

CITY OF WASHINGTON, GEORGIA

Annual Financial Report

For the year ended December 31, 2015

This page intentionally left blank.

CITY OF WASHINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2015

TABLE OF CONTENTS

INTRODUCTORY SECTION:

	<u>Page(s)</u>
Table of Contents	i-vi

FINANCIAL SECTION:

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-14

BASIC FINANCIAL STATEMENTS

Exhibit

Government-wide Statements

A-1	Statement of Net Position	15-16
A-2	Statement of Activities	17

Fund Financial Statements

A-3	Balance Sheet – Governmental Funds	18
A-4	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	19
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	20
A-6	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
A-7	Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) to Actual – General Fund	22-23
A-8	Statement of Net Position – Proprietary Funds	24-25
A-9	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	26
A-10	Statement of Cash Flows – Proprietary Funds	27-28

CITY OF WASHINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2015

Table of Contents, continued

BASIC FINANCIAL STATEMENTS (continued)

<u>Exhibit</u>		<u>Page(s)</u>
A-11	Notes to the Financial Statements	29-63

Item #		Page #
1.	Description of Government Unit	29
2.	Summary of Significant Accounting Policies	29-42
3.	Deposit and Investment Risk	43
4.	Accounts Receivable	44
5.	Intergovernmental Receivables	44
6.	Interfund Transfers	45
7.	Capital Assets	46-47
8.	Capital and Operating Lease Agreements	47-48
9.	Long-Term Debt	49-51
10.	Changes in Beginning Balances	52
11.	Restricted, Committed, and Assigned Fund Balances	53
12.	Risk Management	53
13.	Pension Plan	53-59
14.	Joint Ventures	59-60
15.	Joint Ventures With Equity Interest	60
16.	Related Organizations	61
17.	Revolving Loan Fund	62
18.	Commitments and Contingencies	62-63
19.	Subsequent Events	63

REQUIRED SUPPLEMENTARY INFORMATION

<u>Exhibit</u>		<u>Page (s)</u>
B-1	Schedule of Changes in the Net Pension Liability and Related Ratios	64
B-2	Schedule of Contributions	65
B-3	Notes to the Required Supplementary Information	66-67

CITY OF WASHINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2015

Table of Contents, continued

SUPPLEMENTARY INFORMATION

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

<u>Exhibit</u>		<u>Page (s)</u>
C-1	Combining Balance Sheet – Nonmajor Governmental Funds	68-69
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	70-71
C-3	Combining Statement of Net Position – Nonmajor Enterprise Funds	72
C-4	Combining Statement of Revenues, Expenses, and Changes in Fund Net Position – Nonmajor Enterprise Funds	73
C-5	Combining Statement of Cash Flows – Nonmajor Enterprise Funds	74
 <i>GENERAL FUND</i>		
D-1	Comparative Balance Sheets	75
D-2	Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	76
D-3	Schedule of Revenues – Budget (GAAP Basis) and Actual	77
D-4	Schedule of Expenditures – Budget (GAAP Basis) and Actual	78-81
 <i>SPECIAL REVENUE FUNDS</i>		
E-1	Confiscated Assets Special Revenue Fund Comparative Balance Sheets	82
E-2	Confiscated Assets Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	83
E-3	E-911 Special Revenue Fund Comparative Balance Sheets	84
E-4	E-911 Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	85
E-5	Urban Redevelopment Special Revenue Fund Comparative Balance Sheets	86
E-6	Urban Redevelopment Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	87

CITY OF WASHINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2015

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

<u>Exhibit</u>		<u>Page (s)</u>
	<i>SPECIAL REVENUE FUNDS (continued)</i>	
E-7	Callaway Plantation Operating Trust Special Revenue Fund Comparative Balance Sheets	88
E-8	Callaway Plantation Operating Trust Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	89
E-9	Callaway Plantation Furnishings Trust Special Revenue Fund Comparative Balance Sheets	90
E-10	Callaway Plantation Furnishings Trust Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	91
E-11	TSPLOST Discretionary Special Revenue Fund Comparative Balance Sheets	92
E-12	TSPLOST Discretionary Special Revenue Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget (GAAP Basis) and Actual	93
	<i>CAPITAL PROJECTS FUNDS</i>	
F-1	SPLOST Capital Projects Fund Comparative Balance Sheets	94
F-2	SPLOST Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	95
F-3	CDBG/CHIP Grant Capital Projects Fund Comparative Balance Sheets	96
F-4	CDBG/CHIP Grant Capital Projects Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	97
	<i>PERMANENT FUNDS</i>	
G-1	Cemetery Perpetual Care Permanent Fund Comparative Balance Sheets	98
G-2	Cemetery Perpetual Care Permanent Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	99

CITY OF WASHINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2015

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

<u>Exhibit</u>		<u>Page (s)</u>
	<i>PERMANENT FUNDS (continued)</i>	
G-3	Historical Properties Commission Trust Permanent Fund Comparative Balance Sheets	100
G-4	Historical Properties Commission Trust Permanent Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	101
G-5	Callaway Charitable Trust Endowment Principal Permanent Fund Comparative Balance Sheets	102
G-6	Callaway Charitable Trust Endowment Principal Permanent Fund Comparative Statements of Revenues, Expenditures and Changes in Fund Balances	103
	<i>ENTERPRISE FUNDS</i>	
H-1	Water and Sewer Enterprise Fund Comparative Statements of Net Position	104-105
H-2	Water and Sewer Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	106
H-3	Water and Sewer Enterprise Fund Comparative Statements of Cash Flows	107-108
H-4	Electric Enterprise Fund Comparative Statements of Net Position	109-110
H-5	Electric Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	111
H-6	Electric Enterprise Fund Comparative Statements of Cash Flows	112-113
H-7	Solid Waste Enterprise Fund Comparative Statements of Net Position	114
H-8	Solid Waste Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	115
H-9	Solid Waste Enterprise Fund Comparative Statements of Cash Flows	116
H-10	Internet Telecommunications Enterprise Fund Comparative Statements of Net Position	117
H-11	Internet Telecommunications Enterprise Fund Comparative Statements of Revenues, Expenses and Changes in Net Position	118

CITY OF WASHINGTON, GEORGIA
ANNUAL FINANCIAL REPORT
For the year ended December 31, 2015

Table of Contents, continued

SUPPLEMENTARY INFORMATION (continued)

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (continued)

<u>Exhibit</u>	<u>Page (s)</u>
<i>ENTERPRISE FUNDS (continued)</i>	
H-12 Internet Telecommunications Enterprise Fund Comparative Statements of Cash Flows	119

OTHER REPORTING SECTION

SINGLE AUDIT SECTION

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	120-121
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance	122-123
I-1 Schedule of Expenditures of Federal Awards	124
I-2 Notes to the Schedule of Expenditures of Federal Awards	125
I-3 Schedule of Findings and Questioned Costs	126-129

STATE REPORTING SECTION

J-1 Schedule of Projects Financed with Special Purpose Local Option Sales Tax	130
---	-----

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of and for the year ended December 31, 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 City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 14 and 64 through 67, respectively 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 City of Washington, Georgia's basic financial statements. The combining and individual fund financial statements and schedules, and the schedule of projects financed with special purpose local option sales tax are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the financial statements.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Washington, Georgia's basic financial statements for the year ended December 31, 2014, which are not presented with the accompanying financial statements. In our report dated June 25, 2015, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Washington's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2014 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The individual fund financial statements and schedules related to the 2014 financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 17, 2016, on our consideration of the City of Washington, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Washington, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 17, 2016

This page intentionally left blank.



City of Washington

Post Office Box 9
Washington, Georgia 30673
706-678-3277
Fax: 706-678-3752

Ames M. Barnett, Mayor
Sherri D. Bailey, City Administrator
Marcus Dill, Asst. City Administrator
Debbie L. Danner, Clerk
Barry A. Fleming, Attorney

Council Members
Robert S. Armour
Travis Armour
Maceo Mahoney
Kimberly J. Rainey
Mike Scarborough
Marion Tutt, Jr.

MANAGEMENT’S DISCUSSION AND ANALYSIS

City of Washington management is proud to present this narrative discussion and analysis of the City of Washington’s financial performance, making available an overview of the activities for the year ended December 31, 2015. This report is drafted annually to provide readers of financial statements with information that will help them make timely and meaningful financial decisions or draw conclusions about the City of Washington. As required by the Governmental Accounting Standards Board (GASB) Statement No. 34, this discussion and analysis affords comparisons with the previous fiscal year.

Financial Highlights

- The City of Washington’s assets exceeded its liabilities at December 31, 2015 by \$16,824,810 (*net position*). Of this amount, \$3,038,622 is reported as unrestricted net position. This is a decrease of \$34,503 from the previous year for unrestricted. Total net position increased by \$504,019 from the previous year due mostly to prior period adjustments.
- As of December 31, 2015, The City of Washington’s governmental funds reported combined ending fund balances of \$851,557. Approximately 40%, or \$338,138, is reported as restricted. Approximately 27%, or \$227,969, is reported as assigned. Information about the City of Washington’s Policy on Fund Balance can be found in Note 2R in the *Notes to the Financial Statements* beginning on page 39.

More detailed information regarding these activities and funds begins on page 15.

Overview of the Financial Statements

This discussion and analysis narrative is intended to serve as an introduction to the City of Washington’s basic financial statements. The City of Washington’s basic financial statements are composed of three elements: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains required supplementary information in addition to our basic financial statements.

Government-wide Financial Statements (Reporting the City as a whole). The focus of the government-wide financial statements is on the overall financial position and activities of the City of Washington and is designed to provide a broad overview of the City’s financial activities in a manner similar to a private business enterprise.

The City's government-wide financial statements include the Statement of Net Position and the Statement of Activities. These two statements report information about the City of Washington using the accrual basis of accounting, which is similar to the accounting used by non-public businesses. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The purpose of the **Statement of Net Position** (pages 15-16) is to report all of the assets held and liabilities owed by the City. The City reports all of its assets when it acquires ownership over the assets and reports all of its liabilities when they are incurred. The difference between the total assets and total liabilities is labeled *net position*. While the purpose of City Government is not to accumulate net position, as this amount increases it can indicate the strength of the City's financial position as a whole. When this amount decreases it can indicate a weakening of the City's financial position.

The **Statement of Activities** (page 17) presents the revenues and expenses of the City. Under the accrual basis of accounting, revenues are recognized when earned and expenses when incurred in this statement. Thus, revenues are reported even when they may not be collected for several weeks after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period. The difference is described as *change in net position*. The Statement of Activities primary focus is on the *net cost* of various activities provided by the City and identifies the extent to which each function of the City draws from general revenues or is self-financing through user fees, special revenues, grants, or other sources.

In the Statement of Net Position and the Statement of Activities, we divide the City of Washington into three types of activities:

- **Governmental activities** – Most of the City's basic services are reported under this category which includes: judicial, public safety, public works, and general administration. Taxes such as real property, sales, insurance premium and intangible finance most of these services.
- **Business-type or Enterprise activities** – The City charges fees to customers to assist in recovering the cost for providing certain services. The City's water and sewer system, electric system, solid waste services, and internet telecommunications system are reported in this category.
- **Discretely Presented Component Unit** – A component unit is a legally separate organization for which the elected officials of the City can be financially accountable. The Downtown Development Authority of Washington, Georgia, although legally separate, functions for all practical purposes as a department of the City of Washington and has been included as an integral part of the government.

The City's government-wide financial statements are presented on pages 15-17.

Fund Financial Statements (Reporting the City's Major Funds).

The focus of fund financial statements is directed at specific activities of the City and its most significant funds, not the City as a whole. A fund is an entity with a self-balancing set of accounts that the City uses to track specific resources and expenditures, either for management purposes or because of legal mandates. In addition to the major funds, individual fund data for the City's non-major funds can be found beginning on page 68. The City's funds are divided into two broad categories: governmental and proprietary. They use different prescribed accounting methodologies.

- **Governmental Funds** – These funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the short-term view of the City's general government operations and the basic services it provides. Governmental funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can readily be converted to cash.

Because the focus of the governmental fund financial statements is narrower than that of the government-wide financial statements and because of the different accounting methods used to prepare them, there are often significant differences between the totals presented in these 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 so doing, readers may better understand the long-term impact of the government's near-term financing decisions. An analysis of the balance sheet and the statement of revenues, expenditures, and changes in fund balances that reconciles the two statements are provided following each statement.

The City of Washington maintains twelve individual governmental funds. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered a major governmental fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 68-71 of this report.

The City of Washington adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been included for the General Fund to show the final result of actual revenues and expenditures as compared to the initial projections.

The City's basic governmental fund financial statements are presented on pages 15-28 of this report.

- **Proprietary Funds** – When the City charges customers for the services it provides, whether to outside customers or internally to departments of the City, these services are generally reported in proprietary funds. The City maintains one type of proprietary funds: Enterprise Funds. These proprietary funds are prepared using the same accrual basis of accounting as the government-wide financial statements.

Enterprise fund statements report the same functions presented in the business-type activities columns of the government-wide financial statements. The City of Washington uses enterprise funds to account for its Water and Sewer, Electric, Solid Waste, and Internet Telecommunications functions.

The City's proprietary fund financial statements are presented on pages 24-28.

Notes to the financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-63 of this report.

Other Supplementary Information.

Other supplementary information includes combining financial statements for non-major governmental and proprietary funds. These funds are added together by fund type and presented in single columns in the basic financial statements but are not reported individually, as with major funds, on the government-wide financial statements.

This report includes two schedules (pages 19 and 21) which reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on fund financial statements.
- Certain tax revenues that are earned, but not available, are reported as revenue on the government-wide statements but as deferred inflows of resources on the fund statements.
- Unless due and payable, long-term liabilities, such as lease obligations, compensated absences, bonds and notes payable, and others only appear as liabilities in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Certain other outflows represent either increases or decreases in liabilities on the government-wide statements but are reported as expenditures on the governmental fund financial statements.

Overview of the City's Financial Position and Operations

The City's overall financial position and operations for this fiscal year is summarized as follows based on the information included in the government-wide financial statements (see pages 15-17):

City of Washington Net Position Fiscal Years 2015 and 2014

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 1,104,175	\$ 1,568,139	\$ 4,642,440	\$ 3,828,439	\$ 5,746,615	\$ 5,396,578
Capital assets	6,997,720	6,353,774	16,127,779	16,568,377	23,125,499	22,922,151
Other noncurrent assets	0	0	499,750	500,092	499,750	500,092
Total assets	<u>8,101,895</u>	<u>7,921,913</u>	<u>21,269,969</u>	<u>20,896,908</u>	<u>29,371,864</u>	<u>28,818,821</u>
Total Deferred Outflows of Resources	<u>133,107</u>	<u>0</u>	<u>66,093</u>	<u>0</u>	<u>199,200</u>	<u>0</u>
Current liabilities	379,962	459,943	1,677,824	1,630,508	2,057,786	2,090,451
Noncurrent liabilities	1,150,764	727,869	9,505,104	9,679,710	10,655,868	10,407,579
Total liabilities	<u>1,530,726</u>	<u>1,187,812</u>	<u>11,182,928</u>	<u>11,310,218</u>	<u>12,713,654</u>	<u>12,498,030</u>
Total Deferred Inflows of Resources	<u>88,603</u>	<u>0</u>	<u>43,997</u>	<u>0</u>	<u>132,600</u>	<u>0</u>
Net position:						
Net investment in capital assets	6,278,407	5,516,961	6,381,326	6,313,199	12,659,733	11,830,160
Restricted	338,138	656,814	788,317	761,142	1,126,455	1,417,956
Unrestricted	<u>(872)</u>	<u>560,326</u>	<u>3,039,494</u>	<u>2,512,349</u>	<u>3,038,622</u>	<u>3,072,675</u>
Total net position	<u>\$ 6,615,673</u>	<u>\$ 6,734,101</u>	<u>\$ 10,209,137</u>	<u>\$ 9,586,690</u>	<u>\$ 16,824,810</u>	<u>\$ 16,320,791</u>

Net position may serve over time as a useful indicator of a government's financial position. Assets for the City of Washington exceeded liabilities by \$16,824,810 at the close of 2015. Approximately 75% of the City of Washington's net position is reflected in its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt outstanding that was needed to construct or acquire them. This is up 3% from 72% at December 31, 2014. The City uses capital assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in 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. Restricted net position comprises 7% of total net position. This amount represents resources that are subject to external restrictions or enabling legislation on how they may be used. Unrestricted net position makes up the remaining 18%.

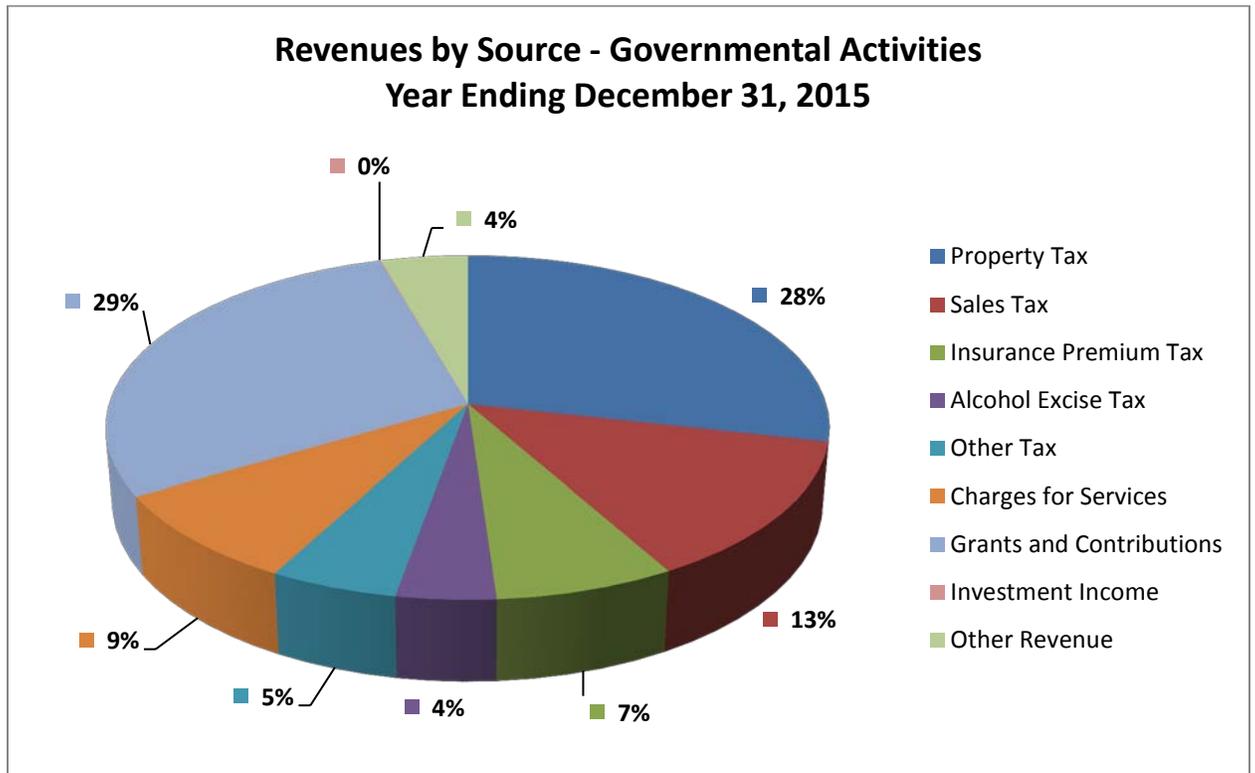
The following condensed financial information was derived from the government-wide Statement of Activities and reflects how the City of Washington's net position changed during the year.

