements, fund financial statements, and notes to the financial statements. The MD&A should be read and considered with the basic audited financial statements and supplementary information.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with an overview of the City's finances in a manner similar to commercial enterprises.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two being 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 is improving or deteriorating.

The statement of activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected property taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and housing and development. The business-type activities of the City include water and sewer and natural gas.

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

Both of the government-wide financial statements distinguish between functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, judicial, public safety, public works, culture and recreation, and housing and development. The business-type activities of the City include water and sewer and natural gas.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into governmental funds and proprietary funds.

Governmental funds. Government funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental statement of revenues, expenditures, and changes in fund balances for the general fund, the SPLOST 2009 fund, and the SPLOST 2015 fund which are considered major funds. The data from the seven other funds, the nonmajor funds, is aggregated into a single presentation. The individual fund data for each of these nonmajor funds is provided in the form of combining statements on pages 59 through 60.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget. The City also adopted an annual budget for its special revenue funds. A project length budget was adopted for its capital project funds. Budgetary comparisons for these nonmajor funds are included as supplementary information.

The City of Greensboro reports the following categories of fund balance within the Governmental fund types:

- (1) **Nonspendable Fund Balance** - These are amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. Some examples include prepaid expenses, Cemetery principle.

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

- (2) **Restricted Fund Balance** - These are amounts that can be spent only for specific purposes stipulated by limitation imposed by creditors, grantors, contributors, laws, regulations, and enabling legislation. These limitations are imposed by entities, laws and regulations external to the organization. Some examples include Confiscated Assets fund, TEA Grant fund, and SPLOST.
- (3) **Assigned Fund Balance** - This includes amounts to be used by the government for a specific purpose. These are amounts that do not meet the definition of restricted or committed fund balance. This intent can be expressed by the Mayor and City Council.
- (4) **Unassigned Fund Balance** - These are the funds in excess of the other categories and are available for any purpose.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer system operations and its natural gas system operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the Water and Sewer Fund, the Natural Gas Fund. These two funds are considered to be major funds of the City.

Notes to the financial statements. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes provide information about the City's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Other supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information regarding the City's obligation in funding pension benefits to its employees.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. The assets and deferred outflows of resources exceeded the liabilities and deferred inflows of resources at the close of fiscal year 2015 by \$17,724,128.

The largest component of the City's net position is the net investment in capital assets (e.g. land, buildings, infrastructure, machinery and equipment); less any related debt used to acquire those assets that are still outstanding, which comprises \$13,754,691 or 77.6%. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Assets:						
Current assets	\$ 1,373,504	\$ 1,783,741	\$ 2,792,700	\$ 2,450,421	\$ 4,166,204	\$ 4,234,162
Other assets	28,806	-	2,050,855	2,196,740	2,079,661	2,196,740
Capital assets	4,466,627	4,469,322	11,860,496	11,506,091	16,327,123	15,975,413
Total assets	<u>5,868,937</u>	<u>6,253,063</u>	<u>16,704,051</u>	<u>16,153,252</u>	<u>22,572,988</u>	<u>22,406,315</u>
Deferred Outflow of Resources:						
Deferred charge on refunding	-	-	82,548	66,038	82,548	66,038
Related to pensions	-	195,948	-	88,034	-	283,982
Total deferred outflow of resources	<u>-</u>	<u>195,948</u>	<u>82,548</u>	<u>154,072</u>	<u>82,548</u>	<u>350,020</u>
Liabilities:						
Current liabilities	430,584	267,473	856,034	839,016	1,286,618	1,106,489
Long-term liabilities	73,478	343,462	3,746,153	3,489,717	3,819,631	3,833,179
Total liabilities	<u>504,062</u>	<u>610,935</u>	<u>4,602,187</u>	<u>4,328,733</u>	<u>5,106,249</u>	<u>4,939,668</u>
Deferred Inflow of Resources:						
Related to pensions	-	63,853	-	28,686	-	92,539
Total deferred inflow of resources	<u>-</u>	<u>63,853</u>	<u>-</u>	<u>28,686</u>	<u>-</u>	<u>92,539</u>
Net Position:						
Net investment in capital assets	4,321,520	4,469,322	9,281,428	9,285,369	13,602,948	13,754,691
Restricted for debt service	-	-	696,995	711,521	696,995	711,521
Restricted for capital outlay	854,489	936,507	-	-	854,489	936,507
Restricted for other purposes	94,065	118,371	-	-	94,065	118,371
Unrestricted	94,801	250,023	2,205,989	1,953,015	2,300,790	2,203,038
Total net position	<u>\$ 5,364,875</u>	<u>\$ 5,774,223</u>	<u>\$ 12,184,412</u>	<u>\$ 11,949,905</u>	<u>\$ 17,549,287</u>	<u>\$ 17,724,128</u>

An additional portion of the City's net position, \$1,766,399 or 10.0% represents resources that are subject to external restrictions on how they may be used. Of this amount, \$103,054 is restricted for cemetery maintenance, \$15,317 is restricted for public safety, and \$936,507 is restricted for capital projects. Another category of this portion of the City's net position is restricted for debt service in the amount of \$711,521; this represents water and sewer reserve accounts set aside as emergency funds for a year's obligation for the City's outstanding water and sewer revenue bonds.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position.

Governmental Activities. Governmental activities increased the City's net position by \$556,234.

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

City of Greensboro Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenues:						
Program Revenues:						
Charges for services	\$ 147,454	\$ 312,148	\$ 6,288,377	\$ 5,695,749	\$ 6,435,831	\$ 6,007,897
Operating grants/contributions	288,096	411,083	-	-	288,096	411,083
Capital grants/contributions	858,794	976,685	202,522	107,700	1,061,316	1,084,385
General Revenues:						
Property taxes	585,755	563,550	-	-	585,755	563,550
Sales tax	658,799	696,196	-	-	658,799	696,196
Franchise tax	333,559	351,654	-	-	333,559	351,654
Insurance premium tax	173,271	181,167	-	-	173,271	181,167
Other tax	382,350	361,683	-	-	382,350	361,683
Investment earnings	927	1,069	262,396	149,002	263,323	150,071
Proceeds from sale of property	14,200	-	1,575	22,000	15,775	22,000
Miscellaneous	28,351	130,848	-	12,568	28,351	143,416
Total revenue	3,471,556	3,986,083	6,754,870	5,987,019	10,226,426	9,973,102
Expenses:						
General Government	830,207	599,874	-	-	830,207	599,874
Judicial	122,617	78,182	-	-	122,617	78,182
Public safety	1,948,988	1,925,147	-	-	1,948,988	1,925,147
Public works	756,469	1,285,264	-	-	756,469	1,285,264
Culture and recreation	412,386	223,018	-	-	412,386	223,018
Housing and development	369,474	547,582	-	-	369,474	547,582
Interest	4,689	2,202	-	-	4,689	2,202
Water and sewer	-	-	1,902,929	1,918,707	1,902,929	1,918,707
Natural gas	-	-	4,064,329	3,018,349	4,064,329	3,018,349
Total expenses	4,444,830	4,661,269	5,967,258	4,937,056	10,412,088	9,598,325
Changes in net position before transfers	(973,274)	(675,186)	787,612	1,049,963	(185,662)	374,777
Transfers	842,524	1,231,420	(842,524)	(1,231,420)	-	-
Changes in net position	(130,750)	556,234	(54,912)	(181,457)	(185,662)	374,777
Net position, beginning, restated	5,495,625	5,217,989	12,239,324	12,131,362	17,734,949	17,349,351
Net position, ending	\$ 5,364,875	\$ 5,774,223	\$ 12,184,412	\$ 11,949,905	\$ 17,549,287	\$ 17,724,128

Revenues. Sales tax of \$696,196 and property tax of \$563,550 accounted for 55.1% of total general revenues.

Operating grants and contributions consisted of the following:

- Public safety – fire protection funds of \$30,000 and student resource officer funds of \$225,527 received from Greene County and Safety Enhancement Grant funds in the amount of \$107,297 from Georgia Department of Transportation.

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

- Public works – Local Maintenance & Improvement Grant funds in the amount of \$37,411 from Georgia Department of Transportation.

Capital grants and contributions consisted of the following:

- SPLOST revenue and interest earnings on the SPLOST funds in the amount of \$811,935.
- CDBG grant funds for the water improvements in the amount of \$13,450.
- CDBG redevelopment fund grant for economic development in the amount of \$151,300.

Expenses. The total expense for the governmental activities is \$4,661,269. The largest expenditure is public safety. Public safety includes the police & fire. The total public safety expense is \$1,925,147 or 41.3% of total governmental activity expense.

Business-type activities. The change in net position for the Business-type activities was a decrease of \$181,457. However, this includes transfers to governmental funds in the amount of \$1,231,420.

Revenues. Water and sewer operating revenue was \$2,137,704. Natural gas operating revenue was \$3,558,045. Water and sewer revenue is derived from the sale of water and sewer services to the citizens of the City. Natural gas revenue is derived from the sale of natural gas to the citizens of the City.

Expenses. Water and sewer operating expense was \$1,803,005. Natural gas operating expense was \$2,917,224.

Financial Analysis of the City of Greensboro's Funds

The City of Greensboro uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,525,756. The general fund is the chief operating fund of the City.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at September 30, 2015 amounted to \$192,847; those of the Natural Gas Fund amounted to \$1,760,168. The total change in Water and Sewer net position was a decrease of \$206,856; the Water and Sewer fund had a net income of \$234,066 before contributions and transfers. The Natural Gas fund's net position increased by \$25,399; the Natural Gas fund had a net income of \$802,000 before contributions and transfers.

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget for fiscal year ended September 30, 2015.

During the year, actual revenues were more than budgetary estimates by \$308,385 and actual expenditures were more than budgetary estimates by \$ 159,526.

Other Financial Highlights

As detailed in Note 19, the City implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27, as well as Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014.

Capital Assets and Debt Administration

Capital Assets. The City's capital asset balance for its governmental and business-type activities as of September 30, 2015 amounts to \$15,975,413 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, infrastructure, building, equipment and vehicles. (Note 8)

Major capital asset events during the current fiscal year include the following:

Governmental-type activities:

- The Police Department purchased 3 used vehicles which totaled \$31,985.
- The Highway and Street department purchased a 2006 Kamatsu which totaled \$32,500.
- The City made improvements to City Hall which totaled \$46,617.
- The City continued the I-20 Corridor project. During 2015 fiscal year, \$70,198 was spent on this project.
- The City continued the Reynolds Drive project. During fiscal year 2015, \$33,366 was spent on this project.
- The City continued the Mill Street Storm Sewer Project. During fiscal year 2015, \$29,893 was spent on this project.

Business-type activities:

- The City continued various improvements to the Sanitary Sewer System totaling \$24,933 during fiscal year 2015.
- Equipment was purchased for the Water fund totaling \$16,507.
- The Gas fund completed a regulator station in the amount of \$12,173 and a new meter station in the amount of \$73,118.