**City of Washington
Changes in Net Position
Fiscal Years 2015 and 2014**

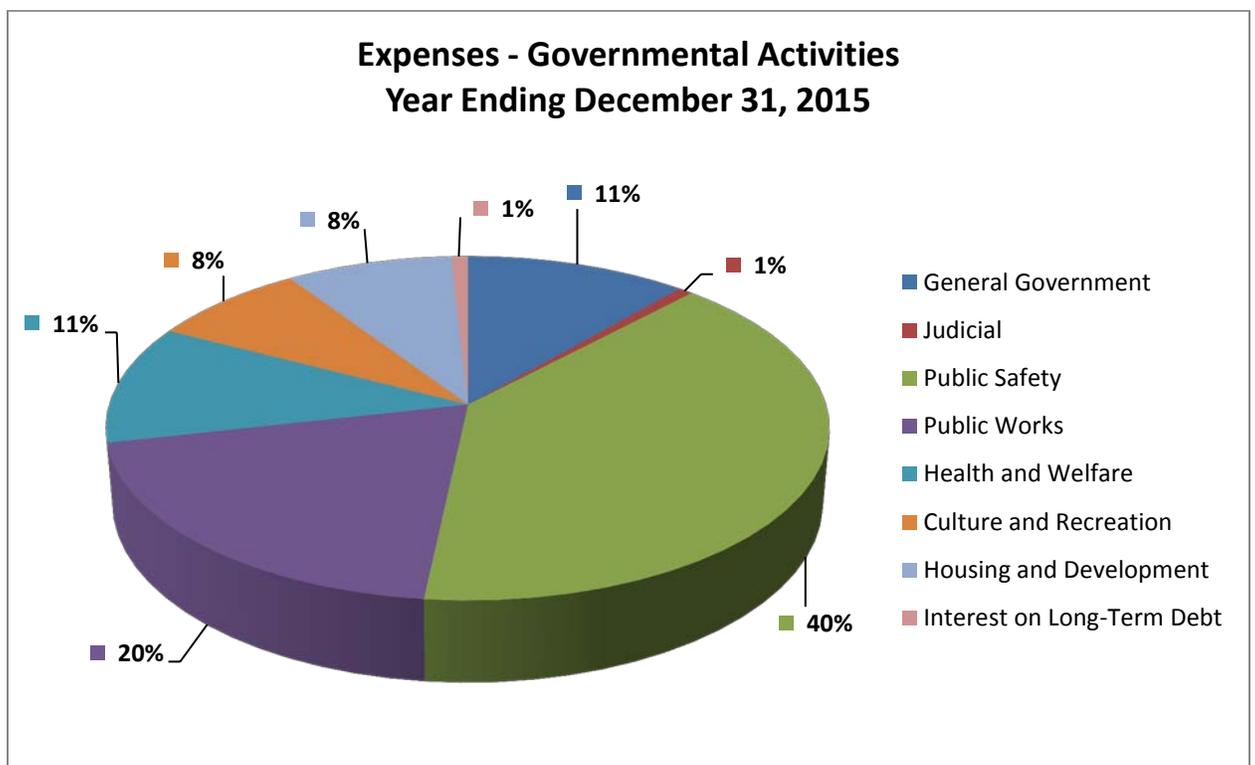
	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues						
Program revenues:						
Charges for services	\$ 177,079	\$ 271,155	\$ 13,624,037	\$ 14,401,342	\$ 13,801,116	\$ 14,672,497
Operating grants and contributions	97,544	239,804	1,415,337	1,424,862	1,512,881	1,664,666
Capital grants and contributions	1,325,384	671,476	0	277,441	1,325,384	948,917
General revenues:						
Property tax	868,064	894,149	0	0	868,064	894,149
Sales tax	416,690	418,388	0	0	416,690	418,388
Insurance premium tax	238,203	222,966	0	0	238,203	222,966
Alcohol excise tax	120,766	123,061	0	0	120,766	123,061
Other taxes	167,126	158,163	0	0	167,126	158,163
Interest & investment earnings	1,367	1,719	34,761	72,538	36,128	74,257
Other revenue	353,171	139,355	6,337	37,985	359,508	177,340
Total revenues	3,765,394	3,140,236	15,080,472	16,214,168	18,845,866	19,354,404
Expenses						
General government	1,160,368	570,962	0	0	1,160,368	570,962
Judicial	55,516	37,131	0	0	55,516	37,131
Public Safety	1,687,845	2,001,932	0	0	1,687,845	2,001,932
Public Works	1,164,514	997,780	0	0	1,164,514	997,780
Health and Welfare	349,880	565,552	0	0	349,880	565,552
Culture and Recreation	361,865	404,246	0	0	361,865	404,246
Housing and Development	416,014	428,152	0	0	416,014	428,152
Interest on long-term debt	33,535	42,840	0	0	33,535	42,840
Water and Sewer	0	0	2,558,173	2,652,887	2,558,173	2,652,887
Electric	0	0	9,257,976	10,104,971	9,257,976	10,104,971
Solid Waste	0	0	570,433	562,794	570,433	562,794
Internet Telecommunications	0	0	23,649	60,203	23,649	60,203
Total expenses	5,229,537	5,048,595	12,410,231	13,380,855	17,639,768	18,429,450
Internet Telecommunications	677,315	0	(677,315)	0	0	0
Increase (decrease) in net position before transfers	(786,828)	(1,908,359)	1,992,926	2,833,313	1,206,098	924,954
Transfers	1,179,098	1,813,855	(1,179,098)	(1,813,855)	0	0
Increase (decrease) in net position	392,270	(94,504)	813,828	1,019,458	1,206,098	924,954
Net position - beginning (original)	6,734,101	6,982,741	9,586,690	11,881,761	16,320,791	18,864,502
Prior period adjustments	(510,698)	(154,136)	(191,381)	(3,314,529)	(702,079)	(3,468,665)
Net position - beginning (restated)	6,223,403	6,828,605	9,395,309	8,567,232	15,618,712	15,395,837
Net position - ending	\$ 6,615,673	\$ 6,734,101	\$ 10,209,137	\$ 9,586,690	\$ 16,824,810	\$ 16,320,791

Governmental Activities –

The following chart illustrates revenues of the governmental activities for the fiscal year:



The following chart illustrates the expenses of the governmental activities for the fiscal year:



Business-Type Activities –

Business-type activities increased the City of Washington's net position by \$813,828, or 8.5%. This increase is due to a large increase in net position in the Electric Fund and Water / Sewer Fund that was offset partially by a small decrease in net position in Non-major enterprise funds.

Financial Analysis of the City's Funds

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

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

- 1) As the City completed this fiscal year, its governmental funds reported a combined ending fund balance of \$851,557. Of this amount, \$26,000 (3%) has been assigned for the 2016 budget.

The General Fund is the chief operating fund of the City. At the end of the current year, fund balance of the General Fund was \$293,726. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents approximately 86% of total fund balance in the General Fund. Unassigned fund balance represents 4.5% of total General Fund expenditures, while total fund balance represents approximately 5% of that same amount. The City ended the year realizing a decrease in the overall fund balance in the General Fund by \$17,909, or approximately 5%. The City increased unassigned fund balance in the General Fund by \$253,838.

General Fund Budget Highlights

The original budget for the General Fund was amended by various appropriations approved after the beginning of the fiscal year. Budgeted revenues in total increased over the original budgeted amount. Some unbudgeted expenditures occurred which were completely offset by either unbudgeted revenue or by a decrease in budgeted expenditures. There were also some amendments made to transfer revenues and expenses between departments due to government structure changes.

Proprietary Funds. The City of Washington'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 City's four proprietary funds totaled as follows:

▪ Water and Sewer	\$	350,080
▪ Electric	\$	2,208,654
▪ Solid Waste	\$	(43,821)
▪ Internet Telecommunications	\$	524,581

The Water and Sewer Fund increased net position by \$309,537. The Increase is due to a reduction in liabilities, specifically payments due to other funds and long-term notes payable. The Electric Fund increased net position by \$615,120. The increase is due to an increase in cash and cash equivalents, an increase in pre-paid items, and a reduction in liabilities, such as payments due to other funds. The Solid Waste Fund decreased net position by approximately \$105,494. The decrease is due to transfers out to the Electric fund. The Internet Telecommunications Fund decreased net position by \$5,335. The decrease is due to transfers out to the Electric fund. Another major component affecting many funds was due to the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* which required the City to report accrue a liability for the actuarial determined amount City's net pension liability and record a prior period adjustment which reduced net position in the all City's enterprise fund except the Sanitation fund.

Capital Assets and Debt Administration

Capital Assets. The City of Washington has invested \$23,225,499 in capital assets (net of accumulated depreciation) compared to \$22,922,151 in the previous year. This represents an increase of 1.3%. Approximately 70% of this investment is related to business-type activities and includes infrastructure, land, buildings, and equipment and vehicles. Capital assets held by the City at year-end are summarized as follows:

City of Washington Capital Assets (net of accumulated depreciation) Fiscal Years 2015 and 2014

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 703,904	\$ 699,597	\$ 203,190	\$ 203,190	\$ 907,094	\$ 902,787
Historical treasures	81,718	81,718	0	0	81,718	81,718
Construction in progress	26,825	0	0	3,700	26,825	3,700
Buildings and improvements	3,906,042	3,906,042	726,825	726,825	4,632,867	4,632,867
Equipment and vehicles	3,274,437	2,353,863	2,124,594	1,821,997	5,399,031	4,175,860
Infrastructure	3,838,524	3,838,524	24,244,395	24,237,735	28,082,919	28,076,259
Total	11,831,450	10,879,744	27,299,004	26,993,447	39,130,454	37,873,191
Accumulated Depreciation	(4,833,730)	(4,525,970)	(11,071,225)	(10,518,781)	(15,904,955)	(15,044,751)
Net Capital Assets	\$ 6,997,720	\$ 6,353,774	\$ 16,227,779	\$ 16,474,666	\$ 23,225,499	\$ 22,828,440

Major capital asset expenditures during the current fiscal year for governmental activities included the following:

- New Fire Ladder Truck
- Road projects to include HWY 17 widening
- 3 Lawnmowers- Street department
- New HVAC Unit- Museum
- Shop Equipment
- New Pick-up Truck-Street department

Major capital asset expenditures during the current year for business-type activities included the following:

- Pick-up Trucks- Water / Sewer Department
- Upgrades to Kubotas-Sanitation Department
- Pole Truck-Electric Department

Additional information on the City of Washington's capital assets can be found in Note 7 on pages 46-47 of this report.

Debt/Capital Leases. On December 31, 2015, the City of Washington had a total debt balance outstanding for governmental activities in the amount of \$719,313, as compared to \$836,813 the previous year. The City of Washington's outstanding debt for governmental activities has decreased by \$117,500 during the course of the year. On December 31, 2015, the City of Washington had a total debt balance outstanding for business-type activities in the amount of \$9,846,453, as compared to \$10,255,178 the previous year. The City of Washington's outstanding debt for business-type activities has decreased by \$408,725 during the course of the year.

Additional information on the City's long-term debt can be found in Note 9 on pages 49-51 of this report.

Economic Condition and Outlook

The City of Washington was once a thriving manufacturing community. Over the years the City has seen many manufacturing companies close. There are currently two manufacturing companies still in operations, which are two of the City's top utility customers. The City also benefits from the wood processing market. The City is actively pursuing companies to invest in our town, to bring more diversity to our market and thus more stability to our economic future.

The City of Washington is actively engaged with the Payroll Development Authority in partnership with the County. The PDA is working with various businesses to fill our industrial park. The City also works with the Urban Redevelopment Authority and the Downtown Development Authority. Both of these subunits of the City are actively engaged in new business development and retaining of our current businesses.

The City employs a full time director to manage the Main Street program and serves as director of downtown. This person works with businesses in the historic downtown area to plan and promote events that attract commerce to the downtown area. Main Street also recruits small businesses to occupy vacant commercial spaces in the area.

Over the past couple of years, the City of Washington has been able to increase its fund balance as well as increase its investment in Capital assets. The City has accomplished this by paying down debt and investing in capital items with capital reserves. The City is still facing challenges due to slow economic growth. However, the local housing market appears to be getting better with vacant houses finding new tenants and an increase in houses being built in the area. Property tax values were on the rise in 2015, increasing revenues allowing the City to reduce the millage rate. The City has actively pursued collections of delinquent property taxes and utility bills, to reduce the amount of uncollectable debt.

The City continues to absorb the rising costs of electric prices due to State and Federal regulations being mandated on sources of power, specifically coal units. However, the City does anticipate a reduction in fixed cost through MEAG in the next year due to a restructuring of financial arrangements. The City continues to look for way to decrease costs through efficient operations and to increase the City's tax base with improvements to residential communities and actively pursuing businesses to locate here in Washington. All of these items were considered in the 2015 budget process:

- The need for efficient operations and investment in capital items
- Rising cost of retirement benefits
- Cost of Water / Sewer Treatment operations
- Continued increased reliance on residential taxes as an overall part of the tax base
- Flattening recovery in citywide retail sales
- Increased reliance on Special Purpose Local Option Sales Tax to cover Water and Sewer debt service
- The City of Washington's unemployment rate remaining near record levels as is the case in most of Georgia
- Rising cost of healthcare and other insurance benefits

Contacting the City

This financial report is designed to provide City citizens, taxpayers, customers, and creditors with a general overview of the City of Washington's finances and to demonstrate the City's high level of accountability for the revenue it receives and the services it provides. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Administration

City of Washington
ATTN: City Administrator
P.O. Box 9
Washington, Georgia 30673

Website

<http://www.cityofwashingtonga.gov>

This page intentionally left blank.

BASIC FINANCIAL STATEMENTS

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Unit
	Governmental	Business-type	Total	Downtown Development Authority
	Activities	Activities		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 400,913	\$ 656,096	\$ 1,057,009	\$ 131
Investments	204,777	407,578	612,355	2,333
Restricted assets				
Cash and cash equivalents	2,256	266,987	269,243	0
Investments	0	702,469	702,469	0
Receivables (net)				
Accounts	6,644	1,599,249	1,605,893	0
Intergovernmental	98,204	420,000	518,204	0
Taxes	379,749	0	379,749	0
Inventories	0	466,028	466,028	0
Prepays	11,632	124,033	135,665	0
Total current assets	<u>1,104,175</u>	<u>4,642,440</u>	<u>5,746,615</u>	<u>2,464</u>
Noncurrent assets				
Investment in joint venture	0	499,750	499,750	0
Capital assets				
Non-depreciable	812,447	203,190	1,015,637	0
Depreciable (net)	6,185,273	16,024,589	22,209,862	0
Total noncurrent assets	<u>6,997,720</u>	<u>16,727,529</u>	<u>23,725,249</u>	<u>0</u>
Total assets	<u>8,101,895</u>	<u>21,369,969</u>	<u>29,471,864</u>	<u>2,464</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to the measurement date				
	100,813	50,058	150,871	0
Pension experience differences				
	32,294	16,035	48,329	0
Total deferred outflows of resources	<u>133,107</u>	<u>66,093</u>	<u>199,200</u>	<u>0</u>
LIABILITIES				
Current liabilities				
Accounts payable	124,975	730,620	855,595	0
Accrued salaries and payroll liabilities	60,942	24,297	85,239	0
Compensated absences	47,086	36,941	84,027	0
Accrued interest payable	0	8,329	8,329	0
Customer deposits payable	0	84,680	84,680	0
Unearned revenue	33,715	0	33,715	0
Capital leases payable	6,584	31,354	37,938	0
Notes payable	106,660	339,583	446,243	0
Liabilities payable from restricted assets				
Customer deposits payable	0	181,139	181,139	0
Notes payable	0	240,881	240,881	0
Total current liabilities	<u>379,962</u>	<u>1,677,824</u>	<u>2,057,786</u>	<u>0</u>
Noncurrent liabilities				
Capital leases payable	3,938	135,391	139,329	0
Notes payable	602,131	9,099,244	9,701,375	0
Net pension liability	544,695	270,469	815,164	0
Total noncurrent liabilities	<u>1,150,764</u>	<u>9,505,104</u>	<u>10,655,868</u>	<u>0</u>
Total liabilities	<u>1,530,726</u>	<u>11,182,928</u>	<u>12,713,654</u>	<u>0</u>

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
DEFERRED INFLOWS OF RESOURCES				
Pension assumption changes	\$ 27,818	\$ 13,813	\$ 41,631	\$ 0
Pension investment return differences	60,785	30,184	90,969	0
Total deferred inflows of resources	88,603	43,997	132,600	0
NET POSITION				
Net investment in capital assets	6,278,407	6,381,326	12,659,733	0
Restricted for:				
MEAG Generation Trust	0	547,436	547,436	0
Public Works	234,660	0	234,660	0
Culture and Recreation	46,079	0	46,079	0
Capital Outlay	57,399	0	57,399	0
Debt Service	0	240,881	240,881	0
Unrestricted	(872)	3,039,494	3,038,622	2,464
Total net position	\$ 6,615,673	\$ 10,209,137	\$ 16,824,810	\$ 2,464

CITY OF WASHINGTON, GEORGIA
STATEMENT OF ACTIVITIES
For the year ended December 31, 2015