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

**City of Greensboro
Capital Assets
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Land	\$ 1,191,843	\$ 1,191,843	\$ 394,874	\$ 394,874	\$ 1,586,717	\$ 1,586,717
Construction in progress	785,260	918,717	135,426	160,359	920,686	1,079,076
Building & improvements	926,199	929,221	9,629,439	9,619,008	10,555,638	10,548,229
Infrastructure	970,231	893,089	1,154,870	886,304	2,125,101	1,779,393
Equipment	134,627	136,419	527,696	431,210	662,323	567,629
Furniture & fixtures	2,170	1,510	-	-	2,170	1,510
Vehicles	456,297	398,523	18,191	14,336	474,488	412,859
Total	\$ 4,466,627	\$ 4,469,322	\$ 11,860,496	\$ 11,506,091	\$ 16,327,123	\$ 15,975,413

Long-term debt. At the end of the current fiscal year, the City had total outstanding revenue bond and loan indebtedness in the amount of \$3,780,722. Water and Sewerage Revenue Bonds account for \$1,282,050. The water and sewerage revenue bonds represent bonds secured solely by a pledge of and a lien on the net revenues of the Water & Sewer System. The City issued Combined Utility Revenue Refunding & Improvement Bonds, Series 2013. These bonds are reported as a liability in the Gas Fund. The outstanding balance of these bonds was \$ 1,560,000 at year end. There is a note payable to GEFA in the Water Sewer Fund of \$938,672. There was a capital lease to finance the purchase of a fire truck. This capital lease was paid off during fiscal year 2015.

**City of Greensboro
Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2014	2015	2014	2015	2014	2015
Revenue bonds	\$ -	\$ -	\$ 3,177,050	\$ 2,842,050	\$ 3,177,050	\$ 2,842,050
Notes payable	-	-	997,016	938,672	997,016	938,672
Capital lease obligations	145,107	-	-	-	145,107	-
Total	\$ 145,107	\$ -	\$ 4,174,066	\$ 3,780,722	\$ 4,319,173	\$ 3,780,722

Readers should refer to the notes to the financial statements for more detail on capital assets (Note 8) and long-term debt activity. (Note 9)

Economic Factors and Budgeting Considerations

Economic activity has slightly improved in the City over the past year. Additionally, House Bill 386 was passed by the 2012 Georgia General Assembly and provided a new method of taxation of motor vehicles effective March 1, 2013. The new method is referred to as Title Ad Valorem Tax or TAVT. TAVT is a one-time tax imposed on the fair market value of the vehicle when the vehicle is purchased. This method replaces the ad valorem tax which is commonly referred to as the "birthday tax".

CITY OF GREENSBORO, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)

The rising cost of health insurance premiums have been a challenge for the City to manage.

Any new capital projects are precipitated by grants or SPLOST funds, and not from the general fund or enterprise funds.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Manager, City of Greensboro 212 North Main Street, Greensboro, Georgia, 30642.

FINANCIAL STATEMENTS

CITY OF GREENSBORO, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government			Component Units	
	Governmental	Business-Type	Total	Better	Downtown
	Activities	Activities		Hometown	Development
				Authority	
<u>ASSETS</u>					
Current Assets					
Cash and cash equivalents	\$ 1,350,242	\$ 821	\$ 1,351,063	\$ 32,218	\$ 17,483
Certificate of deposit	108,643	823,681	932,324	-	-
Restricted cash and cash equivalents:					
Cash and cash equivalents	-	746,125	746,125	-	-
Certificate of deposit	-	531,792	531,792	-	-
Receivables, net of allowance					
Taxes	23,475	-	23,475	-	-
Accounts	49,560	316,425	365,985	-	-
Intergovernmental	207,793	-	207,793	1,174	-
Prepays	44,028	31,577	75,605	-	-
Total Current Assets	1,783,741	2,450,421	4,234,162	33,392	17,483
Noncurrent Assets					
Investment-joint venture	-	2,196,740	2,196,740	-	-
Capital assets					
Nondepreciable	2,110,560	555,234	2,665,794	-	50,000
Depreciable, net of accumulated depreciation	2,358,762	10,950,857	13,309,619	-	1,870,378
Total Noncurrent Assets	4,469,322	13,702,831	18,172,153	-	1,920,378
Total Assets	6,253,063	16,153,252	22,406,315	33,392	1,937,861
<u>DEFERRED OUTFLOW OF RESOURCES</u>					
Deferred charge on refunding	-	66,038	66,038	-	-
Deferred outflows of resources related to pensions	195,948	88,034	283,982	-	-
Total Deferred Outflow of Resources	195,948	154,072	350,020	-	-

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2015
(CONTINUED)

	Primary Government			Component Units	
	Governmental	Business-Type		Downtown	
	Activities	Activities	Total	Better Hometown	Development Authority
LIABILITIES					
Accounts payable	201,340	381,385	582,725	873	1,174
Accrued expenses	34,734	3,917	38,651	-	-
Customer deposits	-	29,401	29,401	-	-
Noncurrent liabilities					
Due within one year:					
Notes payable	-	60,746	60,746	-	-
Revenue bonds payable	-	350,000	350,000	-	-
Compensated absences	31,399	13,567	44,966	-	-
Due in more than one year:					
Notes payable	-	877,926	877,926	-	-
Revenue bonds payable	-	2,457,481	2,457,481	-	-
Net pension liability	343,462	154,310	497,772	-	-
Total Liabilities	610,935	4,328,733	4,939,668	873	1,174
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of resources related to pensions	63,853	28,686	92,539	-	-
Total Deferred Inflows of Resources	63,853	28,686	92,539	-	-
NET POSITION					
Net investment in capital assets	4,469,322	9,285,369	13,754,691	-	-
Restricted for					
Debt service	-	711,521	711,521	-	-
Cemetery maintenance	103,054	-	103,054	-	-
Law enforcement	15,317	-	15,317	-	-
Capital outlay	936,507	-	936,507	-	-
Unrestricted	250,023	1,953,015	2,203,038	32,519	1,936,687
Total Net Position	\$ 5,774,223	\$ 11,949,905	\$17,724,128	\$ 32,519	\$ 1,936,687

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 599,874	\$ 298,493	\$ 10,848	\$ 1,307
Judicial	78,182	-	-	-
Public safety	1,925,147	13,655	362,824	-
Public works	1,285,264	-	37,411	975,378
Culture and recreation	223,018	-	-	-
Housing and development	547,582	-	-	-
Interest on long-term debt	2,202	-	-	-
Total Governmental Activities	<u>4,661,269</u>	<u>312,148</u>	<u>411,083</u>	<u>976,685</u>
Business-Type Activities				
Water & Sewer	1,918,707	2,137,704	-	13,897
Gas System	3,018,349	3,558,045	-	93,803
Total Business-Type Activities	<u>4,937,056</u>	<u>5,695,749</u>	<u>-</u>	<u>107,700</u>
Total Primary Government	<u>\$ 9,598,325</u>	<u>\$ 6,007,897</u>	<u>\$ 411,083</u>	<u>\$ 1,084,385</u>
Component Units				
Better Hometown	\$ 83,710	\$ -	\$ 100,174	\$ -
Downtown Development Authority	62,539	-	10,490	6,700
Total Component Units	<u>\$ 146,249</u>	<u>\$ -</u>	<u>\$ 110,664</u>	<u>\$ 6,700</u>

General Revenues

Property tax
Sales tax
Franchise tax
Other tax
Investment earnings
Gain on sale of property
Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning of year, restated

Net Position - End of year

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
(CONTINUED)

Net (Expense) Revenue and Changes in Net Position			Component Units	
Primary Government			Better Hometown	Downtown Development Authority
Governmental Activities	Business-Type Activities	Total		
\$ (289,226)	\$ -	\$ (289,226)		
(78,182)	-	(78,182)		
(1,548,668)	-	(1,548,668)		
(272,475)	-	(272,475)		
(223,018)	-	(223,018)		
(547,582)	-	(547,582)		
(2,202)	-	(2,202)		
(2,961,353)	-	(2,961,353)		
-	232,894	232,894		
-	633,499	633,499		
-	866,393	866,393		
(2,961,353)	866,393	(2,094,960)		
			\$ 16,464	\$ -
			-	(45,349)
			16,464	(45,349)
563,550	-	563,550	-	-
696,196	-	696,196	-	-
351,654	-	351,654	-	-
542,850	-	542,850	-	-
1,069	149,002	150,071	15	2
-	22,000	22,000	-	-
130,848	12,568	143,416	-	-
2,286,167	183,570	2,469,737	15	2
1,231,420	(1,231,420)	-	-	-
3,517,587	(1,047,850)	2,469,737	15	2
556,234	(181,457)	374,777	16,479	(45,347)
5,217,989	12,131,362	17,349,351	16,040	1,982,034
\$ 5,774,223	\$ 11,949,905	\$ 17,724,128	\$ 32,519	\$ 1,936,687

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

CITY OF GREENSBORO, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General Fund	SPLOST 2009	SPLOST 2015	Non-Major Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Cash and cash equivalent	\$ 481,522	\$ 344,690	\$ 484,670	\$ 39,360	\$ 1,350,242
Certificates of deposit	29,630	-	-	79,013	108,643
Receivables, net of allowance					
Taxes	23,475	-	-	-	23,475
Accounts	42,626	-	-	6,934	49,560
Intergovernmental	71,510	-	134,983	1,300	207,793
Due from other funds	1,923	13,634	-	65	15,622
Prepays	44,028	-	-	-	44,028
Total Assets	<u>\$ 694,714</u>	<u>\$ 358,324</u>	<u>\$ 619,653</u>	<u>\$ 126,672</u>	<u>\$ 1,799,363</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 163,557	\$ 31,470	\$ -	\$ 6,313	\$ 201,340
Accrued expenses	34,734	-	-	-	34,734
Due to other funds	3,699	-	10,000	1,923	15,622
Total Liabilities	<u>201,990</u>	<u>31,470</u>	<u>10,000</u>	<u>8,236</u>	<u>251,696</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - property taxes	21,911	-	-	-	21,911
Total Deferred Inflows of Resources	<u>21,911</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,911</u>
<u>FUND BALANCES</u>					
Nonspendable	44,028	-	-	-	44,028
Restricted	-	326,854	609,653	118,371	1,054,878
Assigned	-	-	-	65	65
Unassigned	426,785	-	-	-	426,785
Total Fund Balances	<u>470,813</u>	<u>326,854</u>	<u>609,653</u>	<u>118,436</u>	<u>1,525,756</u>
Total Liabilities, Deferred inflows of Resources and Fund Balances	<u>\$ 694,714</u>	<u>\$ 358,324</u>	<u>\$ 619,653</u>	<u>\$ 126,672</u>	<u>\$ 1,799,363</u>

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

CITY OF GREENSBORO, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of net position are different because:

Total Fund Balances - Governmental Funds	\$ 1,525,756
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	7,544,063
Accumulated depreciation	(3,074,741)
Deferred outflows of resources	
Related to pensions	195,948
Long-term Liabilities	
Long-term liabilities, including capital lease payable, are not due and payable in the current period and, therefore, are not reported in the funds.	
Compensated absences	(31,399)
Net pension liability	(343,462)
Deferred inflows of resources	
Related to pensions	(63,853)
Revenues	
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	
	<u>21,911</u>
Total Net Position of Governmental Activities	<u>\$ 5,774,223</u>

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	General Fund	SPLOST 2009	SPLOST 2015	Non-Major Governmental Funds	Total Governmental Funds
<u>REVENUES</u>					
Taxes					
Property tax	\$ 560,503	\$ -	\$ -	\$ -	\$ 560,503
Sales tax	696,196	-	-	-	696,196
Other taxes	834,844	-	-	59,660	894,504
License and permits	149,552	-	-	-	149,552
Intergovernmental	411,084	200,888	609,740	164,750	1,386,462
Charges for Services	972	-	-	-	972
Fines & forfeitures	127,789	-	-	13,655	141,444
Interest earnings	710	1,215	92	359	2,376
Miscellaneous revenues	25,135	23,035	-	44,808	92,978
Total Revenues	2,806,785	225,138	609,832	283,232	3,924,987
<u>EXPENDITURES</u>					
Current					
General government	520,872	-	179	23,864	544,915
Judicial	78,182	-	-	-	78,182
Public safety	1,806,284	-	-	800	1,807,084
Public works	646,467	-	-	-	646,467
Culture and recreation	178,538	-	-	33,716	212,254
Housing and development	396,282	-	-	151,300	547,582
Capital Outlay	-	663,513	-	63,259	726,772
Debt Service					
Principal	-	145,107	-	-	145,107
Interest	-	2,202	-	-	2,202
Total Expenditures	3,626,625	810,822	179	272,939	4,710,565
Excess (Deficiency) of Revenues Over (Under) Expenditures	(819,840)	(585,684)	609,653	10,293	(785,578)
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers from other funds	1,250,774	-	-	49,809	1,300,583
Transfers to other funds	(33,367)	-	-	(35,796)	(69,163)
Insurance recoveries	-	58,049	-	-	58,049
Total other financing sources (uses)	1,217,407	58,049	-	14,013	1,289,469
Net change in fund balances	397,567	(527,635)	609,653	24,306	503,891
Fund Balance, beginning of year	73,246	854,489	-	94,130	1,021,865
Fund Balance, end of year	\$ 470,813	\$ 326,854	\$ 609,653	\$ 118,436	\$ 1,525,756

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

CITY OF GREENSBORO, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 503,891
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Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Total capital outlays	244,559
Total depreciation	(241,864)

Deferred outflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.