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues		Net (Expense) Revenue	
			Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Primary government						
Governmental activities						
General Government	\$ 1,160,368	\$ (677,315)	\$ 27,372	\$ 0	\$ 0	\$ (455,681)
Judicial	55,516	0	4,346	0	0	(51,170)
Public Safety	1,687,845	0	65,373	96,995	833,334	(692,143)
Public Works	1,164,514	0	31,189	0	383,042	(750,283)
Health and Welfare	349,880	0	0	0	0	(349,880)
Culture and Recreation	361,865	0	42,199	549	9,084	(310,033)
Housing and Development	416,014	0	6,600	0	99,924	(309,490)
Interest on long-term debt	33,535	0	0	0	0	(33,535)
Total governmental activities	<u>5,229,537</u>	<u>(677,315)</u>	<u>177,079</u>	<u>97,544</u>	<u>1,325,384</u>	<u>(2,952,215)</u>
Business-type activities						
Water and Sewer	2,558,173	227,248	2,815,769	0	0	30,348
Electric	9,257,976	450,067	10,282,414	1,415,337	0	1,989,708
Solid Waste	570,433	0	517,648	0	0	(52,785)
Internet Telecommunications	23,649	0	8,206	0	0	(15,443)
Total business-type activities	<u>12,410,231</u>	<u>677,315</u>	<u>13,624,037</u>	<u>1,415,337</u>	<u>0</u>	<u>1,951,828</u>
Total primary government	<u>17,639,768</u>	<u>0</u>	<u>13,801,116</u>	<u>1,512,881</u>	<u>1,325,384</u>	<u>(1,000,387)</u>
Component Unit						
Downtown Development Authority						
Housing and Development	1,181	0	0	0	0	(1,181)
Primary Government						
	Governmental Activities	Business-Type Activities	Total	Component Unit		
Change in net position						
Net (expense) revenue	\$ (2,952,215)	\$ 1,951,828	\$ (1,000,387)	\$	(1,181)	
General revenues						
Taxes						
Property		868,064	0	868,064	0	
Sales		416,690	0	416,690	0	
Insurance premium		238,203	0	238,203	0	
Alcohol Excise		120,766	0	120,766	0	
Franchise		94,948	0	94,948	0	
Occupational		49,475	0	49,475	0	
Other		22,703	0	22,703	0	
Interest and investment earnings		1,367	34,761	36,128	28	
Gain on sale of assets		598	0	598	0	
Other		352,573	6,337	358,910	0	
Transfers		1,179,098	(1,179,098)	0	0	
Total general revenues and transfers		<u>3,344,485</u>	<u>(1,138,000)</u>	<u>2,206,485</u>	<u>28</u>	
Change in net position		<u>392,270</u>	<u>813,828</u>	<u>1,206,098</u>	<u>(1,153)</u>	
Net position - beginning (original)		6,734,101	9,586,690	16,320,791	3,617	
Prior period adjustments		(510,698)	(191,381)	(702,079)	0	
Net position - beginning (restated)		<u>6,223,403</u>	<u>9,395,309</u>	<u>15,618,712</u>	<u>3,617</u>	
Net position - ending		<u>\$ 6,615,673</u>	<u>\$ 10,209,137</u>	<u>\$ 16,824,810</u>	<u>\$ 2,464</u>	

CITY OF WASHINGTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
ASSETS			
Cash and cash equivalents	\$ 111,162	\$ 289,751	\$ 400,913
Investments	3,188	201,589	204,777
Restricted cash and cash equivalents	2,256	0	2,256
Receivables (net)			
Accounts	6,644	0	6,644
Intergovernmental	44,152	54,052	98,204
Taxes	367,310	12,439	379,749
Prepaid items	11,632	0	11,632
Total assets	\$ 546,344	\$ 557,831	\$ 1,104,175
LIABILITIES			
Accounts payable	\$ 124,975	\$ 0	\$ 124,975
Accrued salaries and payroll liabilities	60,942	0	60,942
Unearned revenue	33,715	0	33,715
Total liabilities	219,632	0	219,632
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	32,986	0	32,986
FUND BALANCES			
Nonspendable			
Prepaid items	11,632	0	11,632
Contractually required to be maintained intact	0	19,980	19,980
Restricted for:			
Public Works	2,256	232,404	234,660
Culture and Recreation	0	46,079	46,079
Capital projects	0	57,399	57,399
Assigned for:			
Public Works	0	171,097	171,097
Culture and Recreation	0	25,981	25,981
Housing and Development	0	4,864	4,864
Capital projects	0	27	27
Subsequent budget	26,000	0	26,000
Unassigned	253,838	0	253,838
Total fund balances	293,726	557,831	851,557
Total liabilities, deferred inflows of resources, and fund balances	\$ 546,344	\$ 557,831	\$ 1,104,175

CITY OF WASHINGTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
December 31, 2015

Total fund balances - total governmental funds \$ 851,557

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

Some assets are not financial resources and therefore are not reported in the funds.

These are:

Capital assets, net of accumulated depreciation	6,997,720
---	-----------

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

These are:

Property taxes	32,986
----------------	--------

Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:

Deferred outflows of resources:

Pension contributions subsequent to measurement date	\$ 100,813
Pension experience differences	32,294

Deferred inflows of resources:

Pension assumption changes	(27,818)
Pension investment return differences	(60,785)
	44,504

Some liabilities are not due and payable in the current period and therefore are not reported in the funds. These are:

Net pension liability	\$ (544,695)
Compensated absences	(47,086)
Capital leases payable	(10,522)
Notes payable	(708,791)
	(1,311,094)

Net position of governmental activities	\$ <u><u>6,615,673</u></u>
---	----------------------------

CITY OF WASHINGTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended December 31, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
REVENUES			
Taxes	\$ 1,699,895	\$ 131,441	\$ 1,831,336
Licenses and permits	30,663	0	30,663
Fines, fees and forfeitures	56,301	0	56,301
Charges for services	760,618	200	760,818
Intergovernmental	1,021,276	398,201	1,419,477
Interest	346	1,234	1,580
Contributions	9,355	500	9,855
Other	352,573	0	352,573
Total revenues	<u>3,931,027</u>	<u>531,576</u>	<u>4,462,603</u>
EXPENDITURES			
Current			
General Government	1,161,887	0	1,161,887
Judicial	55,660	0	55,660
Public Safety	2,328,521	113,106	2,441,627
Public Works	1,023,381	116,630	1,140,011
Health and Welfare	272,086	0	272,086
Culture and Recreation	358,156	0	358,156
Housing and Development	275,017	145,811	420,828
Debt service	151,035	0	151,035
Total expenditures	<u>5,625,743</u>	<u>375,547</u>	<u>6,001,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,694,716)</u>	<u>156,029</u>	<u>(1,538,687)</u>
Other financing sources (uses)			
Transfers in	2,673,645	151,358	2,825,003
Transfers out	(997,436)	(648,469)	(1,645,905)
Sale of capital assets	598	0	598
Total other financing sources (uses)	<u>1,676,807</u>	<u>(497,111)</u>	<u>1,179,696</u>
Net change in fund balance	(17,909)	(341,082)	(358,991)
Fund balances, January 1	<u>311,635</u>	<u>898,913</u>	<u>1,210,548</u>
Fund balances, December 31	<u>\$ 293,726</u>	<u>\$ 557,831</u>	<u>\$ 851,557</u>

**CITY OF WASHINGTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the year ended December 31, 2015**

Net change in fund balances - total governmental funds \$ (358,991)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlays	\$	951,706	
Depreciation		<u>(307,760)</u>	643,946

The proceeds of debt issuance, net of premiums, discounts and issuance costs provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In addition, interest on long-term debt is not recognized in the governmental funds until due, but is recognized in the statement of activities as it accrues.

Debt proceeds	\$	0	
Debt principal payments		<u>117,500</u>	117,500

Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.

Pension contributions	\$	100,813	
Cost of benefits earned net of employee contributions		<u>(90,306)</u>	10,507

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

Unavailable deferred revenue			(20,482)
------------------------------	--	--	----------

Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds.

Compensated absences			<u>(210)</u>
----------------------	--	--	--------------

Change in net position of governmental activities			<u><u>\$ 392,270</u></u>
---	--	--	--------------------------

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,779,700	\$ 1,840,940	\$ 1,699,895	\$ (141,045)
Licenses and permits	37,000	37,000	30,663	(6,337)
Fines, fees and forfeitures	18,250	36,400	56,301	19,901
Charges for services	70,805	752,532	760,618	8,086
Intergovernmental	161,800	1,025,134	1,021,276	(3,858)
Interest	799	799	346	(453)
Contributions	1,000	17,716	9,355	(8,361)
Other	288,489	302,889	352,573	49,684
Total revenues	2,357,843	4,013,410	3,931,027	(82,383)
EXPENDITURES				
Current				
General Government				
Executive Administration	925,537	925,537	924,452	1,085
City Hall Annex	13,350	16,850	16,835	15
General Government Buildings	300,376	300,376	220,600	79,776
Judicial				
Municipal Court	52,433	56,733	55,660	1,073
Public Safety				
Police	516,000	517,770	524,718	(6,948)
Fire	845,700	1,688,434	1,688,055	379
Animal Control	98,100	115,500	115,448	52
Emergency Management	300	300	300	0
Public Works				
Highways and Streets	781,390	875,140	875,134	6
Street Lighting	123,000	132,500	132,441	59
Cemetery	18,970	18,970	15,806	3,164
Health and Welfare				
Community Services	174,425	174,425	147,071	27,354
Community Center	128,595	128,595	125,015	3,580
Culture and Recreation				
Libraries	62,900	62,900	62,900	0
Callaway Plantation	75,150	75,150	61,758	13,392
Museum	68,930	69,838	69,824	14
Park Areas	110,450	110,470	110,469	1
Booker Park Pool	58,785	58,785	53,205	5,580
Housing and Development				
Planning and Zoning	145,455	145,455	134,710	10,745
Community Development and Housing	71,785	79,935	69,339	10,596
Mainstreet Division	62,190	72,325	70,968	1,357
Debt Service				
Principal	108,805	117,405	117,500	(95)
Interest	31,155	33,655	33,535	120
Total expenditures	4,773,781	5,777,048	5,625,743	151,305
Excess (deficiency) of revenues over expenditures	(2,415,938)	(1,763,638)	(1,694,716)	68,922

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP) AND ACTUAL
For the year ended December 31, 2015

	Budget		Actual	Variance with Final Budget
	Original	Final		
Other financing sources (uses)				
Transfers in	\$ 2,603,401	\$ 2,703,401	\$ 2,673,645	\$ (29,756)
Transfers out	(360,963)	(1,138,263)	(997,436)	140,827
Sale of capital assets	10,000	10,000	598	(9,402)
Total other financing sources (uses)	<u>2,252,438</u>	<u>1,575,138</u>	<u>1,676,807</u>	<u>101,669</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(163,500)	(188,500)	(17,909)	170,591
Fund balances, January 1	<u>163,500</u>	<u>188,500</u>	<u>311,635</u>	<u>123,135</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 293,726</u></u>	<u><u>\$ 293,726</u></u>

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
ASSETS				
Current assets				
Cash and cash equivalents	\$ 0	\$ 656,096	\$ 0	\$ 656,096
Investments	0	407,578	0	407,578
Restricted assets				
Cash and cash equivalents	101,351	165,636	0	266,987
Investments	155,033	547,436	0	702,469
Receivables (net)				
Accounts	386,569	1,121,452	91,228	1,599,249
Intergovernmental	0	420,000	0	420,000
Inventories	207,410	258,618	0	466,028
Prepaid items	5,066	117,397	1,570	124,033
Total current assets	855,429	3,694,213	92,798	4,642,440
Noncurrent assets				
Investment in joint venture	0	0	499,750	499,750
Capital assets				
Non-depreciable	194,710	8,480	0	203,190
Depreciable (net)	14,359,870	1,537,563	127,156	16,024,589
Total noncurrent assets	14,554,580	1,546,043	626,906	16,727,529
Total assets	15,410,009	5,240,256	719,704	21,369,969
DEFERRED OUTFLOWS OF RESOURCES				
Pension contributions subsequent to the measurement date	11,519	21,731	16,808	50,058
Pension experience differences	3,690	6,961	5,384	16,035
Total deferred outflows of resources	15,209	28,692	22,192	66,093
LIABILITIES				
Current liabilities				
Accounts payable	83,258	631,232	16,130	730,620
Accrued salaries and payroll liabilities	5,806	10,850	7,641	24,297
Compensated absences	9,737	22,584	4,620	36,941
Accrued interest payable	8,329	0	0	8,329
Customer deposits payable	84,680	0	0	84,680
Capital lease	0	31,354	0	31,354
Notes payable	339,583	0	0	339,583
Liabilities payable from restricted liabilities				
Customer deposits payable	15,503	165,636	0	181,139
Notes payable	240,881	0	0	240,881
Total current liabilities	787,777	861,656	28,391	1,677,824
Noncurrent liabilities				
Capital lease	0	135,391	0	135,391
Notes payable	9,099,244	0	0	9,099,244
Net pension liability	62,239	117,414	90,816	270,469
Total liabilities	9,949,260	1,114,461	119,207	11,182,928

CITY OF WASHINGTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
DEFERRED INFLOWS OF RESOURCES				
Pension assumption changes	\$ 3,179	\$ 5,996	\$ 4,638	\$ 13,813
Pension investment return differences	6,946	13,103	10,135	30,184
Total deferred inflows of resources	10,125	19,099	14,773	43,997
NET POSITION				
Net investment in capital assets	4,874,872	1,379,298	127,156	6,381,326
Restricted for MEAG Generation Trust	0	547,436	0	547,436
Restricted for Debt Service	240,881	0	0	240,881
Unrestricted	350,080	2,208,654	480,760	3,039,494
Total net position	\$ 5,465,833	\$ 4,135,388	\$ 607,916	\$ 10,209,137

CITY OF WASHINGTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
OPERATING REVENUES				
Charges for sales and services	\$ 2,815,769	\$ 10,282,414	\$ 525,854	\$ 13,624,037
Other	611	5,726	0	6,337
Total operating revenues	2,816,380	10,288,140	525,854	13,630,374
OPERATING EXPENSES				
Costs of sales and services	2,038,554	9,162,648	209,675	11,410,877
Personal services	258,145	451,726	353,254	1,063,125
Depreciation	427,622	93,669	31,153	552,444
Total operating expenses	2,724,321	9,708,043	594,082	13,026,446
Operating income (loss)	92,059	580,097	(68,228)	603,928
Non-operating revenues (expenses)				
Intergovernmental revenue	0	1,415,337	0	1,415,337
Interest and investment earnings	1,394	12,866	20,501	34,761
Interest expense	(61,100)	0	0	(61,100)
Total non-operating revenues (expenses)	(59,706)	1,428,203	20,501	1,388,998
Net income (loss) before transfers	32,353	2,008,300	(47,727)	1,992,926
Transfers in (out)				
Transfers in	1,117,759	1,256,668	352,991	2,727,418
Transfers out	(840,575)	(2,649,848)	(416,093)	(3,906,516)
Total transfers in (out)	277,184	(1,393,180)	(63,102)	(1,179,098)
Change in net position	309,537	615,120	(110,829)	813,828
Net position, January 1 (original)	5,214,650	3,568,148	803,892	9,586,690
Prior period adjustments	(58,354)	(47,880)	(85,147)	(191,381)
Net position, January 1 (restated)	5,156,296	3,520,268	718,745	9,395,309
Net position, December 31	\$ 5,465,833	\$ 4,135,388	\$ 607,916	\$ 10,209,137

CITY OF WASHINGTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
Cash flows from operating activities:				
Receipts from customers	\$ 2,910,807	\$ 10,368,913	\$ 524,590	\$ 13,804,310
Payments to suppliers	(2,008,811)	(9,213,586)	(192,251)	(11,414,648)
Payments to employees	(257,493)	(387,879)	(358,361)	(1,003,733)
Other receipts	611	5,726	0	6,337
Net cash provided (used) by operating activities	<u>645,114</u>	<u>773,174</u>	<u>(26,022)</u>	<u>1,392,266</u>
Cash flows from non-capital financing activities:				
Receipts from other funds	493,087	1,472,774	447,847	2,413,708
Payments to other funds	(1,055,036)	(2,750,188)	(416,093)	(4,221,317)
Receipts from other governments	0	1,292,337	0	1,292,337
Net cash provided (used) by non-capital financing activities	<u>(561,949)</u>	<u>14,923</u>	<u>31,754</u>	<u>(515,272)</u>
Cash flows from capital and related financing activities:				
Receipts from other funds	624,672	0	0	624,672
Receipts from other governments	118,419	0	0	118,419
Payments for acquisitions of capital assets	(87,448)	(191,534)	(26,575)	(305,557)
Payment of prior year capital related payables	(90,546)	0	0	(90,546)
Proceeds - capital lease	0	166,745	0	166,745
Principal payments - promissory notes	(575,470)	0	0	(575,470)
Interest paid	(61,100)	0	0	(61,100)
Net cash provided (used) by capital and related financing activities	<u>(71,473)</u>	<u>(24,789)</u>	<u>(26,575)</u>	<u>(122,837)</u>
Cash flows from investing activities				
Interest and investment earnings received	1,394	12,866	20,501	34,761
Proceeds from maturity of investments	154,491	200,000	0	354,491
Proceeds from sale of investments	0	344	342	686
Purchase of investments	(155,033)	(455,957)	0	(610,990)
Net cash provided (used) by investing activities	<u>852</u>	<u>(242,747)</u>	<u>20,843</u>	<u>(221,052)</u>
Net increase (decrease) in cash and cash equivalents	12,544	520,561	0	533,105
Cash and cash equivalents, January 1	<u>88,807</u>	<u>301,171</u>	<u>0</u>	<u>389,978</u>
Cash and cash equivalents, December 31	<u><u>\$ 101,351</u></u>	<u><u>\$ 821,732</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 923,083</u></u>

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

CITY OF WASHINGTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the year ended December 31, 2015

	Business-Type Activities			Totals
	Water and Sewer	Electric	Nonmajor Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 92,059	\$ 580,097	\$ (68,228)	\$ 603,928
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	427,622	93,669	31,153	552,444
(Increase) decrease in accounts receivable	95,038	145,503	(1,264)	239,277
(Increase) decrease in inventories	(47,124)	(16,495)	0	(63,619)
(Increase) decrease in prepaid items	766	(99,986)	1,294	(97,926)
(Increase) decrease in pension contributions made after measurement date	(11,519)	(21,731)	(16,808)	(50,058)
(Increase) decrease in pension experience differences	(3,690)	(6,961)	(5,384)	(16,035)
Increase (decrease) in accounts payable	76,101	65,199	16,130	157,430
Increase (decrease) in accrued payroll liabilities	1,851	3,906	(3,356)	2,401
Increase (decrease) in customer deposits	0	(58,660)	0	(58,660)
Increase (decrease) in net pension liability	3,885	69,534	5,668	79,087
Increase (decrease) in pension assumption changes	3,179	5,996	4,638	13,813
Increase (decrease) in pension investment return differences	6,946	13,103	10,135	30,184
Total adjustments	553,055	193,077	42,206	788,338
Net cash provided (used) by operating activities	\$ 645,114	\$ 773,174	\$ (26,022)	\$ 1,392,266
Cash and cash equivalents reconciliation				
Cash and cash equivalents	\$ 0	\$ 656,096	\$ 0	\$ 656,096
Restricted assets				
Cash and cash equivalents	101,351	165,636	0	266,987
	\$ 101,351	\$ 821,732	\$ 0	\$ 923,083

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

1. Description of Government Unit

Incorporated in 1780, under the laws of the State of Georgia, the City of Washington is governed by a seven member Mayor/Council form of government. The Mayor is elected to a four-year term, and the Council members are elected to staggered four-year terms. The Mayor serves as the Chief Executive Officer and the other six Council members serve on a part-time basis. The Mayor is assisted by the City Administrator to handle the daily operations of the City.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

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

B. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Downtown Development Authority of Washington, Georgia

The Downtown Development Authority of Washington, Georgia was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members, who are appointed by the Mayor and Council. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Washington. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, accounting, payroll, etc. The Authority is included in the reporting entity due to the nature and significance of its relationship with the City of Washington.

The Downtown Development Authority of Washington, Georgia is reported in a separate column to emphasize that it is legally separate from the City. Separate financial statements of the component unit can be obtained from the Downtown Development Authority, P.O. Box 9, Washington, Georgia 30673.

C. Basis of Presentation – Government-wide Financial Statements

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

As discussed earlier, the government has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements

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

The City reports the following major governmental funds:

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

The City reports the following major enterprise funds:

Water and Sewer Enterprise Fund - This fund accounts for the operation and maintenance of the City's water and sewer services.

Electric Enterprise Fund - This fund accounts for user fees and expenses for the electric services provided to the citizens of the City.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Governmental Fund Types, continued

Permanent Funds - These funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting City's programs.

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Component Units

The Downtown Development Authority of Washington, Georgia is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual.

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

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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

E. Measurement Focus and Basis of Accounting

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

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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

F. Revenues and Expenditures/Expenses

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

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses, continued

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Enterprise Funds are 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 non-operating revenues and expenses.

G. Budgets and Budgetary Accounting

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

1. In November, a proposed operating budget for the fiscal year commencing January 1 is submitted to the City Council. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to January 1, the budget is legally enacted through passage of an ordinance.
4. All budget revisions or changes must be approved as required by Georgia law and administrative policy. Transfer of budgetary amounts between line items within a fund can be done with the approval of the City Administrator. Transfer of amounts between each department of each fund must be approved by the City Council. This is the legal level of budgetary control.
5. The funds obtained from any source may be used for any appropriations named in said budget, except funds specifically restricted by the City ordinance or State law.
6. The City does not employ the use of encumbrance accounting.
7. Unexpended appropriations lapse at the end of the year.
8. At the end of the fiscal year, all amendments to the budget are approved through passage of an ordinance.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

I. Property Taxes

The City bills and collects its own property taxes. City property tax revenues are recognized when levied to the extent that they result in current receivables. Assessed values are an approximation of market value. At the government-wide level, property taxes are recognized as revenue when they are levied. The governmental fund statements recognize property taxes as revenue as soon as they are considered to be both measureable and available.

Property taxes are administered based on the following calendar:

Property Tax Year	2015
Levy Date	October 23, 2015
Collection Period	November 20, 2015 - January 20, 2016
Due Date	January 20, 2016

J. Intergovernmental Receivables

Receivables for state and federal grants are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

K. Inventories

The costs of governmental fund-type inventories are recorded as expenditures when purchased. Inventories of the proprietary funds are valued at cost, which approximates market, using the first-in, first-out method.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

L. Prepaid Items

Certain payments made to vendors that will benefit periods beyond December 31, 2015 are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

M. Capital Assets

Capital assets are defined by the City as assets with an estimated useful life in excess of two years and with an initial, individual cost of more than \$15,000 for streets, buildings, and grounds and \$5,000 for all other capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the lives of the assets 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.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Infrastructure	50
Building and Improvements	12-40
Vehicles	5-20
Machinery & Equipment	7-15
Electric Plant Systems	30

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets

Pursuant to GASB Statement No. 34, Phase 3 governments are not required to report major general infrastructure assets retroactively. General infrastructure assets acquired prior to January 1, 2004 are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to January 1, 2004.

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred out flows of resources related to their defined benefit pension plans.

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 government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable property taxes revenues. The City also reports deferred inflows of resources related to their defined benefit pension plans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

O. 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.

P. Fund Balance Flow Assumption

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

Q. Restricted Assets and Restricted Net Position

Restricted assets represent certain resources restricted by funding source or required to be set aside for the repayment of debt. They are maintained in a separate bank account and their use is limited.

Restricted net position is equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of restricted net position.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

The City of Washington implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Washington's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number, title, and date of original adoption. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 90 days of fiscal year-end.

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City's adopted policy, amounts may be assigned by the City Administrator, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the City's annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report positive amounts this category of fund balance.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

S. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Washington Employees' Pension Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

T. 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. 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 costs, 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 not withheld from the actual debt proceeds received, are reported as debt service expenditures.

U. Compensation for Future Absences

It is the City's policy to permit employees to accumulate up to 160 hours of earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide and proprietary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

2. Summary of Significant Accounting Policies (continued)

V. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

3. Deposit and Investment Risk

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. According to State of Georgia law OCGA 50-17-59, all deposits must be secured by certain statutory obligations in an amount equal to 110% of uninsured deposits.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State of Georgia law limits investments to include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of any corporation of the United States government, obligations of the State of Georgia or other states, obligations of other political subdivisions of the State of Georgia, and pooled investment programs of the State of Georgia. The City does not have a formal investment policy that would further limit its investment choices. Investments are reported at fair value.

Concentration of Credit Risk

The City does not have a formal policy on the amount the City may invest in any one issuer.

Foreign Currency Risk

The City has no investments denominated in a foreign currency.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

3. Deposit and Investment Risk (continued)

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City may elect to have their funds deposited in MEAG's Voluntary Flexible Operating Account or Generation Trust Account fund in lieu of receiving a refund. The voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct MEAG to retain or use the discretionary funds. The generation trust account is used to offset the City's share of future MEAG generation projects.

The Municipal Competitive Trust accounts are held in the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios; these portfolios are not rated. At December 31, 2015, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 12.50, 57.6, and 9.26 months, respectively. At December 31, 2015, the City's balances in the Voluntary Flexible Operating Accounts were \$407,578, and in the Generation Trust Account was \$547,436.

Investments at December 31, 2015 consist of the following:

Major Funds

General Fund

Certificates of deposit	\$ 3,188
-------------------------	----------

Enterprise funds

Water and Sewer Fund

Certificates of deposit	155,033
-------------------------	---------

Electric Fund

MEAG Competitive Trust	955,014
------------------------	---------

Nonmajor Funds

Governmental

Certificates of Deposit	201,589
-------------------------	---------

Total primary government

\$ 1,314,824

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

4. Accounts Receivable

Net accounts receivable at December 31, 2015 consist of the following:

Major Funds		
General Fund	\$ 62,339	
Less: Allowance for Uncollectibles	<u>(55,695)</u>	\$ 6,644
Enterprise Funds		
Water and Sewer Fund	570,559	
Less: Allowance for Uncollectibles	<u>(183,990)</u>	386,569
Electric Fund	1,702,115	
Less: Allowance for Uncollectibles	<u>(580,663)</u>	1,121,452
Nonmajor Funds		
Enterprise Funds		
Solid Waste Fund	95,266	
Less: Allowance for Uncollectibles	<u>(28,869)</u>	66,397
Internet Telecommunications Fund	25,270	
Less: Allowance for Uncollectibles	<u>(439)</u>	<u>24,831</u>
Total primary government		<u><u>\$ 1,605,893</u></u>

5. Intergovernmental Receivables

Intergovernmental receivables at December 31, 2015 consist of the following:

Major Funds		
General Fund		
Wilkes County		\$ 44,152
Electric Enterprise Fund		
Municipal Electric Authority of Georgia		420,000
Nonmajor Funds		
SPLOST Capital Projects Fund		
Wilkes County		<u>54,052</u>
Total primary government		<u><u>\$ 518,204</u></u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

6. Interfund Transfers

A summary of interfund transfers is as follows:

<u>Transfer out Fund</u>	<u>Transfer in Fund</u>	<u>Amount</u>
General	Water and Sewer	\$ 493,087
	Nonmajor Governmental	151,358
	Nonmajor Enterprise	352,991
Water and Sewer	Electric	840,575
Electric	General	2,649,848
Nonmajor Governmental	General	23,797
	Water and Sewer	624,672
Nonmajor Enterprise	Electric	<u>416,093</u>
Total		<u>\$ 5,552,421</u>

Interfund transfers were used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

7. Capital Assets

Capital asset activity for the primary government for the year ended December 31, 2015 was as follows:

	<u>Balance 12/31/2014</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance 12/31/2015</u>
Governmental activities				
Non-depreciable assets				
Land	\$ 699,597	\$ 4,307	\$ 0	\$ 703,904
Construction in progress	0	26,825	0	26,825
Historical treasures	81,718	0	0	81,718
Total non-depreciable assets	<u>781,315</u>	<u>31,132</u>	<u>0</u>	<u>812,447</u>
Depreciable assets				
Buildings and improvements	3,906,042	0	0	3,906,042
Equipment and vehicles	2,353,863	920,574	0	3,274,437
Infrastructure	3,838,524	0	0	3,838,524
Total depreciable assets	<u>10,098,429</u>	<u>920,574</u>	<u>0</u>	<u>11,019,003</u>
Accumulated depreciation				
Buildings and improvements	(2,226,925)	(59,158)	0	(2,286,083)
Equipment and vehicles	(1,397,786)	(165,895)	0	(1,563,681)
Infrastructure	(901,259)	(82,707)	0	(983,966)
Total accumulated depreciation	<u>(4,525,970)</u>	<u>(307,760)</u>	<u>0</u>	<u>(4,833,730)</u>
Total depreciable assets, net	<u>5,572,459</u>	<u>612,814</u>	<u>0</u>	<u>6,185,273</u>
Governmental activities capital assets, net	<u>\$ 6,353,774</u>	<u>\$ 643,946</u>	<u>\$ 0</u>	<u>\$ 6,997,720</u>
Business-type activities				
Non-depreciable assets				
Land	\$ 203,190	\$ 0	\$ 0	\$ 203,190
Construction in progress	3,700	0	(3,700)	0
Total non-depreciable assets	<u>206,890</u>	<u>0</u>	<u>(3,700)</u>	<u>203,190</u>
Depreciable assets				
Buildings	726,825	0	0	726,825
Machinery and equipment	1,135,452	60,317	0	1,195,769
Vehicles	686,545	242,280	0	928,825
Infrastructure	24,237,735	6,660	0	24,244,395
Total depreciable assets	<u>26,786,557</u>	<u>309,257</u>	<u>0</u>	<u>27,095,814</u>
Accumulated depreciation				
Buildings	(527,805)	(1,149)	0	(528,954)
Machinery and equipment	(736,394)	(52,815)	0	(789,209)
Vehicles	(583,538)	(66,402)	0	(649,940)
Infrastructure	(8,671,044)	(432,078)	0	(9,103,122)
Total accumulated depreciation	<u>(10,518,781)</u>	<u>(552,444)</u>	<u>0</u>	<u>(11,071,225)</u>
Total depreciable assets, net	<u>16,267,776</u>	<u>(243,187)</u>	<u>0</u>	<u>16,024,589</u>
Business-type activities capital assets, net	<u>\$ 16,474,666</u>	<u>\$ (243,187)</u>	<u>\$ (3,700)</u>	<u>\$ 16,227,779</u>

The beginning balance in the business-type activities has been adjusted to correct the balance of depreciable assets. This adjustment decreased beginning depreciable assets by \$92,711, increased beginning accounts receivable by \$92,711, and had no effect on beginning net position.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

7. Capital Assets (continued)

Depreciation expense was charged to functions/programs as follows:

Primary Government

Governmental activities

General Government	\$ 5,677
Public Safety	121,594
Public Works	92,207
Health and Welfare	10,288
Culture and Recreation	77,994
	<hr/>
Total depreciation expense for governmental activities	<u><u>\$ 307,760</u></u>

Business-type activities

Water and Sewer Enterprise Fund	\$ 427,622
Electric Enterprise Fund	93,669
Nonmajor Enterprise Funds	
Solid Waste Enterprise Fund	26,382
Internet Telecommunications Enterprise Fund	4,771
	<hr/>
Total depreciation expense for business-type activities	<u><u>\$ 552,444</u></u>

8. Capital and Operating Lease Agreements

The City has entered into lease-purchase agreements to finance the purchases of equipment. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of the lease at December 31, 2015 is \$10,522 and \$166,745 for governmental activities and business activities, respectively. The total of assets leased under the capital lease is equipment in the amount of \$29,318 and \$166,745 for governmental activities and business activities, respectively. The equipment has a fifteen year estimated useful life. \$977 and \$16,675 was included in depreciation expense for the year ended December 31, 2015.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

8. Capital and Operating Lease Agreements (continued)

	Governmental Activities		Business-type Activities	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Machinery & Equipment				
Caterpillar compact loader	\$ 29,318	\$ 1,955	\$ 0	\$ 0
Vehicles				
Ford pole truck	0	0	166,745	16,675
Total assets under capital leases	\$ 29,318	\$ 1,955	\$ 166,745	\$ 16,675

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of December 31, 2015:

Year Ending December 31,	Governmental Activities	Business-type Activities
2016	\$ 6,822	\$ 36,083
2017	3,979	36,083
2018	0	36,083
2019	0	36,083
2020	0	36,083
Total minimum lease payments	10,801	180,415
Less amounts representing interest	(279)	(13,670)
Present value of minimum lease payments	\$ 10,522	\$ 166,745

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

9. Long-Term Debt

Governmental Activities

Notes Payable

Note payable to Farmers State Bank in the original amount of \$1,500,000, bearing interest at 3.94%. The balance of the note was \$708,791 at December 31, 2015. The note calls for 180 monthly payments of \$11,093 beginning January 20, 2007 and matures December 20, 2021. The purpose of the note was to finance renovation of the Pope Center.

Annual debt service requirements for notes payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	\$ 106,660	\$ 26,461	\$ 133,121
2017	111,078	22,043	133,121
2018	115,597	17,524	133,121
2019	120,300	12,821	133,121
2020	125,168	7,953	133,121
2021	129,988	3,133	133,121
Totals	<u>\$ 708,791</u>	<u>\$ 89,935</u>	<u>\$ 798,726</u>

Business-Type Activities

Notes Payable

Note payable to Georgia Environmental Facilities Authority in the original amount of \$789,731, bearing interest at 3.94%. The balance of the note was \$432,002 at December 31, 2015. The note calls for quarterly payments of principal and interest of \$14,313 and matures October 2024. The purpose of the note was for construction of sewer rehabilitation.

Note payable to Georgia Environmental Facilities Authority in the original amount of \$1,599,998, bearing interest at 4.06%. The balance of the note was \$982,050 at December 31, 2015. The note calls for monthly payments of principal and interest of \$9,746 and matures February 1, 2027. The purpose of the note was to finance improvements to the Water and Sewer system.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

9. Long-Term Debt (continued)

Business-Type Activities, continued

Notes Payable, continued

Note payable to Georgia Environmental Facilities Authority in the original amount of \$7,446,275, bearing zero interest. The balance of the note was \$8,220,985 at December 31, 2015. The note calls for monthly payments of \$37,539 beginning January 31, 2014 and matures December 31, 2034. The purpose of the note was to finance improvements to the Water and Sewer system.

Note payable to Farmers & Merchants Bank in the original amount of \$55,000, bearing interest at 3.09%. The balance of the note was \$44,671 at December 31, 2015. The note calls for 60 monthly payments of \$992 beginning January 15, 2015 and matures December 15, 2019. The purpose of the note was to purchase equipment.

Annual debt service requirements for notes payable are as follows:

Year Ending December 31,	Principal	Interest	Total
2016	580,464	56,106	636,570
2017	585,711	50,859	636,570
2018	591,130	45,440	636,570
2019	596,779	39,791	636,570
2020	590,578	34,095	624,673
2021-2025	2,985,557	80,500	3,066,057
2026-2030	2,285,481	252	2,285,733
2031-2034	1,464,008	0	1,464,008
Totals	<u>\$ 9,679,708</u>	<u>\$ 307,043</u>	<u>\$ 9,986,751</u>

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

9. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for year ended December 31, 2015:

	<u>Balance 12/31/2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 12/31/2015</u>	<u>Due Within One Year</u>
Governmental Activities					
Capital leases payable	\$ 16,901	\$ 0	\$ (6,379)	\$ 10,522	\$ 6,584
Notes payable	819,912	0	(111,121)	708,791	106,660
Compensated absences	46,876	47,086	(46,876)	47,086	47,086
Total Governmental Activities	<u>\$ 883,689</u>	<u>\$ 47,086</u>	<u>\$ (164,376)</u>	<u>\$ 766,399</u>	<u>\$ 160,330</u>
Business-type Activities					
Capital leases payable	\$ 0	\$ 166,745	\$ 0	\$ 166,745	\$ 31,354
Notes payable	10,255,178	0	(575,470)	9,679,708	580,464
Compensated absences	36,718	36,941	(36,718)	36,941	36,941
Total Business-type Activities	<u>\$ 10,291,896</u>	<u>\$ 203,686</u>	<u>\$ (612,188)</u>	<u>\$ 9,883,394</u>	<u>\$ 648,759</u>

Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund. The total interest incurred and charged to expense for the year ended December 31, 2015 was \$33,535 for governmental activities and \$61,100 for business-type activities.

10. Changes in Beginning Balances

Governmental Activities

A prior period adjustment has been made to record a net pension liability and related deferred outflows/inflows of resources at December 31, 2014. This adjustment was required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This adjustment decreased beginning net position by \$510,698.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

10. Changes in Beginning Balances (continued)

Business-Type Activities

Water and Sewer Enterprise Fund

A prior period adjustment has been made to record a net pension liability and related deferred outflows/inflows of resources at December 31, 2014. This adjustment was required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This adjustment decreased beginning net position by \$58,354.

Electric Enterprise Fund

A prior period adjustment has been made to record a net pension liability and related deferred outflows/inflows of resources at December 31, 2014. This adjustment was required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This adjustment decreased beginning net position by \$110,085.

A prior period adjustment has been made to correct the balance of customer deposits payable at December 31, 2014. This adjustment increased beginning net position by \$62,205.

The net effect of these adjustments decreased beginning net position in the Electric Enterprise Fund by \$47,880.

Solid Waste Enterprise Fund

A prior period adjustment has been made to record a net pension liability and related deferred outflows/inflows of resources at December 31, 2014. This adjustment was required with the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. This adjustment decreased beginning net position by \$85,147.

The net effect of these adjustments decreased beginning net position in the Business-Type Activities by \$191,381.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

11. Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for fiscal year ended December 31, 2015:

	<u>General</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Restricted for:			
Public Works			
Transportation improvements	\$ 2,256	\$ 232,404	\$ 234,660
Culture and Recreation			
Historical properties	0	7,419	7,419
Callaway Plantation	0	38,660	38,660
Capital Projects	0	57,399	57,399
	<u>\$ 2,256</u>	<u>\$ 335,882</u>	<u>\$ 338,138</u>
Assigned for:			
Public Works			
Cemetery care	\$ 0	\$ 171,097	\$ 171,097
Culture and Recreation			
Callaway Plantation operations	0	2,281	2,281
Callaway Plantation furnishings	0	23,700	23,700
Housing and Development			
Economic development	0	4,864	4,864
Capital Projects	0	27	27
Subsequent Budget	26,000	0	26,000
	<u>\$ 26,000</u>	<u>\$ 201,969</u>	<u>\$ 227,969</u>

12. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the City purchases commercial insurance.

For the last three years, settled claims have not exceeded commercial insurance coverage, nor has there been any reduction in insurance.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

13. Pension Plan

Defined Benefit Pension Plan

Plan Description. The City, as authorized by the City Council, has established a defined benefit pension plan (The City of Washington Retirement Plan) covering all full-time employees. The City's pension plan is affiliated with the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. Contributions made by the City are commingled with contributions made by other members of GMEBS for investment purposes. Participants are not allowed to contribute to the Plan. The City does not own any securities on its own. Investment income from the securities is allocated on a pro rata basis. The Georgia Municipal Association issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, NW, Atlanta, Georgia 30303 or by calling (404) 688-0472.