Change in deferred outflows of resources related to pensions	(29,865)
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Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Principal payments	145,107
Compensated absences	(5,218)
Net pension liability	(79,387)

Deferred inflows of resources related to pensions is not available during the current period and therefore is not reported in the funds.

Change in deferred inflows of resources related to pensions	15,964
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Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

3,047

Change in Net Position of Governmental Activities

\$ 556,234

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Budget Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes				
Property	\$ 565,100	\$ 565,100	\$ 560,503	\$ (4,597)
Sales	630,000	630,000	696,196	66,196
Franchise	369,000	369,000	351,654	(17,346)
Insurance premium	175,000	175,000	181,167	6,167
Occupational	50,000	50,000	60,287	10,287
Alcoholic beverage	88,000	88,000	81,599	(6,401)
Other	159,300	159,300	160,137	837
Licenses and permits	3,000	3,000	149,552	146,552
Intergovernmental	272,600	272,600	411,084	138,484
Charges for services	400	400	972	572
Fines and forfeitures	128,000	128,000	127,789	(211)
Investment earnings	5,000	5,000	710	(4,290)
Miscellaneous	53,000	53,000	25,135	(27,865)
Total Revenues	2,498,400	2,498,400	2,806,785	308,385
EXPENDITURES				
Current				
General government				
Governing Body	123,280	123,280	106,500	16,780
City Manager	84,720	84,720	84,260	460
Financial Administration	325,610	325,610	330,113	(4,503)
Administrative	15,100	15,100	-	15,100
Judicial	121,620	121,620	78,182	43,438
Public safety	1,678,730	1,678,730	1,806,284	(127,554)
Public works	536,460	536,460	646,467	(110,007)
Culture and recreation	186,000	186,000	178,538	7,462
Housing and development	395,580	395,580	396,282	(702)
Total Expenditures	3,467,100	3,467,100	3,626,626	(159,526)
Excess of Revenue Over (Under) Expenditure	(968,700)	(968,700)	(819,841)	148,859
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	914,080	914,080	1,250,774	336,694
Transfer to other funds	-	-	(33,366)	(33,366)
Total Other Financing Sources (Uses)	914,080	914,080	1,217,408	303,328
Net change in fund balance	(54,620)	(54,620)	397,567	452,187
Fund balance, beginning of year	73,246	73,246	73,246	-
Fund balance, end of year	\$ 18,626	\$ 18,626	\$ 470,813	\$ 452,187

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

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CITY OF GREENSBORO, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Business-type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
<u>ASSETS</u>			
Current Assets			
Cash and cash equivalents	\$ 383	\$ 438	\$ 821
Certificates of deposit	7,605	816,076	823,681
Restricted cash	179,729	566,396	746,125
Restricted investments	531,792	-	531,792
Accounts receivable, net	257,228	59,197	316,425
Prepaid expenses	22,702	8,875	31,577
Total Current Assets	999,439	1,450,982	2,450,421
Long-Term Assets			
Investment-joint venture	-	2,196,740	2,196,740
Capital assets:			
Nondepreciable	554,908	326	555,234
Depreciable, net	9,898,639	1,052,218	10,950,857
Total capital assets, net	10,453,547	1,052,544	11,506,091
Total Long-Term Assets	10,453,547	3,249,284	13,702,831
Total Assets	11,452,986	4,700,266	16,153,252
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding	66,038	-	66,038
Deferred outflows of resources related to pensions	73,949	14,085	88,034
Total Deferred Outflows of Resources	139,987	14,085	154,072

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 SEPTEMBER 30, 2015
 (CONTINUED)

	Business-type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable	48,200	333,185	381,385
Accrued expenses	3,208	709	3,917
Customer deposits	17,425	11,976	29,401
Compensated absences	12,508	1,059	13,567
Total current liabilities payable from unrestricted assets	81,341	346,929	428,270
Current liabilities payable from restricted assets:			
Notes payable - current	60,746	-	60,746
Revenue bonds payable - current	315,000	35,000	350,000
Total current liabilities payable from restricted assets	375,746	35,000	410,746
Total Current Liabilities	457,087	381,929	839,016
Long-term liabilities:			
Notes payable	877,926	-	877,926
Revenue bonds payable	967,050	1,490,431	2,457,481
Net pension liability	129,620	24,690	154,310
Total long-term liabilities	1,974,596	1,515,121	3,489,717
Total Liabilities	2,431,683	1,897,050	4,328,733
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources related to pensions	24,097	4,589	28,686
Total Deferred Inflows of Resources	24,097	4,589	28,686
<u>NET POSITION</u>			
Net investment in capital assets	8,232,825	1,052,544	9,285,369
Restricted for debt service	711,521	-	711,521
Unrestricted	192,847	1,760,168	1,953,015
Total Net Position	\$ 9,137,193	\$ 2,812,712	\$ 11,949,905

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
<u>Operating revenues:</u>			
Charges and fees	\$ 2,137,704	\$ 3,558,045	\$ 5,695,749
Total operating revenues	2,137,704	3,558,045	5,695,749
<u>Operating expenses:</u>			
Salaries and benefits	674,093	116,758	790,851
Contract management	16,917	8,223	25,140
Cost of sales	-	2,356,387	2,356,387
Legal and professional	110,186	9,294	119,480
Operating materials	155,975	31,308	187,283
Other operating expenses	86,989	251,229	338,218
Repairs and maintenance	91,523	74,049	165,572
Small equipment	2,930	-	2,930
Utilities	232,186	21,046	253,232
Depreciation	432,206	48,930	481,136
Total operating expenses	1,803,005	2,917,224	4,720,229
Operating income (loss)	334,699	640,821	975,520
<u>Nonoperating revenues (expenses):</u>			
Interest income	2,501	146,501	149,002
Intergovernmental revenue	-	93,803	93,803
Intergovernmental expense	-	(33,272)	(33,272)
Insurance recoveries	12,568	-	12,568
Interest expense	(115,702)	(67,853)	(183,555)
Gain on sale of property	-	22,000	22,000
Total nonoperating revenues (expenses)	(100,633)	161,179	60,546
Income (loss) before contributions and transfers	234,066	802,000	1,036,066

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
 (CONTINUED)

	Business-type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
Capital contributions	13,897	-	13,897
Transfers out	(454,819)	(776,601)	(1,231,420)
Change in net position	(206,856)	25,399	(181,457)
Net Position - Beginning of Year, restated	9,344,049	2,787,313	12,131,362
Net Position - End of Year	\$ 9,137,193	\$ 2,812,712	\$ 11,949,905

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
<u>Cash Flows from Operating Activities:</u>			
Cash received from customers	\$ 2,300,569	\$ 3,712,456	\$ 6,013,025
Cash paid to suppliers for goods and services	(719,520)	(2,763,796)	(3,483,316)
Cash paid to employees	(641,947)	(108,768)	(750,715)
Net Cash Flows Provided by (Used for) Operating Activities	939,102	839,892	1,778,994
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfers	(454,819)	(776,601)	(1,231,420)
Net Cash Flows Provided by (Used for) Noncapital Financing Activities	(454,819)	(776,601)	(1,231,420)
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Capital contributions	13,897	-	13,897
Principal payments on revenue bonds and notes	(358,344)	(35,000)	(393,344)
Interest and fiscal charges on revenue bonds and notes	(99,192)	(66,618)	(165,810)
Intergovernmental expense	-	(33,272)	(33,272)
Intergovernmental revenue	-	93,803	93,803
Proceeds from the sale of assets	-	22,000	22,000
Proceeds from insurance recoveries	12,568	-	12,568
Purchases of capital assets	(41,440)	(85,291)	(126,731)
Net Cash Flows Provided by (Used for) Capital and Related Financing Activities	(472,511)	(104,378)	(576,889)
<u>Cash Flows from Investing Activities:</u>			
Interest income	1,452	8,051	9,503
Net Cash Flows Provided by (Used for) Investing Activities	1,452	8,051	9,503
Net Increase (Decrease) in Cash and Cash Equivalents	13,224	(33,036)	(19,812)
Cash and Cash Equivalents, Beginning of Year	166,888	599,870	766,758
Cash and Cash Equivalents, End of Year	\$ 180,112	\$ 566,834	\$ 746,946

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

CITY OF GREENSBORO, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
 (CONTINUED)

	Business-type Activities- Enterprise Funds		
	Water & Sewer Fund	Gas System	Total
Noncash Investing, Capital and Financing Activities			
Contributions of capital assets from government	\$ 13,897	\$ -	\$ 13,897
Classified as:			
Current assets	\$ 383	\$ 438	\$ 821
Restricted assets	179,729	566,396	746,125
Total Cash and Cash Equivalents, End of Year	\$ 180,112	\$ 566,834	\$ 746,946
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Net Operating Income (Loss)	\$ 334,699	\$ 640,821	\$ 975,520
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and amortization	432,206	48,930	481,136
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	81,577	269,433	351,010
(Increase) decrease in due from other funds	81,652	-	81,652
(Increase) decrease in prepaid expenses	(162)	(872)	(1,034)
(Increase) decrease in deferred outflows - pensions	11,271	2,147	13,418
Increase (decrease) in accounts payable	(22,652)	(11,388)	(34,040)
Increase (decrease) in accrued liabilities	(3,060)	1,284	(1,776)
Increase (decrease) in customer deposits	(364)	525	161
Increase (decrease) in due to other funds	-	(115,547)	(115,547)
Increase (decrease) in net pension liability	29,960	5,707	35,667
Increase (decrease) in deferred inflows - pensions	(6,025)	(1,148)	(7,173)
Total Adjustments	604,403	199,071	803,474
Net Cash Provided by (Used for) Operating Activities	\$ 939,102	\$ 839,892	\$ 1,778,994

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

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NOTES TO THE FINANCIAL STATEMENTS

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The City of Greensboro was incorporated under the laws of the State of Georgia and operates under a Mayor-Council form of government. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, social services, culture-recreation, public improvements, planning and zoning, general and administrative services, and gas and water utilities.

The financial statements of the City of Greensboro, Georgia (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Greensboro (the primary government) and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationships with the City. In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards Board (GASB) No. 61 "The Financial Reporting Entity: Omnibus, an amendment of GASB Statement No. 14 and 34," the City's relationships with other governments and agencies have been examined.

Discretely presented component units – Based on the aforementioned criteria, the component units' columns in the government-wide financial statements include the financial data of the City's two component units. These units are reported in a separate column to emphasize that is legally separate from the City.