At July 1, 2014, the date of the most recent actuarial valuation, there were 149 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	45
Terminated vested participants entitled to but not yet receiving benefits	34
Active participants - vested	42
Active participants - not vested	28
Total number of participants	<hr style="border: 1px solid black;"/> <hr style="border: 1px solid black;"/> 149

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

Benefits Provided. As provided by state law, benefit provisions for participants in GMEBS are established by the respective employers. As authorized by City Council, the plan provides pension benefits and death and disability benefits for plan members and beneficiaries. All eligible employees and elected officials are eligible to participate immediately at the commencement of employment. Benefits vest after ten years of service for employees and immediately for elected officials. The benefit formula is 1.00%-1.75% for employees and 1.25%-2.00% for each year of credited service.

An employee may elect early retirement at age 55 provided they have a minimum of 10 years total credited service to receive full benefits, otherwise early retirement may be elected after only 10 years of service for reduced benefits. Elected officials are entitled to \$16 for each year of service after reaching normal retirement age.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. This funding policy, as specified by ordinance, has been the same since the inception of the plan. The City's actuarially determined contribution rate for the year ended December 31, 2015 was \$254,240, or 12.59% of covered-employee payroll.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At December 31, 2015, the City reported a net pension liability of \$815,164. The net pension liability was measured as of March 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2015. For the year ended December 31, 2015, the City recognized pension expense of \$165,323.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 48,329	\$ 0
Changes of assumptions	0	(41,631)
Net difference between projected and actual earnings on pension plan investments	0	(90,969)
City contributions subsequent to the measurement date	<u>150,871</u>	<u>0</u>
Totals	<u>\$ 199,200</u>	<u>\$ (132,600)</u>

The \$150,871 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending December 31, 2016. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2016	\$ (20,509)
2017	(20,509)
2018	(20,509)
2019	<u>(22,744)</u>
Totals	<u>\$ (84,271)</u>

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

Inflation	3.50%
Projected salary increases	3.50% plus age and service based merit increases
Cost of living adjustments	0.00%
Net investment rate of return	7.75%

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

The mortality and economic actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period of July 1, 2005 through June 30, 2009.

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 December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Long-Term Nominal Real Rate of Return</u>
Domestic equity	50%	5.50%	9.00%
International equity	10%	5.50%	9.00%
Fixed income	35%	2.50%	6.00%
Real estate	5%	4.00%	7.50%
Cash	0%		
Total	<u>100%</u>		

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

13. Pension Plans (continued)

Defined Benefit Pension Plan, continued

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

Changes in Net Pension Liability (Asset)

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at March 31, 2014	\$ 6,786,438	\$ 5,798,087	\$ 988,351
Changes for the year:			
Service cost	104,710	0	104,710
Interest	515,810	0	515,810
Differences between expected and actual experience	64,438	0	64,438
Contributions—employer	0	254,240	(254,240)
Net investment income	0	562,237	(562,237)
Benefit payments, including refunds of employee contributions	(261,651)	(261,651)	0
Administrative expense	0	(13,839)	13,839
Other changes	(55,507)	0	(55,507)
Net changes	367,800	540,987	(173,187)
Balances at March 31, 2015	\$ 7,154,238	\$ 6,339,074	\$ 815,164

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

13. Pension Plans (continued)

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

	<u>Discount Rate</u>	<u>Net Pension Liability (Asset)</u>
1% decrease	6.75%	\$ 1,733,467
Current discount rate	7.75%	815,164
1% increase	8.75%	48,601

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report.

Other Plans

In addition to the plan above, various City employees are also covered under the Peace Officers' Annuity and Benefit Fund of Georgia and the Georgia Firefighters' Pension Fund. Further information regarding these plans can be obtained from the plans' annual reports.

14. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the Central Savannah River Area, is a member of the CSRA Regional Commission (CSRARC) and is required to pay annual dues thereto. During the year ended December 31, 2015, the City paid \$4,134 in such dues. 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 RCs in Georgia. The RC board 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. A copy of the CSRARC financial statements can be obtained from the Central Savannah River Area Regional Commission, 3023 Riverwatch Parkway, Suite A, Augusta, Georgia 30907.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

14. Joint Ventures (continued)

The Washington-Wilkes Payroll Development Authority is a governmental organization chartered by the State of Georgia. It is formed for the purpose of promoting business development in Wilkes County, Georgia and the City of Washington, Georgia. The Authority is reported as a discretely presented component unit of Wilkes County, Georgia.

The Authority has a five member board consisting of the Wilkes County Chairman, the City of Washington Mayor, the President of the Chamber of Commerce, one appointee by the County Chairman and one appointee by the City Mayor. The member governments are contingently liable for the debts of the Authority. At December 31, 2015, the outstanding debt of the Authority was approximately \$172,888. The Authority was current on all debts as of December 31, 2015. The City has a contingency liability of \$86,444 as of December 31, 2015. A copy of the Authority financial statements can be obtained from the Washington-Wilkes Payroll Development Authority, 23 Court Street, Washington, Georgia 30673.

15. Joint Ventures With Equity Interest

The City and other members of MEAG's telecommunication project created Georgia Public Web (a Georgia not for profit corporation) to provide internet and telecommunication services to customers in Georgia. On August 1, 2000, the City signed a 50 year commitment to contribute, on a monthly basis, a proportionate share of the difference between GPW's budgeted costs and revenues. The City's proportionate share is 1.93%. For the year ended December 31, 2015, the City's cost was \$18,793 in services obtained from GPW and the City's share of profits was \$20,501. A copy of the Georgia Public Web financial statements can be obtained from Georgia Public Web, 1470 Riveredge Parkway, Atlanta, Georgia 30328.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

16. Related Organizations

On August 21, 1951, the City of Washington (the "City") entered into a cooperative agreement with the Housing Authority of the City of Washington, Georgia (the "Housing Authority"). Under the terms of this agreement, the Housing Authority agrees to endeavor to secure a contract or contracts 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 250 units of low-rent housing located within the corporate limits of the City of Washington. 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 property taxes or special assessments upon such projects or upon the Housing Authority with respect thereto as long as:

- i. the projects are owned or
- ii. a contract exists between the Housing Authority and the PHA, or
- iii. bonds issued in connection with the 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 furnished from time to time without other cost or charge for or with respect to such project. The Payment in Lieu of Taxes shall be an amount equal to either:

- i. ten percent (10%) of the aggregate during such fiscal year, or
- ii. the amount permitted to be paid by applicable state law.

For the year ended December 31, 2015, Payment in Lieu of Taxes paid to the City was \$6,610.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

17. Revolving Loan Fund

During the year ended December 31, 2007, Fitzpatrick, LLC began making repayments in accordance with the RFP Loan Agreement, which was signed December 30, 2002. The original principal amount due to the City was \$250,000. Principal and interest are due in 240 equal consecutive monthly installments of \$1,130. No payments are being made and the funds from the repayment of this loan are maintained in a separate bank account. A Revolving Loan Fund (RLF) has been established. The RLF follows the guidelines regulated by the Georgia Department of Community Affairs. The Company is currently in bankruptcy and the entire balance of the loan is considered uncollectible. An allowance has been established for the full amount of the receivable. The activity from 2015 is summarized as follows:

Beginning Balance	\$ 2,518
Plus interest earned	3
Less funds returned to DCA	<u>(2,521)</u>
Ending Balance	<u><u>\$ 0</u></u>

18. Commitments and Contingencies

Commitments

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling \$7,974,306 from MEAG during the year ended December 31, 2015. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply. At December 31, 2015, the outstanding debt of MEAG was approximately \$6.83 billion. The City of Washington's guarantee varies by individual MEAG project and totals \$58,839,355.

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015

18. Commitments and Contingencies (continued)

Commitments, continued

The Trust created four types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of December 31, 2015, the balance in this account was \$407,578. This amount is included in unrestricted investments in the Electric Fund. The generation trust account is used to offset the City's share of future MEAG generation projects. As of December 31, 2015, the balance in this account was \$547,436. This amount is included in restricted investments in the Electric Fund.

The two additional accounts created were the credit support operating and the reserve funded debt account. The funds in the credit support operating account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can only be applied to charges related to MEAG's bond obligations. The balances of these accounts at December 31, 2015, were \$0 and \$1,548,392, respectively. Due to the restricted nature of these funds, neither is shown in the Electric Fund.

Contingencies

The City receives grant funds, principally from the U.S. Government for various programs. Expenditures from these grants are subject to audit and the City is contingently liable to refund amounts received in excess of allowable expenditures.

Based on the advice of the city attorney, there are no measurable, material claims outstanding against the City at December 31, 2015.

Approximately 30% of electric and water/sewer revenues are generated from one customer.

18. Subsequent Events

On April 1, 2016, the City entered into a lease agreement for several pieces of equipment in the amount of \$344,614.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN YEARS
December 31, 2015
(Unaudited)

	Year End
	2015
Total pension liability	
Service cost	\$ 104,710
Interest	515,810
Differences between expected and actual experience	64,438
Changes of assumptions	(55,507)
Benefit payments, including refunds of employee contributions	(261,651)
Net change in total pension liability	367,800
Total pension liability - beginning	6,786,438
Total pension liability - ending (a)	\$ 7,154,238
 Plan fiduciary net position	
Contributions - employer	\$ 254,240
Net investment income	562,237
Benefit payments, including refunds of employee contributions	(261,651)
Administrative expense	(13,839)
Net change in total pension liability	540,987
Plan fiduciary net position - beginning	5,798,087
Plan fiduciary net position - ending (b)	\$ 6,339,074
 Net pension liability (asset) - ending : (a) - (b)	\$ 815,164
Plan's fiduciary net position as a percentage of the total pension liability	88.61%
Covered-employee payroll	\$ 2,020,005
Net pension liability as a percentage of covered-employee payroll	40.35%

Note: Year 2015 was the first year of implementation. Therefore, only one year is shown.

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN YEARS
December 31, 2015
(Unaudited)

	Year End
	2015
Actuarially determined contribution	\$ 254,240
Contributions in relation to the actuarially determined contribution	(254,240)
Contribution deficiency (excess)	\$ 0
Covered-employee payroll	\$ 2,020,005
Contributions as a percentage of covered-employee payroll	12.59%

Note: Fiscal year 2015 was the first year of implementation. Therefore, only one year is shown.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

1. Valuation Date

The actuarially determined contribution rate was determined as of July 1, 2014, with an interest adjustment to the year. Contributions in relation to this actuarially determined contribution rate will be reported for the year ending December 31, 2015.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Projected unit credit

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = Remaining amortization period varies for the bases, with a net effective amortization period of 10 years

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 end of 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 = 3.50% plus service based merit increases

Cost of living adjustments = 2.5% for benefits earned before January 1, 2015; 0.00% thereafter

Retirement age for inactive vested participants = 65

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

CITY OF WASHINGTON, GEORGIA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2015

3. Changes in Benefits

Effective July 1, 2014, the City's police and E911 departments were eliminated. Active employees in these positions are no longer earning a benefit under the plan. Also, effective July 1, 2014, the cost of living allowance will not apply to benefits earned after January 1, 2015.

4. Changes of Assumptions

There were no changes in methods or assumptions from the prior valuation.

This page intentionally left blank.

COMBINING STATEMENTS

Nonmajor Governmental Funds

**CITY OF WASHINGTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015**

	<u>Special Revenue</u>				
	<u>Confiscated Assets</u>	<u>E-911</u>	<u>Urban Redevelopment</u>	<u>Callaway Plantation Operating</u>	<u>Callaway Plantation Furnishings</u>
ASSETS					
Cash and cash equivalents	\$ 0	\$ 0	\$ 4,864	\$ 0	\$ 23,700
Investments	0	0	0	2,281	0
Receivables					
Intergovernmental	0	0	0	0	0
Taxes	0	0	0	0	0
Total assets	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,864</u>	<u>\$ 2,281</u>	<u>\$ 23,700</u>
FUND BALANCES					
Nonspendable					
Contractually required to be maintained intact	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Restricted	0	0	0	0	0
Assigned	0	0	4,864	2,281	23,700
Total fund balances	<u>0</u>	<u>0</u>	<u>4,864</u>	<u>2,281</u>	<u>23,700</u>
Total liabilities and fund balances	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 4,864</u>	<u>\$ 2,281</u>	<u>\$ 23,700</u>

<u>Special Revenue</u>	<u>Capital Projects</u>			<u>Permanent</u>		
<u>TSPLOST Discretionary</u>	<u>SPLOST</u>	<u>CDBG/CHIP Grant</u>	<u>Cemetery Perpetual Care</u>	<u>Historical Properties Commission Trust</u>	<u>Callaway Charitable Trust Endowment Principal</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 219,965 0	\$ 3,347 0	\$ 27 0	\$ 0 171,097	\$ 0 17,409	\$ 37,848 10,802	\$ 289,751 201,589
0 12,439	54,052 0	0 0	0 0	0 0	0 0	54,052 12,439
<u>\$ 232,404</u>	<u>\$ 57,399</u>	<u>\$ 27</u>	<u>\$ 171,097</u>	<u>\$ 17,409</u>	<u>\$ 48,650</u>	<u>\$ 557,831</u>
\$ 0 232,404 0	\$ 0 57,399 0	\$ 0 0 27	\$ 0 0 171,097	\$ 9,990 7,419 0	\$ 9,990 38,660 0	\$ 19,980 335,882 201,969
<u>232,404</u>	<u>57,399</u>	<u>27</u>	<u>171,097</u>	<u>17,409</u>	<u>48,650</u>	<u>557,831</u>
<u>\$ 232,404</u>	<u>\$ 57,399</u>	<u>\$ 27</u>	<u>\$ 171,097</u>	<u>\$ 17,409</u>	<u>\$ 48,650</u>	<u>\$ 557,831</u>

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the year ended December 31, 2015

	Special Revenue				
	Confiscated Assets	E-911	Urban Redevelopment	Callaway Plantation Operating	Callaway Plantation Furnishings
REVENUES					
Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Charges for services	0	0	0	0	200
Intergovernmental	0	0	0	0	0
Contributions	0	0	0	0	0
Interest	2	0	0	6	0
Total revenues	<u>2</u>	<u>0</u>	<u>0</u>	<u>6</u>	<u>200</u>
EXPENDITURES					
Current					
Public Safety	0	113,106	0	0	0
Public Works	0	0	0	0	0
Housing and Development	0	0	28,759	0	0
Total expenditures	<u>0</u>	<u>113,106</u>	<u>28,759</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2</u>	<u>(113,106)</u>	<u>(28,759)</u>	<u>6</u>	<u>200</u>
Other financing sources (uses)					
Transfers in	0	107,622	28,289	0	0
Transfers out	(4,797)	0	0	0	0
Total other financing sources (uses)	<u>(4,797)</u>	<u>107,622</u>	<u>28,289</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(4,795)</u>	<u>(5,484)</u>	<u>(470)</u>	<u>6</u>	<u>200</u>
Fund balances, January 1	<u>4,795</u>	<u>5,484</u>	<u>5,334</u>	<u>2,275</u>	<u>23,500</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,864</u></u>	<u><u>\$ 2,281</u></u>	<u><u>\$ 23,700</u></u>

<u>Special Revenue</u>	<u>Capital Projects</u>		<u>Permanent</u>			<u>Total Nonmajor Governmental Funds</u>
<u>TSPLOST Discretionary</u>	<u>SPLOST</u>	<u>CDBG/CHIP Grant</u>	<u>Cemetery Perpetual Care</u>	<u>Historical Properties Commission Trust</u>	<u>Callaway Charitable Trust Endowment Principal</u>	
\$ 131,441	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 131,441
0	0	0	0	0	0	200
0	297,827	100,374	0	0	0	398,201
0	0	500	0	0	0	500
298	209	0	558	53	108	1,234
<u>131,739</u>	<u>298,036</u>	<u>100,874</u>	<u>558</u>	<u>53</u>	<u>108</u>	<u>531,576</u>
0	0	0	0	0	0	113,106
116,630	0	0	0	0	0	116,630
0	0	117,052	0	0	0	145,811
<u>116,630</u>	<u>0</u>	<u>117,052</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>375,547</u>
15,109	298,036	(16,178)	558	53	108	156,029
0	0	15,447	0	0	0	151,358
0	(624,672)	0	(19,000)	0	0	(648,469)
0	(624,672)	15,447	(19,000)	0	0	(497,111)
15,109	(326,636)	(731)	(18,442)	53	108	(341,082)
<u>217,295</u>	<u>384,035</u>	<u>758</u>	<u>189,539</u>	<u>17,356</u>	<u>48,542</u>	<u>898,913</u>
<u>\$ 232,404</u>	<u>\$ 57,399</u>	<u>\$ 27</u>	<u>\$ 171,097</u>	<u>\$ 17,409</u>	<u>\$ 48,650</u>	<u>\$ 557,831</u>

This page intentionally left blank.

COMBINING STATEMENTS

Nonmajor Enterprise Funds

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2015

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
ASSETS			
Current assets			
Accounts receivable (net)	\$ 66,397	\$ 24,831	\$ 91,228
Prepaid items	1,570	0	1,570
Total current assets	<u>67,967</u>	<u>24,831</u>	<u>92,798</u>
Noncurrent assets			
Investment in joint venture	0	499,750	499,750
Capital assets			
Depreciable (net)	124,619	2,537	127,156
Total noncurrent assets	<u>124,619</u>	<u>502,287</u>	<u>626,906</u>
Total assets	<u>192,586</u>	<u>527,118</u>	<u>719,704</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension contributions subsequent to the measurement date	16,808	0	16,808
Pension experience differences	5,384	0	5,384
Total deferred outflows of resources	<u>22,192</u>	<u>0</u>	<u>22,192</u>
LIABILITIES			
Current liabilities			
Accounts payable	16,130	0	16,130
Accrued salaries and payroll liabilities	7,641	0	7,641
Compensated absences	4,620	0	4,620
Total current liabilities	<u>28,391</u>	<u>0</u>	<u>28,391</u>
Long-term liabilities			
Net pension liability	90,816	0	90,816
Total liabilities	<u>119,207</u>	<u>0</u>	<u>119,207</u>
DEFERRED INFLOWS OF RESOURCES			
Pension assumption changes	4,638	0	4,638
Pension investment return differences	10,135	0	10,135
Total deferred inflows of resources	<u>14,773</u>	<u>0</u>	<u>14,773</u>
NET POSITION			
Investment in capital assets	124,619	2,537	127,156
Unrestricted	(43,821)	524,581	480,760
Total net position	<u>\$ 80,798</u>	<u>\$ 527,118</u>	<u>\$ 607,916</u>

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2015

	Business-Type Activities		Total Nonmajor Enterprise Funds
	Solid Waste	Internet Telecommunications	
OPERATING REVENUES			
Charges for sales and services	\$ 517,648	\$ 8,206	\$ 525,854
Total operating revenues	<u>517,648</u>	<u>8,206</u>	<u>525,854</u>
OPERATING EXPENSES			
Costs of sales and services	190,797	18,878	209,675
Personal services	353,254	0	353,254
Depreciation	26,382	4,771	31,153
Total operating expenses	<u>570,433</u>	<u>23,649</u>	<u>594,082</u>
Operating income (loss)	(52,785)	(15,443)	(68,228)
Non-operating revenues (expenses)			
Interest and investment earnings	0	20,501	20,501
Net income (loss) before transfers	<u>(52,785)</u>	<u>5,058</u>	<u>(47,727)</u>
Transfers in (out)			
Transfers in	352,991	0	352,991
Transfers out	(405,700)	(10,393)	(416,093)
Total transfers in (out)	<u>(52,709)</u>	<u>(10,393)</u>	<u>(63,102)</u>
Change in net position	<u>(105,494)</u>	<u>(5,335)</u>	<u>(110,829)</u>
Net position, January 1 (original)	271,439	532,453	803,892
Prior period adjustments	(85,147)	0	(85,147)
Net position, January 1 (restated)	<u>186,292</u>	<u>532,453</u>	<u>718,745</u>
Net position, December 31	<u>\$ 80,798</u>	<u>\$ 527,118</u>	<u>\$ 607,916</u>

CITY OF WASHINGTON, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the year ended December 31, 2015

	Business-Type Activities		
	Solid Waste	Internet Telecommunications	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	\$ 516,162	\$ 8,428	\$ 524,590
Payments to suppliers	(173,373)	(18,878)	(192,251)
Payments to employees	(358,361)	0	(358,361)
Net cash provided (used) by operating activities	<u>(15,572)</u>	<u>(10,450)</u>	<u>(26,022)</u>
Cash flows from non-capital financing activities:			
Receipts from other funds	447,847	0	447,847
Payments to other funds	(405,700)	(10,393)	(416,093)
Net cash provided (used) by non-capital financing activities	<u>42,147</u>	<u>(10,393)</u>	<u>31,754</u>
Cash flows from capital and related financing activities:			
Payments for acquisitions of capital assets	(26,575)	0	(26,575)
Cash flows from investing activities			
Interest and investment earnings received	0	20,501	20,501
Proceeds from sale of investments	0	342	342
Net cash provided (used) by investing activities	<u>0</u>	<u>20,843</u>	<u>20,843</u>
Net increase (decrease) in cash and cash equivalents	0	0	0
Cash and cash equivalents, January 1	0	0	0
Cash and cash equivalents, December 31	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (52,785)	\$ (15,443)	\$ (68,228)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	26,382	4,771	31,153
(Increase) decrease in accounts receivable	(1,486)	222	(1,264)
(Increase) decrease in prepaid items	1,294	0	1,294
(Increase) decrease in pension contributions made after measurement date	(16,808)	0	(16,808)
(Increase) decrease in pension experience differences	(5,384)	0	(5,384)
Increase (decrease) in accounts payable	16,130	0	16,130
Increase (decrease) in accrued payroll liabilities	(3,356)	0	(3,356)
Increase (decrease) in net pension liability	5,668	0	5,668
Increase (decrease) in pension assumption changes	4,638	0	4,638
Increase (decrease) in pension investment return differences	10,135	0	10,135
Total adjustments	<u>37,213</u>	<u>4,993</u>	<u>42,206</u>
Net cash provided (used) by operating activities	<u>\$ (15,572)</u>	<u>\$ (10,450)</u>	<u>\$ (26,022)</u>

GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF WASHINGTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
ASSETS		
Cash and cash equivalents	\$ 111,162	\$ 231,201
Investments	3,188	3,180
Restricted cash and cash equivalents	2,256	4,771
Receivables (net)		
Accounts	6,644	57,827
Intergovernmental	44,152	21,099
Taxes	367,310	198,835
Prepaid items	11,632	152,313
	<u>546,344</u>	<u>669,226</u>
Total assets	\$ 546,344	\$ 669,226
 LIABILITIES		
Accounts payable	\$ 124,975	\$ 224,805
Accrued salaries and payroll liabilities	60,942	45,518
Unearned revenue	33,715	33,800
	<u>219,632</u>	<u>304,123</u>
Total liabilities	219,632	304,123
 DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - property taxes	32,986	53,468
	<u>32,986</u>	<u>53,468</u>
 FUND BALANCES		
Nonspendable		
Prepaid items	11,632	152,313
Restricted	2,256	4,771
Assigned	26,000	154,551
Unassigned	253,838	0
	<u>293,726</u>	<u>311,635</u>
Total fund balances	293,726	311,635
	<u>546,344</u>	<u>669,226</u>
Total liabilities, deferred inflows of resources and fund balances	\$ 546,344	\$ 669,226

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Taxes	\$ 1,699,895	\$ 1,774,087
Licenses and permits	30,663	37,782
Fines, fees and forfeitures	56,301	104,444
Charges for services	760,618	53,923
Intergovernmental	1,021,276	311,079
Interest	346	783
Contributions	9,355	2,945
Other	352,573	138,755
Total revenues	<u>3,931,027</u>	<u>2,423,798</u>
EXPENDITURES		
Current		
General Government	1,161,887	579,525
Judicial	55,660	37,131
Public Safety	2,328,521	1,812,630
Public Works	1,023,381	957,724
Health and Welfare	272,086	248,325
Culture and Recreation	358,156	394,870
Housing and Development	275,017	230,478
Debt Service	151,035	557,926
Total expenditures	<u>5,625,743</u>	<u>4,818,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,694,716)</u>	<u>(2,394,811)</u>
Other financing sources (uses)		
Transfers in (out)		
E-911 Special Revenue Fund	(107,622)	(119,011)
Urban Redevelopment Special Revenue Fund	(28,289)	(11,976)
CDBG/CHIP Grant Capital Projects Fund	(15,447)	(111,312)
Confiscated Assets Special Revenue Fund	4,797	0
Cemetery Perpetual Care Permanent Fund	19,000	0
Callaway Charitable Trust Endowment Principal Permanent Fund	0	(5)
Electric Enterprise Fund	2,649,848	2,469,024
Water Enterprise Fund	(493,087)	0
Solid Waste Enterprise Fund	(352,991)	(140,032)
Sale of capital assets	598	37,600
Issuance of notes payable	0	441,516
Total other financing sources (uses)	<u>1,676,807</u>	<u>2,565,804</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(17,909)</u>	<u>170,993</u>
Fund balances, January 1 (original)	311,635	104,302
Prior period adjustments	0	36,340
Fund balances, January 1 (restated)	<u>311,635</u>	<u>140,642</u>
Fund balances, December 31	<u>\$ 293,726</u>	<u>\$ 311,635</u>

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
General property taxes				
Real and personal tax	\$ 823,400	\$ 720,593	\$ (102,807)	\$ 791,906
Motor vehicle tax	128,800	128,837	37	123,281
Mobile home tax	5,500	4,258	(1,242)	5,706
Cost, penalties and interest	35,000	34,862	(138)	55,169
Total general property taxes	992,700	888,550	(104,150)	976,062
Local option sales tax	315,000	285,250	(29,750)	293,835
Insurance premium tax	238,200	238,203	3	222,966
Intangibles tax	3,000	3,278	278	3,577
Real estate transfer tax	1,200	929	(271)	264
Franchise tax	100,200	94,948	(5,252)	101,950
Beer and wine tax	123,000	120,766	(2,234)	123,061
Occupational tax	49,000	49,475	475	50,604
Energy excise tax	18,640	18,496	(144)	1,768
Total taxes	1,840,940	1,699,895	(141,045)	1,774,087
Licenses and permits				
Alcohol licenses	28,500	26,400	(2,100)	30,450
Building permits	8,500	4,263	(4,237)	7,332
Total licenses and permits	37,000	30,663	(6,337)	37,782
Fines, fees and forfeitures	36,400	56,301	19,901	104,444
Charges for Services				
Indirect cost allocation charges	677,300	677,315	15	0
Fire protection charges	0	2,461	2,461	0
Recreation fees	42,182	41,999	(183)	24,795
Cemetery charges	7,400	2,775	(4,625)	5,160
Other charges for services	25,650	36,068	10,418	23,968
Total charges for services	752,532	760,618	8,086	53,923
Intergovernmental	1,025,134	1,021,276	(3,858)	311,079
Interest	799	346	(453)	783
Contributions	17,716	9,355	(8,361)	2,945
Other				
Rental Income	105,339	110,791	5,452	89,054
Miscellaneous	197,550	241,782	44,232	49,701
Total other	302,889	352,573	49,684	138,755
Total revenues	\$ 4,013,410	\$ 3,931,027	\$ (82,383)	\$ 2,423,798

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Executive Administration				
Personal services	\$ 495,722	\$ 477,058	\$ 18,664	\$ 160,724
Contract services	397,665	388,699	8,966	103,900
Materials and supplies	31,300	57,863	(26,563)	10,777
Capital outlay	0	0	0	12,207
Payments to others	850	832	18	24,005
Total Executive Administration	<u>925,537</u>	<u>924,452</u>	<u>1,085</u>	<u>311,613</u>
City Hall Annex				
Personal services	5,600	4,044	1,556	5,432
Contract services	4,710	5,656	(946)	1,014
Materials and supplies	6,540	7,135	(595)	5,322
Total City Hall Annex	<u>16,850</u>	<u>16,835</u>	<u>15</u>	<u>11,768</u>
General Government Buildings				
Personal services	230,666	188,494	42,172	229,990
Contract services	23,210	13,860	9,350	13,032
Materials and supplies	21,500	13,226	8,274	13,122
Capital Outlay	25,000	5,020	19,980	0
Total General Government Buildings	<u>300,376</u>	<u>220,600</u>	<u>79,776</u>	<u>256,144</u>
Total General Government	<u>1,242,763</u>	<u>1,161,887</u>	<u>80,876</u>	<u>579,525</u>
Judicial				
Municipal Court				
Personal services	27,203	28,794	(1,591)	10,327
Contract services	29,280	25,070	4,210	22,662
Materials and supplies	250	1,406	(1,156)	351
Payments to others	0	390	(390)	3,791
Total Municipal Court	<u>56,733</u>	<u>55,660</u>	<u>1,073</u>	<u>37,131</u>
Public Safety				
Police				
Personal services	1,535	1,529	6	491,433
Contract services	516,000	522,959	(6,959)	341,476
Materials and supplies	235	230	5	41,259
Payments to others	0	0	0	16,079
Total Police	<u>517,770</u>	<u>524,718</u>	<u>(6,948)</u>	<u>890,247</u>

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
Public Safety (continued)				
Fire				
Personal services	\$ 670,750	\$ 683,108	\$ (12,358)	\$ 649,199
Contract services	98,200	92,019	6,181	65,686
Materials and supplies	71,150	37,375	33,775	79,001
Capital outlay	848,334	875,553	(27,219)	21,697
Total Fire	<u>1,688,434</u>	<u>1,688,055</u>	<u>379</u>	<u>815,583</u>
Animal Control				
Contract services	30,000	29,978	22	22,500
Materials and supplies	1,000	970	30	0
Payments to others	84,500	84,500	0	84,000
Total Animal Control	<u>115,500</u>	<u>115,448</u>	<u>52</u>	<u>106,500</u>
Emergency Management				
Payments to others	300	300	0	300
Total Public Safety	<u>2,322,004</u>	<u>2,328,521</u>	<u>(6,517)</u>	<u>1,812,630</u>
Public Works				
Highways and Streets				
Personal services	441,845	450,003	(8,158)	384,848
Contract services	239,675	255,918	(16,243)	261,707
Materials and supplies	162,100	117,344	44,756	140,076
Capital outlay	31,520	51,869	(20,349)	29,318
Total Highways and Streets	<u>875,140</u>	<u>875,134</u>	<u>6</u>	<u>815,949</u>
Street Lighting				
Payments to others	132,500	132,441	59	131,877
Cemetery				
Personal services	5,820	5,606	214	5,743
Contract services	750	41	709	70
Materials and supplies	7,400	852	6,548	1,110
Capital outlay	5,000	9,307	(4,307)	2,975
Total Cemetery	<u>18,970</u>	<u>15,806</u>	<u>3,164</u>	<u>9,898</u>
Total Public Works	<u>1,026,610</u>	<u>1,023,381</u>	<u>3,229</u>	<u>957,724</u>
Health and Welfare				
Community Services				
Contract services	50,000	24,243	25,757	33,333
Payments to others	124,425	122,828	1,597	126,151
Total Community Services	<u>174,425</u>	<u>147,071</u>	<u>27,354</u>	<u>159,484</u>

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
Health and Welfare (continued)				
Community Center				
Personal services	\$ 49,095	\$ 57,518	\$ (8,423)	\$ 45,523
Contract services	35,000	45,427	(10,427)	23,326
Materials and supplies	24,500	22,070	2,430	19,992
Capital outlay	20,000	0	20,000	0
Total Community Center	<u>128,595</u>	<u>125,015</u>	<u>3,580</u>	<u>88,841</u>
Total Health and Welfare	<u>303,020</u>	<u>272,086</u>	<u>30,934</u>	<u>248,325</u>
Culture and Recreation				
Libraries				
Payments to others	62,900	62,900	0	65,013
Callaway Plantation				
Personal services	36,400	31,579	4,821	28,535
Contract services	23,650	18,535	5,115	14,221
Materials and supplies	15,100	11,644	3,456	13,661
Total Callaway Plantation	<u>75,150</u>	<u>61,758</u>	<u>13,392</u>	<u>56,417</u>
Museum				
Personal services	43,543	42,577	966	40,426
Contract services	14,145	14,958	(813)	7,297
Materials and supplies	9,300	6,277	3,023	6,132
Capital outlay	2,850	6,012	(3,162)	0
Total Museum	<u>69,838</u>	<u>69,824</u>	<u>14</u>	<u>53,855</u>
Historic Properties				
Personal services	0	0	0	47,582
Contract services	0	0	0	2,279
Materials and supplies	0	0	0	541
Total Historic Properties	<u>0</u>	<u>0</u>	<u>0</u>	<u>50,402</u>
Park Areas				
Payments to others	110,470	110,469	1	110,414
Booker Park Pool				
Personal services	44,925	38,430	6,495	48,315
Contract services	1,960	949	1,011	2,323
Materials and supplies	11,900	13,826	(1,926)	8,131
Total Booker Park Pool	<u>58,785</u>	<u>53,205</u>	<u>5,580</u>	<u>58,769</u>
Total Culture & Recreation	<u>377,143</u>	<u>358,156</u>	<u>18,987</u>	<u>394,870</u>

CITY OF WASHINGTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
Housing and Development				
Planning and Zoning				
Personal services	\$ 119,405	\$ 125,876	\$ (6,471)	\$ 69,484
Contract services	21,600	5,302	16,298	7,058
Materials and supplies	4,200	3,532	668	2,481
Payments to others	250	0	250	0
Total Planning and Zoning	<u>145,455</u>	<u>134,710</u>	<u>10,745</u>	<u>79,023</u>
Economic Development & Assistance				
Personal services	0	0	0	9,261
Contract services	0	0	0	283
Total Economic Development & Assistance	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,544</u>
Community Development and Housing				
Personal services	58,635	60,317	(1,682)	50,892
Contract services	14,300	3,787	10,513	5,338
Materials and supplies	2,000	2,423	(423)	4,601
Payments to others	5,000	2,812	2,188	11,201
Total Community Development and Housing	<u>79,935</u>	<u>69,339</u>	<u>10,596</u>	<u>72,032</u>
Mainstreet Division				
Personal services	44,590	42,939	1,651	27,775
Contract services	22,485	24,678	(2,193)	7,489
Materials and supplies	1,250	1,250	0	813
Payments to others	4,000	2,101	1,899	33,802
Total Mainstreet Division	<u>72,325</u>	<u>70,968</u>	<u>1,357</u>	<u>69,879</u>
Total Housing and Development	<u>297,715</u>	<u>275,017</u>	<u>22,698</u>	<u>230,478</u>
Total Current	<u>5,625,988</u>	<u>5,474,708</u>	<u>151,280</u>	<u>4,260,683</u>
Debt Service				
Principal	117,405	117,500	(95)	515,087
Interest	33,655	33,535	120	42,839
Total Debt Service	<u>151,060</u>	<u>151,035</u>	<u>25</u>	<u>557,926</u>
Total Expenditures	<u>\$ 5,777,048</u>	<u>\$ 5,625,743</u>	<u>\$ 151,305</u>	<u>\$ 4,818,609</u>

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

Confiscated Assets Fund – This fund is used to account for the cash or property received from drug confiscations restricted for law enforcement.

E-911 Fund – This fund is used to account for the fiscal activity relating to the imposition, collection, and uses of the E-911 emergency telephone number system fees.

Urban Redevelopment Fund – This fund is used to account for receipts and disbursements of Urban Redevelopment activity.

Callaway Plantation Operating Trust Fund – This fund is used to account for receipts and disbursements of monies collected from operating the Callaway Plantation Tourism Center.

Callaway Plantation Furnishings Trust Fund – This fund is used to account for receipts and disbursements of funds collected for maintaining the furnishings of the Callaway Plantation Tourism Center.

TSPLOST Discretionary Fund – This fund is used to account for TSPLOST funds received from the Georgia Financing Authority.