Greensboro Better Hometown Program – The Greensboro Hometown Program is governed by a seven member Board of Directors. The Board consists of one representative of each of the following: Citizens Union Bank, Premier Bank, Farmers Bank, City of Greensboro, Greene County Commissioners, Development Authority of the City of Greensboro, and the Greene County Chamber of Commerce. All of the Board members are named and confirmed by the Greene County Chamber of Commerce Executive Board and the Greensboro City Council. Greensboro Better Hometown Program does not issue separate financial statements.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

Downtown Development Authority of Greensboro, Georgia – The Downtown Development Authority is governed by a seven member Board of Directors. The directors are appointed as provided by O.C.G.A. Section 36-41-1. All Directors must be approved by the City of Greensboro City Council. Downtown Development Authority does not issue separate financial statements.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units if any. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

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

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

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, and then unrestricted resources as they are needed.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt services expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, local option sales taxes, other taxes, intergovernmental revenues, interest, and charges for services associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the City's enterprise fund is charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

The government reports the following major governmental funds:

General Fund – The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SPLOST 2009 Fund – The SPLOST 2009 Fund is used to account for the SPLOST monies received from Greene County to be used to finance SPLOST approved projects.

SPLOST 2015 Fund – The SPLOST 2015 Fund is used to account for the SPLOST monies received from Greene County to be used to finance SPLOST approved projects.

The government reports the following major proprietary funds:

Enterprise Funds – The Water & Sewer Fund accounts for the activities of the water and sewer distribution system. The Gas System Fund accounts for the activities of the government's gas distribution operations.

Additionally, the government reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for and report the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Funds – Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are referred to as either "due to/from other funds" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables, have been reduced to their estimated net realizable value, and are shown net of an allowance for doubtful accounts. Estimated uncollectible amounts are based upon historical experience rates.

F. Inventories

Inventories of expendable supplies held for consumption are not considered material and are recorded as expenditures, or expenses, as appropriate, when purchased.

G. Prepaid Items

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

H. Capital Assets

Capital assets, which include property, plant equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items acquired subsequent to October 1, 2003) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Property, plant and equipment, except for infrastructure, with individual costs that equal or exceed \$5,000 are recorded as capital assets. Infrastructure with an individual cost that is equal to or exceeds \$100,000 is recorded as a capital asset. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the City during the current year was \$185,757. Of this amount, none was applicable to construction of capital assets.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

Property, plant and equipment of the primary government, as well as component units, are depreciated using the straight line method over the following estimated useful lives:

Building and improvements	20-50 years
Water and sewer distribution system	20-50 years
Equipment	10 years
Infrastructure	15-99 years
Furniture and fixtures	10 years
Vehicles	5 years
Computer equipment	5 years
Heavy machinery	5 years

I. Compensated Absences

It is the City's policy to permit employees to accumulate unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

J. Deferred Inflows / Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period or periods and so will not be recognized as an outflow of resources (expense / expenditures) until then. The City has two items that qualify for reporting in this category. The first type is deferred outflow of resources related to the pension plans. This amount is deferred and will be recognized as a reduction of the net pension liability in future years. The second type is reported in the enterprise funds as deferred charges on refunding.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. This first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second is the deferred inflow of resources relative to the differences between expected and actual experience and the net difference between projected and actual earnings on the pension plan investments. This amount is deferred and will be recognized as a reduction of the net pension liability in future years.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

K. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

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

L. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance in accordance with Governmental Accounting Standards Board Statement No. 54:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of Mayor and Council through adoption of a resolution. The Mayor and Council also may modify or rescind the commitment.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, Mayor and Council has authorized the City Manager or his designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

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

- Committed
- Assigned
- Unassigned

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

The City does not have a formal minimum fund balance policy. The following is a summary of the fund balance classifications as of September 30, 2015:

	General Fund	2009 SPLOST	2015 SPLOST	Nonmajor Governmental	Total
Fund Balances					
Nonspendable:	\$ 44,028	\$ -	\$ -	\$ -	\$ 44,028
Prepays					
Restricted for:					
Cemetery Maintenance	-	-	-	103,054	103,054
Law enforcement	-	-	-	15,317	15,317
Capital outlay	-	326,854	609,653	-	936,507
Assigned for:					
Capital outlay	-	-	-	65	65
Unassigned	426,785	-	-	-	426,785
Total fund balance	\$ 470,813	\$ 326,854	\$ 609,653	\$ 118,436	\$ 1,525,756

M. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The City purchases commercial insurance for most types of risk. For these risks, settlements have not exceeded coverage's for each of the past three years. The City had no significant reduction in insurance coverage from coverage in the prior year.

N. Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Process

The annual budget document is the financial plan for the operation of the City of Greensboro. The budget process exists for the purpose of providing a professional management approach to the establishment of priorities and the implementation of work programs while providing an orderly means for control and evaluation of the financial posture of the City.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

An annual operating budget is prepared for the General Fund and the Special Revenue Funds. A project length budget is adopted for all Capital Projects Funds. Annual operating budgets are prepared for each enterprise fund for planning, control, cost allocation and evaluation purposes.

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- Prior to October 1, the City Manager submits to the Mayor and Council a proposed budget for the fiscal year commencing the following October 1. The budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted at City Hall to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance.
- Any revisions must be approved by the City Council.

Formal budgetary integration is employed as a management control device during the year. The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The General Fund is subject to budgetary control on a departmental basis, while the Special Revenue funds are subject to budgetary control on an individual fund basis.

B. Excess of Expenditures Over Appropriations

The General Fund and Special Revenue Fund had expenditures in excess of appropriations as follows:

General Fund Departments:

Financial Administration	\$ 4,503
Public Safety	127,554
Public Works	110,007
Housing and Development	702
Transfer to other funds	33,366

Special Revenue Fund:

Hotel / Motel Fund	5,864
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NOTE 3 – DEPOSITS AND INVESTMENTS

A. Custodial Credit Risk – Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of a bank, the City's deposits may not be recovered. The City's bank balances of deposits as of September 30, 2015 are entirely insured or collateralized with securities held by the City's agent in the City's name. State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

At September 30, 2015, the City's certificates of deposits were as follows:

CD's	Maturity	Amount
Certificates of Deposit – Nonmajor Governmental Fund	12 months	\$ 79,013
Certificates of Deposit – General Fund	12 months	29,630
Certificates of Deposit – Water & Sewer Fund	12 months	46,971
Certificates of Deposit – Gas Fund	12 months	233,822
Certificates of Deposit – Water & Sewer Fund	6 months	120,328
Certificates of Deposit – Gas Fund	6 months	382,247
Certificates of Deposit – Water & Sewer Fund	30 days	372,099
Certificates of Deposit – Gas Fund	30 days	200,006

B. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City does not have a formal policy for managing interest rate risk.

C. Credit Risk

Georgia law authorizes the City to invest in the following types of obligations: obligations of the State of Georgia or any other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; prime banker's acceptance; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. At September 30, 2015, the City's only investments were in certificates of deposit.

NOTE 4 – PROPERTY TAXES

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes by March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Greene County Board of Tax Assessors.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is compiled to form the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

The Greene County Tax Commissioner distributes motor vehicle tax notices and collects those tax payments. Motor vehicle taxes are due based on the birthday of the owner. Property taxes are sent out and collected by the City and are usually billed in October of each year.

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	Motor Vehicles
Assessment Date	January 1	January 1
Levy Date	October 2	January 1
Due Date and Collection Date	December 2	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period. The 2015 tax digest receivable and amounts collected at year-end are reported as deferred inflows of resources – unearned revenues on the government-wide statement of net position and the Governmental Fund statements since this digest was approved to finance the 2015 budget.

NOTE 5 – HOTEL/MOTEL EXCISE TAX

A summary of the hotel/motel excise tax expenditures and receipts for the year ended September 30, 2015, is as follows:

<u>Expenditures By Purpose</u>	<u>Amount</u>	<u>Tax Receipts</u>	<u>Percentage</u>
Promote tourism	\$ 23,864	\$ 59,660	40%
General Fund	<u>35,796</u>	<u>-</u>	<u>60%</u>
Total	<u>\$ 59,660</u>	<u>\$ 59,660</u>	<u>100%</u>

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

NOTE 6 – RECEIVABLES

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

	General	SPLOST 2015	Water & Sewer	Gas System	Non-major Governmental	Total
Receivables:						
Taxes	\$ 80,408	\$ -	\$ -	\$ -	\$ -	\$ 80,408
Accounts	42,626	-	745,786	176,182	6,934	971,528
Intergovernmental	71,510	134,983	-	-	1,300	207,793
Gross Receivables	194,544	134,983	745,786	176,182	8,234	1,259,729
Less: allowance for uncollectibles	(56,933)	-	(488,558)	(116,985)	-	(662,476)
Total net receivables	\$ 137,611	\$ 134,983	\$ 257,228	\$ 59,197	\$ 8,234	\$ 597,253

NOTE 7 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2015, is as follows:

Due to / from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental	\$ 1,923
SPLOST 2009 Fund	SPLOST 2015 Fund	10,000
SPLOST 2009 Fund	General Fund	3,634
Nonmajor Governmental	General Fund	65
		<u>\$ 15,622</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

Interfund transfers:

	Transfer In:		
	General Fund	Nonmajor Governmental	Total
Transfer Out:			
Gas System Fund	\$ 776,601	\$ -	\$ 776,601
Water & Sewer Fund	438,377	16,442	454,819
Nonmajor Governmental Funds	35,796	-	35,796
General Fund	-	33,367	33,367
Total	\$ 1,250,774	\$ 49,809	\$ 1,300,583

Transfers are used to move unrestricted revenue to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching fund for various grant programs.

NOTE 8 – CAPITAL ASSETS

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 1,191,843	\$ -	\$ -	\$ 1,191,843
Construction in progress	785,260	133,457	-	918,717
Total capital assets, not being depreciated	1,977,103	133,457	-	2,110,560
Capital assets, being depreciated				
Buildings	1,261,634	30,717	-	1,292,351
Machinery & equipment	1,104,949	48,400	-	1,153,349
Furniture & fixtures	12,165	-	-	12,165
Vehicles	1,530,508	31,985	-	1,562,493
Infrastructure	1,413,147	-	-	1,413,147
Total capital assets, being depreciated	5,322,403	111,102	-	5,433,505
Less accumulated depreciation for:				
Buildings	(335,435)	(27,695)	-	(363,130)
Machinery & equipment	(970,322)	(46,608)	-	(1,016,930)
Furniture & fixtures	(9,995)	(660)	-	(10,655)
Vehicles	(1,074,211)	(89,759)	-	(1,163,970)
Infrastructure	(442,916)	(77,142)	-	(520,058)
Total accumulated depreciation	(2,832,879)	(241,864)	-	(3,074,743)
Total capital assets, being depreciated, net	2,489,524	(130,762)	-	2,358,762
Governmental activities capital assets, net	\$ 4,466,627	\$ 2,695	\$ -	\$ 4,469,322

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

[illegible]

* - The capital assets associated with the Series 2013 Bonds in the Gas System are reported as a part of Tri-County Natural Gas System, a joint venture of the City, and therefore the Series 2013 bonds payable of \$1,560,000 is not included in the related long-term debt outstanding for the calculation of the net investment in capital assets.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 SEPTEMBER 30, 2015
 (CONTINUED)

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental activities:

General government	\$	3,070
Public safety		150,048
Public works		77,982
Culture and recreation		10,764
Total depreciation expense - governmental activities	\$	241,864

Business-type activities:

Water and sewer	\$	432,206
Gas system		48,930
Total depreciation expense - business-type activities	\$	481,136

<u>Component Unit Activities:</u>	<u>Beginning</u> <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u> <u>Balance</u>
Downtown Development Authority				
Capital assets, not being depreciated:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Total capital asset not being depreciated	50,000	-	-	50,000
Capital assets, being depreciated:				
Buildings	650,000	-	-	650,000
Buildings and improvements	1,500,047	-	-	1,500,047
Equipment	34,176	-	-	34,176
Total capital assets being depreciated	2,184,223	-	-	2,184,223
Less accumulated depreciation for:				
Buildings	(109,417)	(13,000)	-	(122,417)
Buildings and improvements	(150,005)	(30,001)	-	(180,006)
Equipment	(6,985)	(4,437)	-	(11,422)
Total accumulated depreciation	(266,407)	(47,438)	-	(313,845)
Total capital assets, being depreciated, net	1,917,816	(47,438)	-	1,870,378
Business-type activities capital assets, net	\$1,967,816	\$ (47,438)	\$ -	\$1,920,378

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

Depreciation expense was charged to functions / programs of the component unit as follows:

Component Unit

Better Hometown	\$ 47,438
Total depreciation expense - component unit	<u>\$ 47,438</u>

NOTE 9 – LONG-TERM DEBT

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2015, was as follows:

	Restated Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Compensated absences	\$ 26,181	\$ 61,356	\$ (56,138)	\$ 31,399	\$ 31,399
Capital lease payable	145,107	-	(145,107)	-	-
Net pension liability	264,075	79,387	-	343,462	-
Governmental activity long-term liabilities	<u>\$ 435,363</u>	<u>\$ 140,743</u>	<u>\$ (201,245)</u>	<u>\$ 374,861</u>	<u>\$ 31,399</u>
Business-type activities:					
Compensated absences	\$ 11,927	\$ 16,652	\$ (15,012)	\$ 13,567	\$ 13,567
Notes payable	997,016	-	(58,344)	938,672	60,746
Revenue bonds payable	3,177,050	-	(335,000)	2,842,050	350,000
Deferred amounts:					
Less: Bond discount	(35,804)	-	1,235	(34,569)	-
Net pension liability	118,643	35,667	-	154,310	-
Business-type activity long-term liabilities	<u>\$ 4,268,832</u>	<u>\$ 52,319</u>	<u>\$ (407,121)</u>	<u>\$ 3,914,030</u>	<u>\$ 424,313</u>

For the governmental activities, compensated absences and net pension liability are generally liquidated by the general fund. For the business-type activities, long-term liabilities are liquidated by the Water and Sewer Fund and Gas System Fund.

Revenue Bonds

Combined Utility Revenue Refunding and Improvement Bonds, Series 2004 – The City issued bonds in the original amount of \$4,115,000 bearing interest at a rate of 3.76%. Interest on the Series 2004 Bonds is payable on April 1 and October 1 of each year. Principal payments are due each October 1 through 2019 with principal payments of amounts ranging from \$215,000 to \$350,000. The purpose of the Series 2004 bonds was to (i) provide funds to refund the Series 1994 bonds, (ii) to finance the cost of additions, extensions and improvements to the water and sewerage portions of the System, (iii) to fund in part a reasonably required debt service reserve and (iv) to pay the costs of issuance. These bonds are secured by a first lien pledge of the net

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

revenues of the System (combined water, sewerage and gas system) remaining after payment of the reasonable and necessary expenses of operating, maintaining and repairing the System. The City further agreed to create and maintain a Renewal & Extension Fund in the amount of \$150,000.

The City has covenanted that it will prescribe and revise rates, and collect fees and charges for services, facilities and commodities furnished by the System at all times at a level sufficient to (i) pay the reasonable and necessary costs of operating, maintaining and repairing the System on a sound businesslike basis, (ii) to maintain the Sinking Fund at the required level in order to discharge the payment of the principal of and interest on the Series 2004 Bonds and all outstanding parity bonds maturing in the current sinking fund year, (iii) to maintain a reserve in the Sinking Fund (the "Reserve Account") approximately equal to the highest combined debt service requirements of the Series 2004 Bonds in any succeeding sinking fund year (\$364,820), and (iv) to create and maintain the Renewal and Extension Fund (\$150,000). The City has further agreed that these rates, fees, and charges shall be maintained at such level as to produce net revenues equal to at least 1.2 times the maximum annual debt service requirements of the Series 2004 Bonds and all outstanding parity bonds and to make payments into the Reserve Account. The City has fully funded the Reserve Account and the Renewal and Extension Fund simultaneously with the issuance of the Series 2004 Bonds.

Sinking Fund		
Year	Principal	Interest
2016	\$ 315,000	\$ 55,460
2017	325,000	43,898
2018	335,000	31,866
2019	307,050	26,038
Total	<u>\$ 1,282,050</u>	<u>\$ 157,262</u>

Combined Utility Revenue Refunding and Improvement Bonds, Series 2013 – The City issued bonds in the original amount of \$1,635,000 bearing interest at a rate of 4.25%. Interest on the Series 2013 Bonds is payable on January 1 and July 1 of each year. Principal payments are due each January 1 through 2043 with principal payments of amounts ranging from \$40,000 to \$90,000. The purpose of the Series 2013 bonds was to (i) to finance the cost of additions, extensions and improvements to the gas portions of the System, (ii) to fund in part a reasonably required debt service reserve and (iii) to pay the costs of issuance. These bonds are secured by a first lien pledge of the net revenues of the System (combined water, sewerage and gas system) remaining after payment of the reasonable and necessary expenses of operating, maintaining and repairing the System. During FY 2015, the City received \$93,803 from Tri-County Natural Gas as reimbursement for principal and interest paid by the City on these bonds. This revenue is reflected as intergovernmental revenue on the Statement of Revenues, Expenses and Changes in Net Position.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

Annual debt service requirements to maturity for these revenue bonds are as follows:

Sinking Fund Year	Principal	Interest
2016	\$ 35,000	\$ 58,225
2017	35,000	57,525
2018	35,000	56,825
2019	40,000	55,375
2020	40,000	54,375
2021-2025	210,000	253,238
2026-2030	250,000	214,628
2031-2035	295,000	161,566
2036-2040	365,000	94,050
2041-2045	255,000	14,581
Total	<u>\$ 1,560,000</u>	<u>\$ 1,020,388</u>

Notes Payable

Project 2004-L15-WJ – The Water & Sewer Fund is obligated under a 20-year term note to the Georgia Environmental Facilities Authority. As of September 30, 2007, drawdowns from the loan totaled \$1,327,616. The total amount of the loan is \$1,327,616. The payments on this loan are to be made monthly in the amount of \$8,129 at an interest rate of 4.04%. The payments began in March 2008 and will continue until final payment in February 2028. The purpose of the note is to finance improvements to the Water & Sewer System.

Annual debt service requirements to maturity for this note payable are as follows:

Years Ending September 30	Principal	Interest
2016	\$ 60,746	\$ 36,806
2017	63,246	34,306
2018	65,849	31,703
2019	68,559	28,993
2020	71,380	26,171
2021-2025	403,462	84,293
2026-2027	205,430	9,633
Total	<u>\$ 938,672</u>	<u>\$ 251,905</u>

Capital Leases

During fiscal year 2011, the City entered into a capital lease with BB&T to finance the purchase of a fire truck. The total amount of the capital lease was \$349,366 and is payable in monthly installments of \$6,208 with interest at 2.55%. Total costs of assets under capital leases as of September 30, 2015 were \$367,376 of vehicles included in governmental activities on the statement of net position. The vehicles have a life of 10 years. For the fiscal year ended

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

September 30, 2015, accumulated depreciation was \$165,319 and depreciation expense was \$36,738 for governmental activities. The BB&T capital lease was paid in full during fiscal year 2015.

The assets acquired through capital leases are as follows:

Asset:	Governmental Activities
Vehicles	\$ 367,376
Less: Accumulated depreciation	<u>(165,319)</u>
Total	<u>\$ 202,057</u>

NOTE 10 – EMPLOYEE RETIREMENT PLANS

Georgia Municipal Employees Benefit System

Plan Description

The City contributes to the Georgia Municipal Employees Benefit System (the system), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association. The City of Greensboro Retirement Plan is a defined benefit plan that provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Public Retirement Systems Standard Law (Georgia Code Section 47-20-10) assigned the authority to establish and amend the plan to the City of Greensboro. The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Georgia Municipal Employees Benefit System, 201 Pryor Street S.W., Atlanta, Georgia 30303.

Benefits Provided

The GMEBS Plan provides retirement, disability and death benefits to plan members and beneficiaries. Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. This change has no impact on service credited under the Plan and has no impact on benefits.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

Plan Membership

As of January 1, 2015, the date of the most recent actuarial valuation date, pension plan membership consisted of the following:

Retirees and beneficiaries currently receiving benefits	21
Terminated employees entitled to benefits but no yet receiving them	23
Current active employees	43
Active elected officials	6
Total Membership in the plan	<u>93</u>

Contributions

The plan members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 7.04% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2015, the City reported a net pension liability. The net pension liability was measured as of September 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of January 1, 2015. An expected total pension liability as of September 30, 2014 was determined using standard roll-forward techniques.

For the year ended September 30, 2015, the City recognized pension expense relative to GMEBS in the amount of \$99,794. At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 184,188	\$ -
Changes of assumptions	-	19,444
Net difference between projected and actual earnings on pension plan investments	-	73,095
Employer contributions subsequent to the measurement date	99,794	-
	<u>\$ 283,982</u>	<u>\$ 92,539</u>

City contributions subsequent to the measurement date of September 30, 2014 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended September 30, 2015. Other amounts reported as deferred outflows of resources and

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

<u>Year ended December 31:</u>		
2016	\$	22,912
2017		22,912
2018		22,912
2019		22,913

Actuarial Assumptions: The total pension liability as of September 30, 2015 was determined by an actuarial valuation as of January 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increase	3.25%, plus service based merit increases
Investment rate of return	7.75%, On-going basis, based on long-term expected rate of return of pension plan investments

Mortality rates were based on the RP-2000 Combined Mortality Table with sex-distinct rates, set forward two years for males and one year for females, and the RP-2000 Disabled Mortality Table with sex-distinct rates.

The mortality and economic actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to June 30, 2014.

Net Pension Liability:

<u>Changes in the Net Pension Liability:</u>	<u>Total Pension Liability</u>	<u>Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances at September 30, 2014	\$ 2,869,528	\$ 2,486,810	\$ 382,718
Changes for the year:			
Service cost	63,945	-	63,945
Interest	217,268	-	217,268
Differences between expected and actual experience	230,237	-	230,237
Contributions-employer	-	98,204	(98,204)
Net investment income	-	282,451	(282,451)
Benefit payments	(132,130)	(132,130)	-
Administrative expense	-	(8,565)	8,565
Other	(24,306)	-	(24,306)
Net changes	355,014	239,960	115,054
Balance at September 30, 2015	\$ 3,224,542	\$ 2,726,770	\$ 497,772

The City's net pension liability is recorded in the Government-Wide Statement of Net Position in the amounts of \$343,462 and \$154,310 respectively.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 is summarized in the following table:

Asset class	Target allocation	Expected real rate of return	Nominal real rate of return
Domestic Equity	50%	5.95%	9.20%
International Equity	15%	6.45%	9.70%
Fixed Income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	100%		

Discount Rate: The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount rate: The following presents the City's net pension liability calculated using the discount rate of 7.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current discount rate (7.75%)	1% Increase (8.75%)
Sensitivity of the Net Pension Liability to Changes in the Discount Rate	\$ 906,135	\$ 497,772	\$ 152,644

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued GMEBS financial report which is publically available at www.gmanet.com.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

NOTE 11 – SPECIAL FUNDING DEFINED BENEFIT PENSION PLAN

A. Peace Officers' Annuity and Benefit Fund of Georgia

The City's Deputies are covered by the State of Georgia Peace Officers' Annuity and Benefit Fund. The City makes no contribution to this plan. Contributions are collected by the City as the agent for this fund through its court systems. This plan is administered through the Peace Officers' Annuity and Benefit Fund of Georgia located at 1210 Greenbelt Parkway in Griffin, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Greensboro's financial statements.