**CITY OF WASHINGTON, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014**

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 0	\$ 4,795
Total assets	\$ 0	\$ 4,795
 LIABILITIES		
 FUND BALANCES		
Restricted for Public Safety	\$ 0	\$ 4,795
Total liabilities and fund balances	\$ 0	\$ 4,795

**CITY OF WASHINGTON, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015**

(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
REVENUES				
Fines and forfeitures	\$ 0	\$ 0	\$ 0	\$ 4,795
Interest income	0	2	2	0
Total revenues	<u>0</u>	<u>2</u>	<u>2</u>	<u>4,795</u>
EXPENDITURES				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	0	2	2	4,795
Other financing sources (uses)				
Transfer out	<u>(4,800)</u>	<u>(4,797)</u>	<u>3</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(4,800)	(4,795)	5	4,795
Fund balance, January 1	<u>4,800</u>	<u>4,795</u>	<u>(5)</u>	<u>0</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 4,795</u></u>

**CITY OF WASHINGTON, GEORGIA
E-911 SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014**

	2015	2014
ASSETS		
Due from other funds	\$ 0	\$ 5,484
Total assets	\$ 0	\$ 5,484
 LIABILITIES		
 FUND BALANCES		
Assigned	\$ 0	\$ 5,484
Total liabilities and fund balances	\$ 0	\$ 5,484

**CITY OF WASHINGTON, GEORGIA
E-911 SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015**

(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 65,000	\$ 0	\$ (65,000)	\$ 64,915
Intergovernmental	0	0	0	110,390
Total revenue	<u>65,000</u>	<u>0</u>	<u>(65,000)</u>	<u>175,305</u>
EXPENDITURES				
Current				
Public Safety				
Personal services	0	0	0	246,889
Contract services	242,088	113,106	128,982	56,571
Materials and supplies	0	0	0	4,619
Capital outlay	0	0	0	10,230
Total expenditures	<u>242,088</u>	<u>113,106</u>	<u>128,982</u>	<u>318,309</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(177,088)</u>	<u>(113,106)</u>	<u>(63,982)</u>	<u>(143,004)</u>
Other financing sources (uses)				
Contingency	(65,000)	0	65,000	0
Transfers in (out)				
General Fund	<u>242,088</u>	<u>107,622</u>	<u>(134,466)</u>	<u>119,011</u>
Total other financing sources (uses)	<u>177,088</u>	<u>107,622</u>	<u>(69,466)</u>	<u>119,011</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(5,484)	(5,484)	(23,993)
Fund balance, January 1	<u>0</u>	<u>5,484</u>	<u>5,484</u>	<u>29,477</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 5,484</u></u>

CITY OF WASHINGTON, GEORGIA
URBAN REDEVELOPMENT SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 4,864	\$ 6,979
Total assets	\$ 4,864	\$ 6,979
 LIABILITIES		
Due to other funds	\$ 0	\$ 1,645
Total liabilities	0	1,645
 FUND BALANCES		
Assigned	4,864	5,334
Total liabilities and fund balances	\$ 4,864	\$ 6,979

CITY OF WASHINGTON, GEORGIA
URBAN REDEVELOPMENT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	<u>2015</u>			<u>2014</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Total revenues	\$ 0	\$ 0	\$ 0	\$ 0
EXPENDITURES				
Current				
Housing and Development				
Personal services	0	0	0	11,443
Contract services	28,764	28,399	365	1,890
Supplies	0	360	(360)	0
Total expenditures	<u>28,764</u>	<u>28,759</u>	<u>5</u>	<u>13,333</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(28,764)</u>	<u>(28,759)</u>	<u>5</u>	<u>(13,333)</u>
Other financing sources (uses)				
Transfers in (out)				
General Fund	28,289	28,289	0	11,976
Sale of capital assets	0	0	0	6,873
Total other financing sources (uses)	<u>28,289</u>	<u>28,289</u>	<u>0</u>	<u>18,849</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(475)</u>	<u>(470)</u>	<u>5</u>	<u>5,516</u>
Fund balance, January 1	<u>475</u>	<u>5,334</u>	<u>4,859</u>	<u>(182)</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 4,864</u></u>	<u><u>\$ 4,864</u></u>	<u><u>\$ 5,334</u></u>

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	2015	2014
ASSETS		
Investments	\$ 2,281	\$ 2,275
Total assets	\$ 2,281	\$ 2,275
 LIABILITIES		
 FUND BALANCES		
Assigned	\$ 2,281	\$ 2,275
Total liabilities and fund balances	\$ 2,281	\$ 2,275

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION OPERATING TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	<u>2015</u>			<u>2014</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Interest	\$ 10	\$ 6	\$ (4)	\$ 7
Total revenues	<u>10</u>	<u>6</u>	<u>(4)</u>	<u>7</u>
EXPENDITURES				
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	10	6	(4)	7
Other financing sources (uses) Contingency	<u>(10)</u>	<u>0</u>	<u>10</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	6	6	7
Fund balance, January 1	<u>0</u>	<u>2,275</u>	<u>2,275</u>	<u>2,268</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 2,281</u></u>	<u><u>\$ 2,281</u></u>	<u><u>\$ 2,275</u></u>

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 23,700	\$ 23,500
Total assets	\$ 23,700	\$ 23,500
 LIABILITIES		
 FUND BALANCES		
Assigned	\$ 23,700	\$ 23,500
Total liabilities and fund balances	\$ 23,700	\$ 23,500

CITY OF WASHINGTON, GEORGIA
CALLAWAY PLANTATION FURNISHINGS TRUST SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	2015			2014
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	\$ 200	\$ 200	\$ 0	\$ 0
Total revenues	<u>200</u>	<u>200</u>	<u>0</u>	<u>0</u>
EXPENDITURES				
Current				
Culture and Recreation				
Contract services	<u>0</u>	<u>0</u>	<u>0</u>	<u>263</u>
Total expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>263</u>
Excess (deficiency) of revenues over (under) expenditures	200	200	0	(263)
Other financing sources (uses)				
Contingency	<u>(200)</u>	<u>0</u>	<u>200</u>	<u>0</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>0</u>	<u>200</u>	<u>200</u>	<u>(263)</u>
Fund balances, January 1 (original)	0	23,500	23,500	31,726
Prior period adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>(7,963)</u>
Fund balances, January 1 (restated)	<u>0</u>	<u>23,500</u>	<u>23,500</u>	<u>23,763</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 23,700</u></u>	<u><u>\$ 23,700</u></u>	<u><u>\$ 23,500</u></u>

CITY OF WASHINGTON, GEORGIA
TSPLOST DISCRETIONARY SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 219,965	\$ 205,696
Taxes receivable	12,439	11,599
Total assets	\$ 232,404	\$ 217,295
 LIABILITIES		
 FUND BALANCES		
Restricted	\$ 232,404	\$ 217,295
Total liabilities and fund balances	\$ 232,404	\$ 217,295

CITY OF WASHINGTON, GEORGIA
TSPLOST DISCRETIONARY SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the year ended December 31, 2015
(With comparative actual amounts for the year ended December 31, 2014)

	<u>2015</u>			<u>2014</u>
	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
REVENUES				
Taxes	\$ 131,000	\$ 131,441	\$ 441	\$ 124,553
Interest	0	298	298	182
Total revenue	<u>131,000</u>	<u>131,739</u>	<u>739</u>	<u>124,735</u>
EXPENDITURES				
Current				
Public Works	<u>131,000</u>	<u>116,630</u>	<u>14,370</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	<u>0</u>	<u>15,109</u>	<u>15,109</u>	<u>124,735</u>
Fund balances, January 1 (original)	0	217,295	217,295	81,000
Prior period adjustments	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,560</u>
Fund balances, January 1 (restated)	<u>0</u>	<u>217,295</u>	<u>217,295</u>	<u>92,560</u>
Fund balances, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 232,404</u></u>	<u><u>\$ 232,404</u></u>	<u><u>\$ 217,295</u></u>

This page intentionally left blank.

CAPITAL PROJECTS FUNDS

Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by proprietary funds).

SPLOST Fund – This fund is used to account for the SPLOST monies received from Wilkes County to be used for water and sewer capital improvements and debt relief.

CDBG/CHIP Grant Fund – This fund is used to account for CDBG grant activity.

**CITY OF WASHINGTON, GEORGIA
 SPLOST CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEETS
 December 31, 2015 and 2014**

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 3,347	\$ 328,396
Intergovernmental receivable	54,052	55,639
Total assets	\$ 57,399	\$ 384,035
 LIABILITIES		
 FUND BALANCES		
Restricted	\$ 57,399	\$ 384,035
Total liabilities and fund balances	\$ 57,399	\$ 384,035

CITY OF WASHINGTON, GEORGIA
SPLOST CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Intergovernmental	\$ 297,827	\$ 306,666
Interest	209	631
	<u>298,036</u>	<u>307,297</u>
Total revenues		
	<u>298,036</u>	<u>307,297</u>
EXPENDITURES		
	<u>0</u>	<u>0</u>
Total expenditures		
	<u>0</u>	<u>0</u>
Excess (deficiency) of revenues over (under) expenditures	298,036	307,297
Other financing sources (uses)		
Transfers in (out)		
Water and Sewer Enterprise Fund	<u>(624,672)</u>	<u>(515,137)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(326,636)	(207,840)
Fund balances, January 1	<u>384,035</u>	<u>591,875</u>
Fund balances, December 31	<u><u>\$ 57,399</u></u>	<u><u>\$ 384,035</u></u>

CITY OF WASHINGTON, GEORGIA
CDBG/CHIP GRANT CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 27	\$ 27
Accounts receivable	0	731
Total assets	\$ 27	\$ 758
 LIABILITIES		
 FUND BALANCES		
Assigned	\$ 27	\$ 758
Total liabilities and fund balances	\$ 27	\$ 758

CITY OF WASHINGTON, GEORGIA
CDBG/CHIP GRANT CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
REVENUES		
Intergovernmental	\$ 100,374	\$ 61,867
Contributions	500	0
	<u>100,874</u>	<u>61,867</u>
Total revenues		
	<u>100,874</u>	<u>61,867</u>
EXPENDITURES		
Capital outlay		
Housing and Development		
Community Development and Housing	117,052	173,896
	<u>117,052</u>	<u>173,896</u>
Total expenditures		
	<u>117,052</u>	<u>173,896</u>
Excess (deficiency) of revenues over (under) expenditures	(16,178)	(112,029)
Other financing sources (uses)		
Transfers in (out)		
General Fund	15,447	111,312
	<u>15,447</u>	<u>111,312</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(731)</u>	<u>(717)</u>
Fund balances, January 1 (original)	758	(62,362)
Prior period adjustments	0	63,837
Fund balances, January 1 (restated)	<u>758</u>	<u>1,475</u>
Fund balances, December 31	<u>\$ 27</u>	<u>\$ 758</u>

This page intentionally left blank.

PERMANENT FUNDS

Debt service funds are used to account for the accumulation of resources and payment of general government long-term debt principal and interest from governmental resources.

Cemetery Perpetual Care Fund – This fund is used to account for monies collected from the sale of perpetual care contracts at City-owned cemeteries, as well as receipt of investment earnings on all perpetual care investments and payment of cemetery maintenance expenditures.

Historical Properties Commission Trust Fund – This fund is used to account for receipts and disbursements of contributions for City-owned historical properties. The principal must be maintained intact.

Callaway Charitable Trust Endowment Principal Fund – This fund is used to account for the principal originally donated for the Callaway Charitable Endowment Trust. The principal must be maintained intact and invested.

**CITY OF WASHINGTON, GEORGIA
CEMETERY PERPETUAL CARE PERMANENT FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014**

	2015	2014
ASSETS		
Investments	\$ 171,097	\$ 189,539
Total assets	\$ 171,097	\$ 189,539
 LIABILITIES		
 FUND BALANCES		
Assigned	\$ 171,097	\$ 189,539
Total liabilities and fund balances	\$ 171,097	\$ 189,539

**CITY OF WASHINGTON, GEORGIA
CEMETERY PERPETUAL CARE PERMANENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2015 and 2014**

	2015	2014
REVENUES		
Interest	\$ 558	\$ 567
Total revenues	558	567
EXPENDITURES		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	558	567
Other financing sources (uses)		
Transfers in (out)		
General Fund	(19,000)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(18,442)	567
Fund balances, January 1	189,539	188,972
Fund balances, December 31	\$ 171,097	\$ 189,539

CITY OF WASHINGTON, GEORGIA
HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND
COMPARATIVE BALANCE SHEETS
December 31, 2015 and 2014

	2015	2014
ASSETS		
Investments	\$ 17,409	\$ 17,356
Total assets	\$ 17,409	\$ 17,356
 LIABILITIES		
 FUND BALANCES		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Restricted	7,419	7,366
Total liabilities and fund balances	\$ 17,409	\$ 17,356

CITY OF WASHINGTON, GEORGIA
HISTORICAL PROPERTIES COMMISSION TRUST PERMANENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2015 and 2014

	2015	2014
REVENUES		
Interest	\$ 53	\$ 68
Total revenues	53	68
EXPENDITURES		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	53	68
Fund balances, January 1	17,356	17,288
Fund balances, December 31	\$ 17,409	\$ 17,356

**CITY OF WASHINGTON, GEORGIA
 CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL
 PERMANENT FUND
 COMPARATIVE BALANCE SHEETS
 December 31, 2015 and 2014**

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 37,848	\$ 37,772
Investments	10,802	10,770
Total assets	\$ 48,650	\$ 48,542
 LIABILITIES		
 FUND BALANCES		
Nonspendable		
Contractually required to be maintained intact	\$ 9,990	\$ 9,990
Assigned	38,660	38,552
Total liabilities and fund balances	\$ 48,650	\$ 48,542

CITY OF WASHINGTON, GEORGIA
CALLAWAY CHARITABLE TRUST ENDOWMENT PRINCIPAL
PERMANENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the years ended December 31, 2015 and 2014

	2015	2014
REVENUES		
Interest	\$ 108	\$ 108
Total revenues	108	108
EXPENDITURES		
Total expenditures	0	0
Excess (deficiency) of revenues over (under) expenditures	108	108
Other financing sources (uses)		
Transfers in (out)		
General Fund	0	5
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	108	113
Fund balances, January 1	48,542	48,429
Fund balances, December 31	\$ 48,650	\$ 48,542

This page intentionally left blank.

ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Water and Sewer Fund – This fund is used to account for the operation and maintenance of the City's water and sewer services.

Electric Fund – This fund is used to account for user fees and expenses for the electric services provided to the citizens of the City.

Solid Waste Fund – This fund is used to account for user fees and expenses for the sanitation services provided to the citizens of the City.

Internet Telecommunications Fund – This fund is used to account for user fees and expenses for the internet services available to the citizens of the City.

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the years ended December 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets		
Restricted assets		
Cash and cash equivalents	\$ 101,351	\$ 88,807
Investments	155,033	154,491
Receivables (net)		
Accounts	386,569	481,608
Intergovernmental	0	118,419
Inventories	207,410	160,286
Prepaid items	5,066	5,832
Total current assets	855,429	1,009,443
Capital assets		
Land	194,710	194,710
Construction in progress	0	3,700
Buildings	57,481	57,481
Infrastructure	21,780,384	21,780,384
Machinery and equipment	370,861	337,119
Vehicles	162,825	105,422
Accumulated depreciation	(8,011,681)	(7,584,060)
Total capital assets (net of accumulated depreciation)	14,554,580	14,894,756
Total assets	15,410,009	15,904,199
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to the measurement date	11,519	0
Pension experience differences	3,690	0
Total deferred outflows of resources	15,209	0

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the years ended December 31, 2015 and 2014

	2015	2014
LIABILITIES		
Current liabilities		
Accounts payable	\$ 83,258	\$ 97,706
Accrued salaries and payroll liabilities	5,806	5,039
Compensated absences	9,737	8,653
Due to other funds	0	214,461
Accrued interest payable	8,329	8,329
Customer deposits payable	84,680	83,794
Notes payable	339,583	348,559
Current liabilities payable from restricted assets		
Customer deposits payable	15,503	16,389
Notes payable	240,881	226,909
Total current liabilities	787,777	1,009,839
Noncurrent liabilities		
Notes payable	9,099,244	9,679,710
Net pension liability	62,239	0
Total noncurrent liabilities	9,161,483	9,679,710
Total liabilities	9,949,260	10,689,549
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	3,179	0
Pension investment return differences	6,946	0
Total deferred inflows of resources	10,125	0
NET POSITION		
Net investment in capital assets	4,874,872	4,733,289
Restricted for Debt Service	240,881	226,909
Unrestricted	350,080	254,452
Total net position	\$ 5,465,833	\$ 5,214,650

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the years ended December 31, 2015 and 2014

	2015	2014
OPERATING REVENUES		
Charges for sales and services		
Water sales	\$ 1,503,330	\$ 1,534,690
Sewer sales	1,311,550	1,366,760
Tap fees	889	12,448
Other	0	145,266
Other	611	3,999
Total operating revenues	2,816,380	3,063,163
OPERATING EXPENSES		
Costs of sales and services	2,038,554	1,964,143
Personal services	258,145	384,110
Depreciation	427,622	238,596
Total operating expenses	2,724,321	2,586,849
Operating income (loss)	92,059	476,314
Non-operating revenues (expenses)		
Intergovernmental revenue	0	277,441
Interest and investment earnings	1,394	847
Interest expense	(61,100)	(66,038)
Total non-operating revenues (expenses)	(59,706)	212,250
Net income (loss) before transfers	32,353	688,564
Transfers in (out)		
General Fund	493,087	0
SPLOST Capital Projects Fund	624,672	515,137
Electric Enterprise Fund	(840,575)	(2,556,342)
Total transfers	277,184	(2,041,205)
Change in net position	309,537	(1,352,641)
Net position, January 1 (original)	5,214,650	6,376,845
Prior period adjustments	(58,354)	190,446
Net position, January 1 (restated)	5,156,296	6,567,291
Net position, December 31	\$ 5,465,833	\$ 5,214,650

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Receipts from customers	\$ 2,910,807	\$ 3,093,385
Payments to suppliers	(2,008,811)	(1,934,579)
Payments to employees	(257,493)	(386,000)
Other receipts	611	3,999
	645,114	776,805
Cash flows from non-capital financing activities:		
Receipts from other funds	493,087	1,684,239
Payments to other funds	(1,055,036)	(2,556,342)
	(561,949)	(872,103)
Cash flows from capital and related financing activities:		
Receipts from other funds	624,672	515,137
Receipts from other governments	118,419	381,581
Payments for acquisitions of capital assets	(87,448)	(527,013)
Payment of prior year capital related payables	(90,546)	(34,506)
Proceeds - promissory notes	0	154,563
Principal payments - promissory notes	(575,470)	(448,019)
Interest paid	(61,100)	(67,119)
	(71,473)	(25,376)
Cash flows from investing activities:		
Interest and investment earnings received	1,394	847
Proceeds from maturity of investments	154,491	154,028
Purchase of investments	(155,033)	(154,491)
	852	384
Net cash provided (used) by investing activities	852	384
Net increase (decrease) in cash and cash equivalents	12,544	(120,290)
Cash and cash equivalents, January 1	88,807	209,097
Cash and cash equivalents, December 31	\$ 101,351	\$ 88,807

CITY OF WASHINGTON, GEORGIA
WATER AND SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ 92,059</u>	<u>\$ 476,314</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	427,622	238,596
(Increase) decrease in accounts receivable	95,038	34,221
(Increase) decrease in inventories	(47,124)	12,607
(Increase) decrease in prepaid items	766	(413)
(Increase) decrease in pension contributions made after measurement date	(11,519)	0
(Increase) decrease in pension experience differences	(3,690)	0
Increase (decrease) in accounts payable	76,101	17,370
Increase (decrease) in accrued payroll liabilities	1,851	(1,890)
Increase (decrease) in customer deposits	0	0
Increase (decrease) in net pension liability	3,885	0
Increase (decrease) in pension assumption changes	3,179	0
Increase (decrease) in pension investment return differences	<u>6,946</u>	<u>0</u>
Total adjustments	<u>553,055</u>	<u>300,491</u>
Net cash provided (used) by operating activities	<u><u>\$ 645,114</u></u>	<u><u>\$ 776,805</u></u>

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets		
Cash and cash equivalents	\$ 656,096	\$ 76,875
Investments	407,578	164,824
Receivables (net)		
Accounts	1,121,452	1,266,955
Intergovernmental	420,000	297,000
Due from other funds	0	216,106
Inventories	258,618	242,123
Prepaid items	117,397	17,411
	2,981,141	2,281,294
Restricted assets		
MEAG Generation Trust		
Investments	547,436	534,233
Customer deposits		
Cash and cash equivalents	165,636	224,296
	713,072	758,529
Capital assets		
Land	8,480	8,480
Buildings	494,044	494,044
Infrastructure	2,464,008	2,457,351
Machinery and equipment	220,917	220,917
Vehicles	529,405	344,528
Accumulated depreciation	(2,170,811)	(2,077,142)
	1,546,043	1,448,178
Total assets	5,240,256	4,488,001
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to the measurement date	21,731	0
Pension experience differences	6,961	0
	28,692	0
LIABILITIES		
Current liabilities		
Accounts payable	631,232	565,689
Accrued salaries and payroll liabilities	10,850	9,590
Compensated absences	22,584	19,938
Due to other funds	0	100,340
Capital lease payable	31,354	0
Current liabilities payable from restricted assets		
Customer deposits payable	165,636	224,296
	861,656	919,853

**CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Noncurrent liabilities		
Capital lease payable	\$ 135,391	\$ 0
Net pension liability	<u>117,414</u>	<u>0</u>
Total noncurrent liabilities	<u>252,805</u>	<u>0</u>
Total liabilities	<u>1,114,461</u>	<u>919,853</u>
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	5,996	0
Pension investment return differences	<u>13,103</u>	<u>0</u>
Total deferred inflows of resources	<u>19,099</u>	<u>0</u>
NET POSITION		
Net investment in capital assets	1,379,298	1,448,178
Restricted for MEAG Generation Trust	547,436	534,233
Unrestricted	<u>2,208,654</u>	<u>1,585,737</u>
Total net position	<u>\$ 4,135,388</u>	<u>\$ 3,568,148</u>

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for sales and services		
Electric sales	\$ 10,282,414	\$ 10,804,446
Other	5,726	33,851
Total operating revenues	<u>10,288,140</u>	<u>10,838,297</u>
OPERATING EXPENSES		
Costs of sales and services	9,162,648	9,380,136
Personal services	451,726	644,733
Depreciation	93,669	80,102
Total operating expenses	<u>9,708,043</u>	<u>10,104,971</u>
Operating income (loss)	<u>580,097</u>	<u>733,326</u>
Non-operating revenues (expenses)		
Intergovernmental revenues	1,415,337	1,424,862
Interest and investment earnings	12,866	36,970
Total non-operating revenues (expenses)	<u>1,428,203</u>	<u>1,461,832</u>
Net income (loss) before transfers	<u>2,008,300</u>	<u>2,195,158</u>
Transfers in (out)		
General Fund	(2,649,848)	(2,469,024)
Water and Sewer Enterprise Fund	840,575	2,556,342
Solid Waste Enterprise Fund	405,700	0
Internet Telecommunications Enterprise Fund	10,393	2,127
Total transfers	<u>(1,393,180)</u>	<u>89,445</u>
Change in net position	<u>615,120</u>	<u>2,284,603</u>
Net position, January 1 (original)	3,568,148	4,786,941
Prior period adjustments	(47,880)	(3,503,396)
Net position, January 1 (restated)	<u>3,520,268</u>	<u>1,283,545</u>
Net position, December 31	<u>\$ 4,135,388</u>	<u>\$ 3,568,148</u>

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Receipts from customers	\$ 10,368,913	\$ 10,793,035
Payments to suppliers	(9,213,586)	(9,821,407)
Payments to employees	(387,879)	(651,842)
Other receipts	5,726	33,851
	<u>773,174</u>	<u>353,637</u>
Net cash provided (used) by operating activities		
Cash flows from non-capital financing activities:		
Receipts from other funds	1,472,774	2,558,469
Payments to other funds	(2,750,188)	(4,187,903)
Receipts from other governments	1,292,337	1,470,862
	<u>14,923</u>	<u>(158,572)</u>
Net cash provided (used) by non-capital financing activities		
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(191,534)	(33,864)
Proceeds - capital lease	166,745	0
	<u>(24,789)</u>	<u>(33,864)</u>
Net cash provided (used) by capital and related financing activities		
Cash flows from investing activities:		
Interest and investment earnings received	12,866	36,970
Proceeds from sale of investments	344	0
Proceeds from maturity of investments	200,000	494,000
Purchase of investments	(455,957)	(525,054)
	<u>(242,747)</u>	<u>5,916</u>
Net cash provided (used) by investing activities		
Net increase (decrease) in cash and cash equivalents	520,561	167,117
Cash and cash equivalents, January 1	<u>301,171</u>	<u>134,054</u>
Cash and cash equivalents, December 31	<u><u>\$ 821,732</u></u>	<u><u>\$ 301,171</u></u>

CITY OF WASHINGTON, GEORGIA
ELECTRIC ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014

	2015	2014
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 580,097	\$ 733,326
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	93,669	80,102
(Increase) decrease in accounts receivable	145,503	(13,941)
(Increase) decrease in inventories	(16,495)	7,603
(Increase) decrease in prepaid items	(99,986)	382
(Increase) decrease in pension contributions made after measurement date	(21,731)	0
(Increase) decrease in pension experience differences	(6,961)	0
Increase (decrease) in accounts payable	65,199	(449,256)
Increase (decrease) in accrued payroll liabilities	3,906	(7,109)
Increase (decrease) in customer deposits	(58,660)	2,530
Increase (decrease) in net pension liability	69,534	0
Increase (decrease) in pension assumption changes	5,996	0
Increase (decrease) in pension investment return differences	13,103	0
Total adjustments	193,077	(379,689)
Net cash provided (used) by operating activities	\$ 773,174	\$ 353,637
Cash and cash equivalents reconciliation		
Cash and cash equivalents	\$ 656,096	\$ 76,875
Restricted cash and cash equivalents	165,636	224,296
Total cash and cash equivalents	\$ 821,732	\$ 301,171

CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets		
Accounts receivable (net)	\$ 66,397	\$ 64,911
Due from other funds	0	94,856
Prepaid items	1,570	2,864
Total current assets	67,967	162,631
Capital assets		
Buildings	175,300	175,300
Machinery and equipment	84,280	57,705
Vehicles	236,595	236,595
Accumulated depreciation	(371,556)	(345,175)
Total capital assets (net of accumulated depreciation)	124,619	124,425
Total assets	192,586	287,056
DEFERRED OUTFLOWS OF RESOURCES		
Pension contributions subsequent to the measurement date	16,808	0
Pension experience differences	5,384	0
Total deferred outflows of resources	22,192	0
LIABILITIES		
Current liabilities		
Accounts payable	16,130	0
Accrued salaries and payroll liabilities	7,641	7,490
Compensated absences	4,620	8,127
Total current liabilities	28,391	15,617
Noncurrent liabilities		
Net pension liability	90,816	0
Total liabilities	119,207	15,617
DEFERRED INFLOWS OF RESOURCES		
Pension assumption changes	4,638	0
Pension investment return differences	10,135	0
Total deferred inflows of resources	14,773	0
NET POSITION		
Investment in capital assets	124,619	124,425
Unrestricted	(43,821)	147,014
Total net position	\$ 80,798	\$ 271,439

CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for sales and services		
Sanitation fees	\$ 517,648	\$ 523,011
Other	0	135
	<u>517,648</u>	<u>523,146</u>
Total operating revenues		
OPERATING EXPENSES		
Costs of sales and services	190,797	202,551
Personal services	353,254	344,518
Depreciation	26,382	15,725
	<u>570,433</u>	<u>562,794</u>
Total operating expenses		
Operating income (loss)	<u>(52,785)</u>	<u>(39,648)</u>
Transfers in (out)		
General Fund	352,991	140,032
Electric Fund	(405,700)	0
	<u>(105,494)</u>	<u>100,384</u>
Change in net position		
Net position, January 1 (original)	271,439	172,634
Prior period adjustments	(85,147)	(1,579)
	<u>186,292</u>	<u>171,055</u>
Net position, January 1 (restated)		
Net position, December 31	<u><u>\$ 80,798</u></u>	<u><u>\$ 271,439</u></u>

CITY OF WASHINGTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Receipts from customers	\$ 516,162	\$ 522,668
Payments to suppliers	(173,373)	(216,835)
Payments to employees	(358,361)	(345,044)
Other receipts	0	135
	<u>(15,572)</u>	<u>(39,076)</u>
Cash flows from non-capital financing activities:		
Receipts from other funds	447,847	140,032
Payments to other funds	(405,700)	(94,856)
	<u>42,147</u>	<u>45,176</u>
Cash flows from capital and related financing activities:		
Payments for acquisitions of capital assets	(26,575)	(6,100)
	<u>(26,575)</u>	<u>(6,100)</u>
Net increase (decrease) in cash	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>
Cash and cash equivalents, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (52,785)	\$ (39,648)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	26,382	15,725
(Increase) decrease in accounts receivable	(1,486)	(343)
(Increase) decrease in prepaid items	1,294	217
(Increase) decrease in pension contributions made after measurement date	(16,808)	0
(Increase) decrease in pension experience differences	(5,384)	0
Increase (decrease) in accounts payable	16,130	(14,501)
Increase (decrease) in accrued payroll liabilities	(3,356)	(526)
Increase (decrease) in net pension liability	5,668	0
Increase (decrease) in pension assumption changes	4,638	0
Increase (decrease) in pension investment return differences	10,135	0
	<u>37,213</u>	<u>572</u>
Total adjustments	<u>37,213</u>	<u>572</u>
Net cash provided (used) by operating activities	<u><u>\$ (15,572)</u></u>	<u><u>\$ (39,076)</u></u>

CITY OF WASHINGTON, GEORGIA
INTERNET TELECOMMUNICATIONS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
December 31, 2015 and 2014

	2015	2014
ASSETS		
Current assets		
Accounts receivable	\$ 24,831	\$ 25,054
Noncurrent assets		
Investment in joint venture	499,750	500,092
Capital assets		
Machinery and equipment	519,711	519,711
Accumulated depreciation	(517,174)	(512,404)
Total capital assets (net of accumulated depreciation)	2,537	7,307
Total assets	527,118	532,453
LIABILITIES		
NET POSITION		
Investment in capital assets	2,537	7,307
Unrestricted	524,581	525,146
Total net position	\$ 527,118	\$ 532,453

CITY OF WASHINGTON, GEORGIA
INTERNET TELECOMMUNICATIONS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
OPERATING REVENUES		
Charges for sales and services		
Telecommunications charges	\$ 8,206	\$ 14,721
Total operating revenues	<u>8,206</u>	<u>14,721</u>
OPERATING EXPENSES		
Costs of sales and services	18,878	32,955
Depreciation	<u>4,771</u>	<u>27,248</u>
Total operating expenses	<u>23,649</u>	<u>60,203</u>
Operating income (loss)	(15,443)	(45,482)
Non-operating revenues (expenses)		
Interest and investment earnings	<u>20,501</u>	<u>34,721</u>
Net income (loss) before transfers	5,058	(10,761)
Transfers in (out)		
Electric Enterprise Fund	<u>(10,393)</u>	<u>(2,127)</u>
Change in net position	(5,335)	(12,888)
Net position, January 1	<u>532,453</u>	<u>545,341</u>
Net position, December 31	<u><u>\$ 527,118</u></u>	<u><u>\$ 532,453</u></u>

CITY OF WASHINGTON, GEORGIA
INTERNET TELECOMMUNICATIONS ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Receipts from customers	\$ 8,428	\$ 16,262
Payments to suppliers	<u>(18,878)</u>	<u>(34,979)</u>
Net cash provided (used) by operating activities	<u>(10,450)</u>	<u>(18,717)</u>
Cash flows from non-capital financing activities:		
Payments to other funds	<u>(10,393)</u>	<u>(2,127)</u>
Cash flows from investing activities:		
Interest and investment earnings received	20,501	34,721
Proceeds from sale of investments	342	0
Purchase of investments	<u>0</u>	<u>(13,877)</u>
Net cash provided (used) by investing activities	<u>20,843</u>	<u>20,844</u>
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, January 1	<u>0</u>	<u>0</u>
Cash and cash equivalents, December 31	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	<u>\$ (15,443)</u>	<u>\$ (45,482)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	4,771	27,248
(Increase) decrease in accounts receivable	222	1,541
Increase (decrease) in accounts payable	<u>0</u>	<u>(2,024)</u>
Total adjustments	<u>4,993</u>	<u>26,765</u>
Net cash provided (used) by operating activities	<u><u>\$ (10,450)</u></u>	<u><u>\$ (18,717)</u></u>

This page intentionally left blank.

SINGLE AUDIT SECTION

This section contains reports required by the Uniform Guidance and grantor agencies.

This page intentionally left blank.

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
Members of the City Council
City of Washington, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Washington, Georgia, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of Washington, Georgia's basic financial statements and have issued our report thereon dated June 17, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Washington, 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 the City of Washington, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Washington, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described below, we identified deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015-01 and 2015-02 to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned costs as items 2015-03 through 2015-04 to be significant deficiencies.

Compliance and Other Matters

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

City of Washington, Georgia's Responses to Findings

The City of Washington, Georgia's responses to the findings identified in our audit are described previously. The City of Washington, 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 them.

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 17, 2016

**Independent Auditor’s Report on Compliance for Each Major Program and on
Internal Control over Compliance Required by the Uniform Guidance**

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

Report on Compliance for Each Major Federal Program

We have audited the City of Washington, Georgia’s compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Washington’s major federal programs for the year ended December 31, 2015. The City of Washington’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor’s Responsibility

Our responsibility is to express an opinion on compliance for each of City of Washington, Georgia’s major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Washington, Georgia’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on City of Washington, Georgia’s compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Washington, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended December 31, 2015.

Report on Internal Control over Compliance

Management of the City of Washington, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Washington's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Washington's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
June 17, 2016

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2015

<u>Federal Grant/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass- Through Number</u>	<u>Expenditures</u>
<u>Department of Housing and Urban Development</u>			
Rent Supplements_Rental Housing for Lower Income Families	14.149	N/A	\$ 6,610
Passed through the Georgia Department of Community Affairs: Home Investment Partnerships Program	14.239	SF2014-104	<u>100,373</u>
Total Department of Housing and Urban Development			<u><u>106,983</u></u>
<u>Department of Transportation</u>			
Passed through the Georgia Department of Transportation: Highway Planning and Construction	20.205	PI0012731	<u>890</u>
<u>Department of Homeland Security</u>			
Passed through the Georgia Emergency Management Agency (GEMA): Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4165-DR-GA	500
Assistance to Firefighters Grant	97.044	N/A	<u>833,334</u>
Total Department of Homeland Security			<u><u>833,834</u></u>
Total Federal Awards			<u><u>\$ 941,707</u></u>

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

CITY OF WASHINGTON, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2015

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the City of Washington, Georgia, under programs for the federal government for the year ended December 31, 2015. The information in this schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. De Minimis Indirect Cost Rate

City of Washington, Georgia has elected not to use the 10-percent *de minimis* indirect cost rate allowed under the Uniform Guidance.

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2015

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiencies identified not considered material weaknesses?	Yes
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	None reported
Identification of major programs:	
97.044 Assistance to Firefighters Grants	
Dollar threshold used to distinguish Between Type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	No

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2015

2. Financial Statement Findings and Responses

2015-01

Condition: The 2014 financial statements were restated for incorrectly reported amounts in the Electric Fund.

Criteria: Generally accepted accounting principles require that assets and liabilities be properly calculated and recorded.

Effect: Failure to properly apply generally accepted accounting principles led to financial statements that were materially misstated.

Recommendation: Management should review their year-end procedures for recording assets and liabilities.

Management Response: Management concurs with this finding. City staff will review all year-end balances to ensure they are properly calculated and recorded. This action was taken immediately upon receipt of the comment from our auditors.

2015-02

Condition: While performing audit procedures on water and sewer inventory, we noted incorrect pricing data on the inventory listing.

Criteria: Generally accepted accounting principles require that assets be properly calculated and recorded.

Effect: Failure to properly apply generally accepted accounting principles may lead to materially misstated financial statements.

Recommendation: Management should review and update inventory item costs to reflect accurate values.

Management Response: Management concurs with this finding. City staff will review and update inventory item costs to reflect accurate values. This action was taken immediately upon receipt of the comment from our auditors.

2015-03

Condition: While performing audit procedures on traffic citations, we noted that there is a lack of segregation of duties. The clerk receives the citations, enters the citations into the court software, and accepts payments.

Criteria: Proper internal controls require adequate segregation of duties in the receipting process.

Effect: Failure to maintain adequate segregation of duties subjects the assets of the City to greater risk of misappropriation.

Recommendation: To ensure that sufficient internal controls are in place, the duties of recording and receipting should be performed by different employees.

Management Response: Management concurs with this finding. The City will segregate duties of the receipting process. This action was taken immediately upon receipt of the comment from our auditors.

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2015

2. Financial Statement Findings and Responses, continued

2015-04

Condition: While performing audit procedures on traffic citations, we noted that the City does not have supporting documentation available for citation tickets issued by County and Georgia State Patrol officers.

Criteria: Adequate internal control requires adequate supporting documentation for citations.

Effect: Failure to maintain adequate supporting documentation for traffic citations issued by County officers exposes the City to a greater risk of loss due to fraud.

Recommendation: In order to maintain adequate internal control over traffic citations, separate citation books should be used to issue City traffic citations. Supporting documentation for traffic citation should be turned into the City by the County and Georgia State Patrol officers.

Management Response: Management concurs with this finding. The City will encourage the County and Georgia State Patrol to use separate citations books for the City's traffic citations. Citations are now issued by the County Sheriff's Department and Georgia State Patrol. The County and State are able to provide a listing of citations submitted to the City for reconciling receipts.

3. Prior Year Audit Findings Follow-Ups

Comment 14-1

Condition: The 2013 financial statements were restated for errors and incorrectly reported amounts in the Governmental Activities, General Fund, Callaway Plantation Furnishings Trust Fund, TSPLOST Discretionary Fund, CDBG/CHIP Grant Fund, Water and Sewer Fund, Electric Fund, and Solid Waste Fund.

Not corrected

Comment 14-2

Condition: While performing audit procedures on water and sewer inventory, we noted incorrect pricing data on the inventory listing.

Not corrected

Comment 14-3

Condition: While performing audit procedures on utility billing adjustments, we noted 12 of 20 (60%) adjustments did not have evidence of approval on the supporting documentation. All adjustments reviewed during audit procedures appeared appropriate.

Corrected

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the year ended December 31, 2015

3. Prior Year Audit Findings Follow-Ups, continued

Comment 14-4

Condition: While performing audit procedures on journal entries, we noted that journal entries did not have evidence of approval. All journal entries reviewed during audit procedures appeared appropriate.

Corrected

Comment 14-5

Condition: While performing audit procedures on traffic citations, we noted that there is a lack of segregation of duties. The clerk receives the citations, enters the citations into the court software, and accepts payments.

Not corrected

Comment 14-6

Condition: While performing audit procedures on traffic citations, we noted that the City does not have supporting documentation available for citation books issued to officers during the portion of the year when the police department existed.

Not corrected

4. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*.

STATE REPORTING SECTION

This section contains additional reports required by the State of Georgia.

CITY OF WASHINGTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL
PURPOSE LOCAL OPTION SALES TAX
For the year ended December 31, 2015

<u>Project</u>	<u>Estimated Cost *</u>		<u>Expenditures</u>		
	<u>Original</u>	<u>Current</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
<u>2011 SPLOST</u>					
Water and Sewer Improvements	\$ 2,025,960	\$ 2,025,960	\$ 1,083,880	\$ 624,672	\$ 1,708,552

* Estimated cost represents the portion of these projects to be financed with Special Purpose Local Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.