B. Georgia Firefighters' Pension Fund

The City's Volunteer Firemen are eligible to participate in the Georgia Firefighters' Pension Fund, a voluntary pension system. The City makes no contributions to this plan. Contributions are made through monthly dues by eligible firefighters electing to participate in the plan and non-employer contributions which consist of insurance premium taxes collected and remitted by insurers directly to the pension fund in accordance with the law. The plan is administered by the Georgia Firefighters' Pension Fund located at 2171 Eastview Parkway NE in Conyers, Georgia where separate financial statements may be obtained. This plan is considered immaterial to the City of Greensboro's financial statements.

NOTE 12 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City carries commercial insurance for these various risks with a deductible as follows: contractor's equipment protection - \$500, public official liabilities - \$5,000, police professional liability - \$5,000, all other risks have a deductible of \$1,000.

The City participates in the Georgia Municipal Association Worker's Compensation Self Insurance Fund. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for Workers' Compensation Self Insurance Fund (WCSIF), a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The Georgia Municipal Association operates the risk pool.

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

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

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

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

NOTE 13 – CONTINGENT LIABILITIES

A. Litigation

During the course of normal operations of the City, various claims and lawsuits arise. The City attorney has advised that there are no potential liabilities that will impair the position as of the date of this audit report.

B. Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

NOTE 14 – JOINT VENTURES

A joint venture has the following characteristics:

1. It is a legal entity that results from a contractual arrangement.
2. It is owned, operated or governed by two or more participants as a separate and specific activity subject to joint control.
3. Participants retain an ongoing financial interest or an ongoing financial responsibility.

Northeast Georgia Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the 12 county Northeast Georgia area is a member of the Northeast Georgia Regional Commission (the "RC") and is required to pay annual dues thereto. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Council membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the RC's administrative office at 305 Research Drive, Athens, Georgia 30610.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

NOTE 15 – RELATED ENTITY

Housing Authority of the City of Greensboro, Georgia

On September 10, 1957, the City of Greensboro, Georgia entered into a cooperative agreement with the Housing Authority of the City of Union Point, Georgia (the “Housing Authority”). Under the terms of this agreement, the Housing Authority agrees to endeavor to secure a contract with the Public Housing Authority (the “PHA”) for loans and annual contributions and agrees to endeavor to develop and administer one or more projects. The obligations of the parties apply only to projects aggregating not more than 200 units of low-rent housing located within the corporate limits of the City of Greensboro. Under the constitution and statutes of the State of Georgia, all projects are exempt from all real and personal property taxes levied or imposed by any taxing body.

The City agrees that it will not levy or impose real or personal taxes or special assessments upon such projects or upon the Housing Authority with respect thereto as long as:

- The projects are owned by a public body or government agency,
- A contract exists between the Housing Authority and the PHA,
- Bonds issued in connection with such project are outstanding.

During such period, the Housing Authority shall make “Payments in Lieu of Taxes” in lieu of such taxes and special assessments and in payment for the public services and facilities from time to time without other cost or charge or with respect to such project. The payment in lieu of taxes shall be lower of either ten percent (10%) of the aggregate Shelter Rent actually collected but in no event to exceed the Shelter Rent charged by the Local Authority in respect to such project during the fiscal year or the amount permitted to be paid by applicable state law.

For the fiscal year ended September 30, 2015, the Authority made payments of \$10,848 “in lieu of taxes”.

Greene County Chamber of Commerce

The City has an agreement with the Greene County Chamber of Commerce to pay the salaries and employee benefits for the Chamber. The Chamber then reimburses the City for the salaries and employee benefits. During the fiscal year ended September 30, 2015, the Chamber reimbursed the City \$79,489 for salaries and employee benefits.

NOTE 16 – INVESTMENTS – JOINT VENTURE

The City is a member of a joint venture, Tri-County Natural Gas System, with the City of Union Point, Georgia. The purpose of Tri-County Natural Gas is to acquire, construct, and operate a gas transmission line that passes through the City of Crawford, the City of Lexington and the City of Maxeys, all located in Oglethorpe County, the City of Crawfordville, located in Taliaferro County, and the City of Woodville located in Greene County. These cities are referred to as “Franchise Cities”. The “Franchise Cities” obtain natural gas for their residents from the Tri-County Natural Gas System.

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

The City of Greensboro, Georgia's investment in Tri-County Natural Gas System is as follows:

Investment, October 1	\$ 2,050,855
Greensboro's share of net income	<u>145,885</u>
Investment, September 30	<u>\$ 2,196,740</u>

NOTE 17 – CONCENTRATION OF RISK – MAJOR CUSTOMER

The City receives a substantial amount of its support from the gas sales to Novelis. A significant reduction in the sales, if this were to occur, may have an effect on the City's programs and activities.

	<u>Gas Revenue</u>	<u>Gas Receivables</u>
Total Gas System	\$ 3,558,045	\$ 176,182
Novelis	2,595,369	-
Percent of Total	73%	0%

Novelis paid their July invoice twice, therefore creating a payable balance at year-end of \$27,111.

NOTE 18 – EVALUATION OF SUBSEQUENT EVENTS

The City has evaluated subsequent events through January 18, 2017, the date which the financial statements were available to be issued.

NOTE 19 – RESTATEMENT FOR NEW ACCOUNTING STANDARD

During 2015, the City implemented new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of October 1, 2014.

The effect of this adjustment is as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Net position September 30, 2014, as previously reported	\$ 5,364,875	\$ 12,184,412	\$ 17,549,287
Implementation of GASB 68 / 71 for pensions:			
Record net pension liability	<u>(146,886)</u>	<u>(53,050)</u>	<u>(199,936)</u>
Net position September 30, 2014 restated	<u>\$ 5,217,989</u>	<u>\$ 12,131,362</u>	<u>\$ 17,349,351</u>

CITY OF GREENSBORO, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2015
(CONTINUED)

	<u>Water and Sewer Fund</u>	<u>Gas Fund</u>	<u>Total Proprietary Funds</u>
Net position September 30, 2014, as previously reported	\$ 9,388,611	\$ 2,795,801	\$ 12,184,412
Implementation of GASB 68 / 71 for pensions:			
Record net pension liability	<u>(44,562)</u>	<u>(8,488)</u>	<u>(53,050)</u>
Net position September 30, 2014 restated	<u>\$ 9,344,049</u>	<u>\$ 2,787,313</u>	<u>\$ 12,131,362</u>

NOTE 20 – RESTATEMENT OF EQUITY BALANCES – DOWNTOWN DEVELOPMENT AUTHORITY

The Downtown Development Authority has determined that a prior period adjustment was necessary to correct the reporting of a prior year receipt. A material adjustment of \$9,741 was required to correct the beginning due to other governments.

The effect of this adjustment is as follows:

	<u>Government-wide Downtown Development Authority</u>	<u>Fund Level Downtown Development Authority</u>
Net position September 30, 2014, as previously reported	\$ 1,991,775	\$ 23,960
Correction of an error	<u>(9,741)</u>	<u>(9,741)</u>
Net position September 30, 2014 restated	<u>\$ 1,982,034</u>	<u>\$ 14,219</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF GREENSBORO, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS

	<u>2015</u>
Total pension liability	
Service cost	\$ 63,945
Interest on total pension liability	217,268
Difference between expected and actual experience	230,237
Benefit payments, including refunds of employee contributions	(132,130)
Other	(24,306)
Net change in total pension liability	<u>355,014</u>
Total pension liability - beginning, October 1, 2015	<u>2,869,528</u>
Total pension liability - ending, September 30, 2015 (a)	<u><u>\$ 3,224,542</u></u>
Plan fiduciary net position	
Contributions - employer	\$ 98,204
Net investment income	282,451
Benefit payments, including refunds of member contributions	(132,130)
Administrative expenses	(8,565)
Net change in plan fiduciary net position	<u>239,960</u>
Plan fiduciary net position - beginning, October 1, 2015	<u>2,486,810</u>
Plan fiduciary net position - ending, September 30, 2015 (b)	<u><u>\$ 2,726,770</u></u>
City's net pension liability (asset) - ending (a) - (b)	<u><u>\$ 497,772</u></u>
Plan fiduciary net position as a percentage of the total pension liability	84.56%
Covered-employee payroll	1,633,323
Net pension liability as a percentage of covered-employee payroll	30.48%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

The accompanying notes to the required supplementary information are an integral part of this schedule

CITY OF GREENSBORO, GEORGIA

REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

SCHEDULE OF CITY CONTRIBUTIONS

	<u>2015</u>
Actuarially determined contributions	\$ 99,794
Contributions in relation to the actuarially determined contribution	<u>99,794</u>
Contribution deficiency (excess)	<u>\$ -</u>
City's covered-employee payroll	\$ 1,633,323
Contributions as a percentage of covered-employee payroll	6.11%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

The accompanying notes to the required supplementary information are an integral part of this schedule

CITY OF GREENSBORO, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

Changes of assumptions:

As a result of the plan change to provide immediate participation for employees, for the fiscal year ending 2016, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience.

As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016.

Amounts reported for the fiscal year ending in 2016, and later reflect the following assumption changes approved by the Board in December, 2014 based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set forward for females.
- The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates were normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at age 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit Changes

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

Valuation date

The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending September 30, 2016.

CITY OF GREENSBORO, GEORGIA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015
(CONTINUED)

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Closed level dollar for the remaining unfunded liability
Remaining amortization period	N/A
Asset valuation method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age	Ages 55-59 rate of 10%, age 60 rate of 20%, age 61 rate of 25%, age 62 rate of 35%, age 63 rate of 40%, age 64 rate of 45%, ages 65-69 rate of 50% and age 70 and over rate of 100%
Mortality	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females RP-2000 Disabled Retiree Mortality Table with sex-distinct rates.

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

CONFISCATED ASSETS FUND - to account for the cash received either from a cash confiscation or cash received from a sale of capital assets acquired from a drug raid.

HOTEL/MOTEL TAX FUND - to account for funds collected from the hotel/motel tax and disbursed to other agencies.

CAPITAL PROJECT FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

CDBG REYNOLDS ST FUND - to account for the CDBG grant monies received to be used for street improvements.

CDBG WATER IMPROVEMENTS FUND - to account for the CDBG grant monies received to be used for water improvements.

CAPITAL IMPROVEMENTS FUND - to account for the federal grant monies passed through the Georgia Department of Transportation to be used for transportation enhancement projects.

CDBG REDEVELOPMENT FUND - to account for the cost of a economic development project.

PERMANENT FUND

Permanent funds are used to account for and report financial resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

CEMETERY TRUST FUND - to account for the monies received and maintenance of the City cemetery.

CITY OF GREENSBORO, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Special Revenue Funds		Capital Project Funds					Permanent	
			CDBG		CDBG		Redevelopment Fund	Cemetery Trust	Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel Motel Tax	CDBG Reynolds St.	Water Improvements	Capital Improvements				
Cash and cash equivalent	\$ 15,317	\$ -	\$ 2	\$ -	\$ -	\$ -	-	\$ 24,041	\$ 39,360
Certificates of deposit	-	-	-	-	-	-	-	79,013	79,013
Accounts receivable	-	6,934	-	-	-	-	-	-	6,934
Intergovernmental receivable	-	-	-	-	-	-	1,300	-	1,300
Due from other funds	-	-	-	-	65	-	-	-	65
Total Assets	\$ 15,317	\$ 6,934	\$ 2	\$ -	\$ 65	\$ 1,300	-	\$ 103,054	\$ 126,672

LIABILITIES AND FUND BALANCES

Liabilities:									
Accounts payable	\$ -	\$ 6,313	\$ -	\$ -	\$ -	\$ -	-	\$ -	6,313
Due to other funds	-	621	2	-	-	1,300	-	-	1,923
Total Liabilities	-	6,934	2	-	-	1,300	-	-	8,236
Fund Balances:									
Restricted	15,317	-	-	-	-	-	-	103,054	118,371
Assigned	-	-	-	-	65	-	-	-	65
Total Fund Balances	15,317	-	-	-	65	-	-	103,054	118,436
Total Liabilities and Fund Balances	\$ 15,317	\$ 6,934	\$ 2	\$ -	\$ 65	\$ 1,300	-	\$ 103,054	\$ 126,672

CITY OF GREENSBORO, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Special Revenue Funds		Capital Project Funds				Permanent Fund	Total Nonmajor Governmental Funds
	Confiscated Assets	Hotel Motel Tax	CDBG Reynolds St.	CDBG Water Improvements	Capital Improvements	CDBG Redevelopment Fund	Cemetery Trust	
<u>Revenues:</u>								
Taxes	\$ -	\$ 59,660	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,660
Intergovernmental	-	-	-	13,450	-	151,300	-	164,750
Fines and forfeitures	13,655	-	-	-	-	-	-	13,655
Interest earnings	3	-	-	-	-	-	356	359
Other revenues	-	-	-	-	-	-	44,808	44,808
Total Revenues	13,658	59,660	-	13,450	-	151,300	45,164	283,232
<u>Expenditures:</u>								
Current:								
General government	-	23,864	-	-	-	-	-	23,864
Public safety	800	-	-	-	-	-	-	800
Culture and recreation	-	-	-	-	-	-	33,716	33,716
Housing and development	-	-	-	-	-	151,300	-	151,300
Capital outlay	-	-	33,366	29,893	-	-	-	63,259
Total Expenditures	800	23,864	33,366	29,893	-	151,300	33,716	272,939
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,858	35,796	(33,366)	(16,443)	-	-	11,448	10,293
<u>Other Financing Sources (Uses):</u>								
Transfers from other funds	-	-	33,366	16,443	-	-	-	49,809
Transfers to other funds	-	(35,796)	-	-	-	-	-	(35,796)
Total other financing sources (uses)	-	(35,796)	33,366	16,443	-	-	-	14,013
Net change in fund balances	12,858	-	-	-	-	-	11,448	24,306
Fund Balance, beginning of year	2,459	-	-	-	65	-	91,606	94,130
Fund Balance, end of year	\$ 15,317	\$ -	\$ -	\$ -	\$ 65	\$ -	\$ 103,054	\$ 118,436

CITY OF GREENSBORO, GEORGIA

CONFISCATED ASSETS FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Final Budget	Actual	Variance with Budget
<u>Revenues:</u>			
Forfeitures	\$ 3,000	\$ 13,655	\$ 10,655
Interest earnings	-	3	3
Total Revenues	3,000	13,658	10,655
<u>Expenditures:</u>			
Current:			
Public Safety	3,000	800	2,200
Total Expenditures	3,000	800	2,200
Net change in fund balances	-	12,858	12,858
Fund balance - beginning of year	2,459	2,459	-
Fund balance - end of year	\$ 2,459	\$ 15,317	\$ 12,858

CITY OF GREENSBORO, GEORGIA

HOTEL/MOTEL TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Final Budget	Actual	Variance with Budget
<u>Revenues:</u>			
Taxes	\$ 45,000	\$ 59,660	\$ 14,660
Total Revenues	45,000	59,660	14,660
<u>Expenditures:</u>			
Current:			
General Government	18,000	23,864	(5,864)
Total Expenditures	18,000	23,864	(5,864)
Excess of Revenues Over (Under) Expenditures	27,000	35,796	8,796
<u>Other Financing Sources (Uses):</u>			
Transfer to General Fund	(27,000)	(35,796)	(8,796)
Total Other Financing Sources (Uses)	(27,000)	(35,796)	(8,796)
Net change in fund balances	-	-	-
Fund Balance - beginning of year	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -

CITY OF GREENSBORO, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT

#11p-x-066-2-5355

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Prior Years	Current Year	Total to Date	Project Authorization
<u>Revenues:</u>				
Department of Community Affairs	\$ 402,950	\$ -	\$ 402,950	\$ 482,475
Interest income	2	-	2	-
Total Revenues	402,952	-	402,952	482,475
<u>Expenditures:</u>				
P-001-01 Acquisition of Property	60,405	2,072	62,477	20,000
T-03J-00 Engineering-Water/Sewer Improvements	46,926	14,764	61,690	9,500
P-03J-01 Water Facilities	333,031	16,530	349,561	87,514
T-03K-00 Engineering-Street Improvements	10,757	-	10,757	35,000
P-03K-02 Flood and Drainage Facilities	-	-	-	330,461
A-21A-00 Administration	42,815	-	42,815	-
Total Expenditures	493,934	33,366	527,300	482,475
Excess of Revenues Over (Under) Expenditures	(90,982)	(33,366)	(124,348)	-
<u>Other Financing Sources (Uses):</u>				
Transfer from General Fund	90,982	33,366	124,348	-
Total Other Financing Sources (Uses)	90,982	33,366	124,348	-
Net change in fund balances	-	-	-	-
Fund Balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

CITY OF GREENSBORO, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT

#13p-x-066-2-5552

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Prior Years	Current Year	Total to Date	Project Authorization
<u>Revenues:</u>				
Department of Community Affairs	\$ 13,500	\$ 13,450	\$ 26,950	\$ 500,000
Total Revenues	13,500	13,450	26,950	500,000
<u>Expenditures:</u>				
C-022-00 Contingencies-Unprogrammed Funds	622	-	622	26,622
T-03J-00 Engineering-Water/Sewer Improvements	45,503	13,343	58,846	11,432
P-03J-01 Water Facilities	-	3,000	3,000	431,946
A-21A-00 Administration	12,150	13,550	25,700	30,000
Total Expenditures	58,275	29,893	88,168	500,000
Excess of Revenues Over (Under) Expenditures	(44,775)	(16,443)	(61,218)	-
<u>Other Financing Sources (Uses):</u>				
Transfer from Water Fund	44,775	16,443	61,218	-
Total Other Financing Sources (Uses)	44,775	16,443	61,218	-
Net change in fund balances	-	-	-	-
Fund Balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

CITY OF GREENSBORO, GEORGIA

COMMUNITY DEVELOPMENT BLOCK GRANT

#14rd-x-066-2-5730

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES-BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Prior Years	Current Year	Total to Date	Project Authorization
<u>Revenues:</u>				
Department of Community Affairs	\$ -	\$ 151,300	\$ 151,300	\$ 500,000
Total Revenues	-	151,300	151,300	500,000
<u>Expenditures:</u>				
E-001-01 Acquisition of Property (Public)	-	150,000	150,000	150,000
E-18A-00 ED - Assistance to Private For-Profit	-	-	-	270,000
T-18A-00 Engineering - ED Direct Financial Assistance	-	-	-	50,000
A-21A-00 Administration	-	1,300	1,300	30,000
Total Expenditures	-	151,300	151,300	500,000
Net change in fund balances	-	-	-	-
Fund Balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

CITY OF GREENSBORO, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

	Original Estimated Cost	Revised Estimated Cost	Expenditures		
			Restated Prior Year(s)	Current Year	Total
<u>2009 Referendum</u>					
Roads, Streets, Bridges and Sidewalks	\$ 4,311,791	\$ 2,105,500	\$ 1,284,306	\$ 601,669	\$ 1,885,975
* Public Safety Facilities and Equipment	900,000	926,000	778,084	147,309	925,393
Water, Sewer and Stormwater Facilities and Equipment	1,000,000	1,100,000	1,024,444	61,844	1,086,288
Administrative Facilities and Equipment	250,000	162,500	3,688	-	3,688
Cultural Facilities and Equipment	500,000	620,000	572,887	-	572,887
Total 2009 Referendum	\$ 6,961,791	\$ 4,914,000	\$ 3,663,409	\$ 810,822	\$ 4,474,231

* Note 1 > The Public Safety Facilities and Equipment expenditures for FY 2015 included the following items:

Debt Service - Principal	\$ 145,107
Debt Service - Interest	2,202
Total Expenditures	<u>\$ 147,309</u>

* Note 2 > The beginning balances have been restated in order to report the purchase of a street sweeper on the correct line item.

The debt service payments are for the fire truck purchased by the City during FY 2011 using proceeds from a capital lease. The capital lease was recorded in the City's General Fund in 2011. The lease payments from the SPLOST proceeds began in FY 2012.

	Original	Expenditures		
	Estimated	Prior	Current	Total
	Cost	Year(s)	Year	
<u>2015 Referendum</u>				
Roads, Streets, Bridges and Sidewalks	\$3,550,000	\$ -	\$ 179	\$ 179
Public Safety Facilities and Equipment	100,000	-	-	-
Water, Sewer and Stormwater				
Facilities and Equipment	100,000	-	-	-
Administrative Facilities and Equipment	425,000	-	-	-
Blight Abatement	425,000	-	-	-
Culture Facilities & Equipment	20,000	-	-	-
Total 2015 Referendum	\$4,620,000	\$ -	\$ 179	\$ 179

CITY OF GREENSBORO, GEORGIA

BALANCE SHEET
COMPONENT UNIT-BETTER HOMETOWN
SEPTEMBER 30, 2015

ASSETS

Cash and cash equivalent	\$	32,218
Receivables, net of allowance		
Accounts		<u>1,174</u>
Total Assets	\$	<u><u>33,392</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:		
Accounts payable	\$	<u>873</u>
Total Liabilities		<u>873</u>
Fund Balances:		
Unassigned		<u>32,519</u>
Total Fund Balance		<u>32,519</u>
Total Liabilities and Fund Balance	\$	<u><u>33,392</u></u>

CITY OF GREENSBORO, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 COMPONENT UNIT-BETTER HOMETOWN
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Revenues:</u>	
Contributions	\$ 8,484
Intergovernmental	80,000
Special events	11,690
Interest earnings	15
	<hr/>
Total Revenues	100,189
	<hr/>
<u>Expenditures:</u>	
Current:	
Professional services	36,274
Rental	11,964
Advertising	7,989
Supplies	12,685
Travel	3,969
Other	10,829
	<hr/>
Total Expenditures	83,710
	<hr/>
Net change in fund balances	16,479
	<hr/>
Fund Balance, beginning of year	16,040
	<hr/>
Fund Balance, end of year	\$ 32,519
	<hr/>

CITY OF GREENSBORO, GEORGIA

BALANCE SHEET
COMPONENT UNIT-DOWNTOWN DEVELOPMENT AUTHORITY
SEPTEMBER 30, 2015

ASSETS

Cash and cash equivalent	\$	17,483
--------------------------	----	--------

Total Assets	\$	17,483
--------------	----	--------

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$	1,174
------------------	----	-------

Total Liabilities		1,174
-------------------	--	-------

Fund Balances:

Unassigned		16,309
------------	--	--------

Total Fund Balance		16,309
--------------------	--	--------

Total Liabilities and Fund Balance	\$	17,483
------------------------------------	----	--------

CITY OF GREENSBORO, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 COMPONENT UNIT-DOWNTOWN DEVELOPMENT AUTHORITY
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

<u>Revenues:</u>	
Contributions	\$ 6,700
Intergovernmental	10,490
Interest earnings	2
	<hr/>
Total Revenues	17,192
	<hr/>
<u>Expenditures:</u>	
Current:	
Professional services	30
Advertising	11,690
Other	3,382
	<hr/>
Total Expenditures	15,102
	<hr/>
Net change in fund balances	2,090
Fund Balance, beginning of year - restated	14,219
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Fund Balance, end of year	\$ 16,309
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GOVERNMENTAL REPORT

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**INDEPENDENT AUDITOR'S 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**

Honorable Mayor and City Council
The City of Greensboro, Georgia

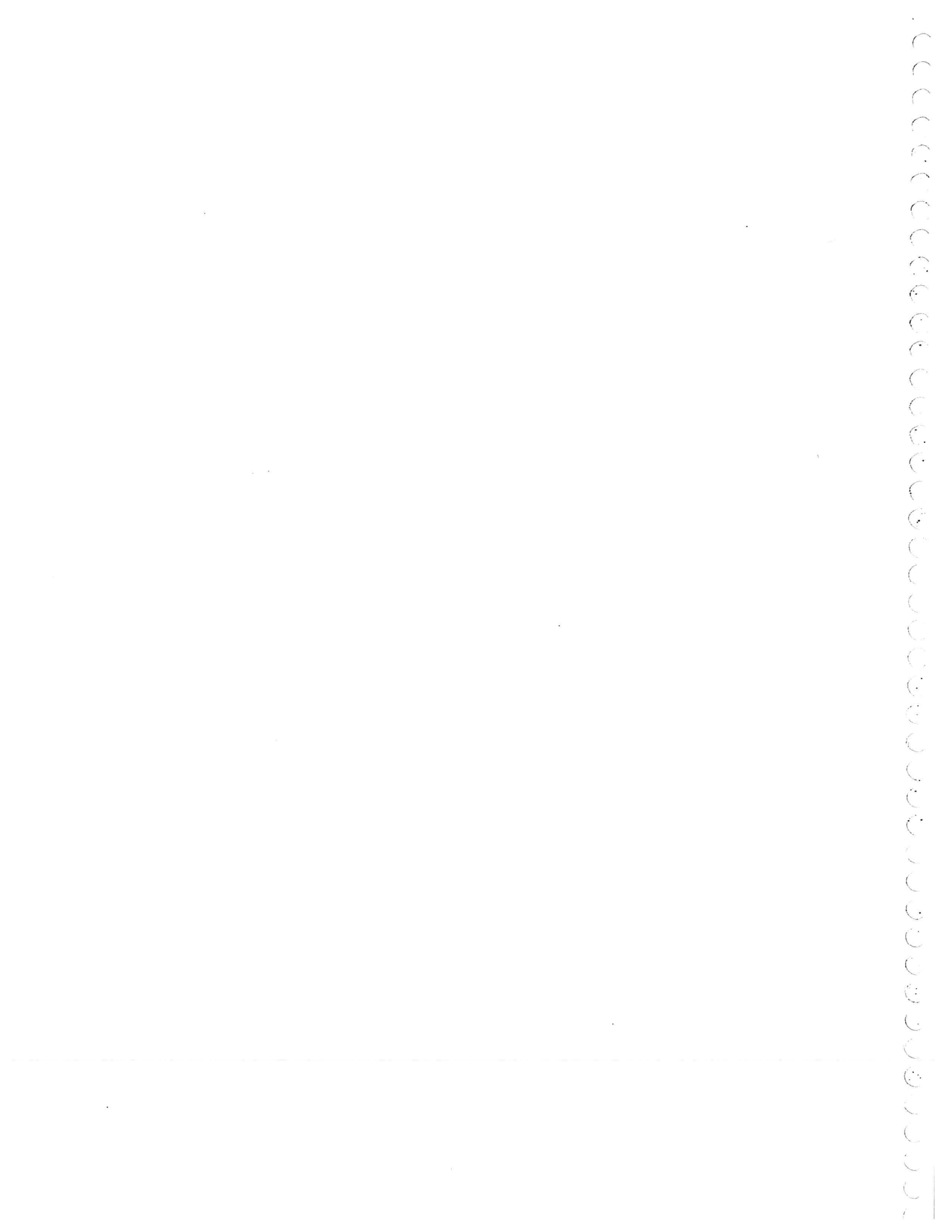
We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Greensboro, Georgia as of and for the year ended September 30, 2015 and the related notes to the financial statements, which collectively comprise City of Greensboro, Georgia's basic financial statements, and have issued our report thereon dated January 18, 2017.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and responses that we consider to be material weaknesses. 2015-001, 2015-002, 2015-003, and 2015-004



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Greensboro's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2015-005 and 2015-006.

City of Greensboro, Georgia's Response to Findings

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

Purpose of this Report

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

Macon, Georgia
January 18, 2017



CITY OF GREENSBORO, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015

Financial Statement Findings

Findings noted on the "Report of Compliance and on Internal Controls of Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Governmental Auditing Standards":

2015-001 Accounts Receivable / Revenue – 2009 SPLOST Fund

CRITERIA

Accounting procedures should be designed to insure that revenue is accrued and recognized when it becomes both measurable and available to finance expenditures of the fiscal period.

CONDITION

2009 SPLOST accounts receivable/revenue was over stated at September 30, 2015.

CONTEXT

The City incorrectly, recorded the revenue for the June 2016 activity of the 2015 SPLOST Fund in the 2009 SPLOST Fund. A material audit adjustment of \$134,983 was required in the 2009 SPLOST Fund to reduce revenues for FY2015.

EFFECT

The City produced financial reports, which over stated SPLOST revenue.

CAUSE

The City posted the revenue to both SPLOST Funds and did not identify the error prior to the annual audit.

RECOMMENDATION

We recommend that the City develop procedures to insure the recording of revenues when they become both measurable and available to finance expenditures of the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City did not realize the receivable was recorded in both the 2009 and 2015 SPLOST Funds. The City will develop procedures to ensure the recording of revenues when they become both measurable and available to finance expenditures of the fiscal period.

CITY OF GREENSBORO, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015
(CONTINUED)

2015-002 Utility Customer Account Adjustment Policy

CRITERIA

An adequate system of internal controls over utility customer accounts and adjustment policies should require appropriate levels of authorization for adjustments to customer accounts.

CONDITION

In performing year-end audit procedures for the fiscal year ended September 30, 2015, we noted that the City does not have a formal policy for utility customer account adjustments.

CONTEXT

Currently the utility billing clerk approves and records all utility customer account adjustments.

EFFECT

Customer account adjustments are not being reviewed by management.

CAUSE

The City does not have a policy which establishes guidelines for adjusting utility customer accounts.

RECOMMENDATION

The City should establish procedures to insure that all customer account adjustments are reviewed and approved by appropriate levels of management. In addition, the City should give considerable attention to segregation of duties when establishing these procedures to avoid assigning incompatible duties to one employee.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will develop a policy to be reviewed by management to ensure all adjustments are approved and accurate.

CITY OF GREENSBORO, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015
(CONTINUED)

2015-003 Cemetery Trust Fund – Revenue Documentation

CRITERIA

Accounting and control procedures should be designed to insure that revenues from cemetery lot and grave site marker sales are supported by appropriate documentation. Typically, appropriate documentation would include sales agreements / contracts for the individual cemetery lots and grave site markers.

CONDITION

Supporting documentation provided for cemetery lot and grave site marker sales could not substantiate the completeness of the receipts received during fiscal year end September 30, 2015.

CONTEXT

The City was unable to provide third party documentation for cemetery lot and grave site marker sales.

EFFECT

Failure to adequately monitor, document and reconcile cemetery lot and grave site marker sales could increase the likelihood of misappropriation of funds.

CAUSE

The City did not establish adequate internal control policies and procedures over the collections and reporting of cemetery lot and grave site marker sales.

RECOMMENDATION

The City should design an internal control system for receipting and documenting cemetery lot and grave site marker sales.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will develop procedures with the funeral home to substantiate the receipts in the future.

CITY OF GREENSBORO, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015
(CONTINUED)

COMPONENT UNIT - DOWNTOWN DEVELOPMENT AUTHORITY

2015-004 Restatement

CRITERIA

Accounting and control procedures should be designed to insure that revenues from donations and special events are supported by appropriate documentation. Typically, appropriate documentation and procedures would include support for event registrations, donations, tickets sold, a summary report of the various event revenues, and timely deposits of cash receipts.

CONDITION

In performing audit procedures for the year ended September 30, 2015, we noted that the Authority had made an error in the recording of a FY2014 receipt. A prior period adjustment was required to correct the beginning fund balance / net position for the Authority.

CONTEXT

In FY2014, the Authority reported a donation of \$9,741 which was subsequently determined to be revenue of the City of Greensboro.

EFFECT

A prior period adjustment was required to correct the beginning fund balance / net position for the Authority.

CAUSE

The Authority did not have adequate accounting procedures in place to insure the recording of the 2014 receipt.

RECOMMENDATION

We recommend that the Authority develop procedures to insure the recording of revenue when they become both measurable and available to finance expenditures of the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will develop procedures to ensure the recording of revenues when they become both measurable and available to finance expenditures of the fiscal period.

CITY OF GREENSBORO, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015
(CONTINUED)

COMPLIANCE FINDING

2015-005 Violation of Georgia Law – SPLOST Funds

CRITERIA

The official Code of Georgia (OCCG) Section 48-8-121(a)(1) requires that SPLOST proceeds cannot in any manner be commingled with other City funds prior to their expenditure. State law also prohibits the expenditure of SPLOST monies for any purposes that were not approved in the SPLOST referendum.

CONDITION

In FY 2015, the City advanced 2009 SPLOST funds to the 2015 SPLOST Fund in order to open a new bank account. In addition, there was another Due from other funds in the 2009 SPLOST Fund at year end.

CONTEXT

At September 30, 2015, the 2015 SPLOST Fund owed \$10,000 to the 2009 SPLOST Fund and the General Fund owed \$3,634 to the 2009 SPLOST Fund.

EFFECT

The City is in violation of OCGA Section 48-8-121(a)(1).

CAUSE

City personnel were not aware that SPLOST funds cannot be borrowed from other SPLOST accounts to pay for other City obligations, even if the funds are paid back.

RECOMMENDATION

We recommend that the City reimburse the 2009 SPLOST Fund \$13,634. In addition, the City should closely monitor future SPLOST activity to ensure compliance with State Law.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. The City will develop a policy to not use past SPLOST funds to open new SPLOST bank accounts and to make sure no SPLOST money is advanced that will be refunded.

CITY OF GREENSBORO, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015
(CONTINUED)

2015-006 Budgetary Control – Expenditures Exceeding Appropriations

CRITERIA

In order to comply with the applicable legal requirements regarding budgets, procedures must exist to properly monitor compliance with State law. The Official Code of Georgia (36-81-3) requires an annual balanced budget for the general fund and each special revenue fund.

CONDITION

For the year ended September 30, 2015, expenditures exceeded appropriations in the General Fund and the Hotel / Motel Fund.

CONTEXT

The General Fund had expenditures in excess of appropriations of \$276,132 and the Hotel / Motel Fund had expenditures in excess of appropriations of \$5,864.

EFFECT

The City has not complied with budget requirements as stated in OCGA 36-81-3.

CAUSE

The City did not make a supplemental budget adjustment to cover the expenditures that exceeded appropriations.

RECOMMENDATION

Management should evaluate the adequacy of the annual budget during the year to determine if the City should prepare a supplemental budget amendment for the General Fund and Special Revenue Funds in future years.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Management concurs with the finding. In the future, the City will make supplemental budget adjustments to cover expenditures in excess of appropriations.