

**CITY OF OAK PARK, GEORGIA**  
**FINANCIAL STATEMENTS**  
**For the Year Ended December 31, 2015**

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**INDEPENDENT AUDITOR'S REPORT**

To the Mayor and Council  
City of Oak Park, Georgia

**Report on the Financial Statements**

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

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

### *Opinions*

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City of Oak Park, Georgia, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### *Other Matters*

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that budgetary comparison information on pages 27 through 30 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.

The City of Oak Park, Georgia has not presented management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.



### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The City of Oak Park, Georgia's basic financial statements. The schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents is the responsibility of management and was derived from and relates 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 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have issued our report dated January 31, 2018 on our consideration of the City of Oak Park, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering The City of Oak Park, Georgia's internal control over financial reporting and compliance.

*Wright & Wright, P.C.*

Sandersville, Georgia

January 31, 2018

## BASIC FINANCIAL STATEMENTS

The basic financial statements include integrated sets of financial statements as required by the Governmental Accounting Standards Board ("GASB"). The sets of statements include:

- Government-wide financial statements
- Fund financial statements:
  - Governmental funds
  - Proprietary (enterprise) funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

**CITY OF OAK PARK, GEORGIA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Current assets:			
Cash and cash equivalents	\$ 154,325	\$ 37,894	\$ 192,219
Accounts receivable, net	16,965	2,640	19,605
Receivable from other governments	14,122	-	14,122
Prepaid expenses	4,996	-	4,996
Internal balances	(2,765)	2,765	-
Total current assets	<u>187,643</u>	<u>43,299</u>	<u>230,942</u>
Noncurrent assets:			
Nondepreciable	8,000	-	8,000
Depreciable capital assets, net accumulated depreciation	258,764	79,301	338,065
Total assets	<u>454,407</u>	<u>122,600</u>	<u>577,007</u>
<b>LIABILITIES:</b>			
Current liabilities:			
Accounts payable	19,223	-	19,223
Current portion of long-term debt	10,525	7,000	17,525
Meter deposits held	-	666	666
Other accrued liabilities	5,239	1,900	7,139
Total current liabilities	<u>34,987</u>	<u>9,566</u>	<u>44,553</u>
Noncurrent liabilities:			
Long-term debt, net of current portion	41,019	31,000	72,019
Total liabilities	<u>76,006</u>	<u>40,566</u>	<u>116,572</u>
<b>NET POSITION:</b>			
Net Investment in capital assets	215,220	41,301	256,521
Restricted for:			
Prepaid expenses	4,996	-	4,996
Debt service	-	9,025	9,025
Public safety	1,404	-	1,404
Public works	5,794	-	5,794
Unrestricted	150,987	31,708	182,695
Total net assets	<u>\$ 378,401</u>	<u>\$ 82,034</u>	<u>\$ 460,435</u>

See accompanying notes to the basic financial statements

CITY OF OAK PARK, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
<b>Primary government:</b>							
Governmental activities:							
General government	\$ 109,050	\$ 9,345	\$ -	\$ -	\$ (99,705)	\$ -	\$ (99,705)
Street department	29,940	16,001	7,983	21,317	15,361	-	15,361
Public safety	326,879	328,389	1,811	-	3,321	-	3,321
Culture and recreation	27,012	-	19,242	-	(7,770)	-	(7,770)
Interest on long-term debt	1,995	-	-	-	(1,995)	-	(1,995)
Total governmental activities	<u>494,876</u>	<u>353,735</u>	<u>29,036</u>	<u>21,317</u>	<u>(90,788)</u>	<u>-</u>	<u>(90,788)</u>
Business-type activities:							
Water fees	51,382	38,541	-	-	-	(12,841)	(12,841)
Total business-type activities	<u>51,382</u>	<u>38,541</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,841)</u>	<u>(12,841)</u>
Total primary government	<u>\$ 546,258</u>	<u>\$ 392,276</u>	<u>\$ 29,036</u>	<u>\$ 21,317</u>	<u>(90,788)</u>	<u>(12,841)</u>	<u>(103,629)</u>
General revenues:							
Taxes:							
					1,397	-	1,397
					50,551	-	50,551
					27,888	-	27,888
					9,285	-	9,285
					4,196	-	4,196
					-	-	-
					663	122	785
					8,043	-	8,043
					(16,546)	16,546	-
					<u>85,477</u>	<u>16,668</u>	<u>102,145</u>
					(5,311)	3,827	(1,484)
					383,712	78,207	461,919
					<u>\$ 378,401</u>	<u>\$ 82,034</u>	<u>\$ 460,435</u>

See accompanying notes to the basic financial statements

**CITY OF OAK PARK, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	General Fund	Capital Projects Fund	Jail Fund	TSPLOST Special Revenue Fund	Total Governmental Funds
<b>ASSETS:</b>					
Cash and cash equivalents	\$ 147,940	\$ 3	\$ 1,404	\$ 4,978	\$ 154,325
Accounts receivable, net	16,965	-	-	-	16,965
Receivables from other funds	11,986	-	-	-	11,986
Receivables from other governments	6,560	6,746	-	816	14,122
Prepaid expenses	4,996	-	-	-	4,996
Total assets	<u>\$ 188,447</u>	<u>\$ 6,749</u>	<u>\$ 1,404</u>	<u>\$ 5,794</u>	<u>\$ 202,394</u>
<b>LIABILITIES:</b>					
Accounts payable	\$ 19,223	\$ -	\$ -	\$ -	\$ 19,223
Other liabilities	5,239	-	-	-	5,239
Payables to other funds	-	14,751	-	-	14,751
Total liabilities	<u>24,462</u>	<u>14,751</u>	<u>-</u>	<u>-</u>	<u>39,213</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
	-	-	-	-	-
<b>FUND BALANCES:</b>					
Non-spendable fund balance					4,996
Prepaid expenses	4,996	-	-	-	4,996
Restricted fund balance:					
Public works	-	-	-	5,794	5,794
Public safety	-	-	1,404	-	1,404
Committed fund balance	-	-	-	-	-
Assigned fund balance	-	-	-	-	-
Unassigned fund balance	158,989	(8,002)	-	-	150,987
Total fund balances	<u>163,985</u>	<u>(8,002)</u>	<u>1,404</u>	<u>5,794</u>	<u>163,181</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 188,447</u>	<u>\$ 6,749</u>	<u>\$ 1,404</u>	<u>\$ 5,794</u>	

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation of \$319,949	266,764
Long-term notes payable are not due and payable in the current period and are therefore not reported in the funds	(51,544)
Net position of governmental activities	<u>\$ 378,401</u>

See accompanying notes to the basic financial statements



**CITY OF OAK PARK, GEORGIA**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	General Fund	Capital Projects Fund	Jail Fund	TSPLOST Special Revenue Fund	Total Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 93,317	\$ -	\$ -	\$ -	\$ 93,317
Licenses and permits	9,345	-	-	-	9,345
Intergovernmental	-	21,316	-	7,969	29,285
Charges for services	344,386	-	-	-	344,386
Other	29,759	1	4	14	29,778
Total revenues	<u>476,807</u>	<u>21,317</u>	<u>4</u>	<u>7,983</u>	<u>506,111</u>
<b>EXPENDITURES:</b>					
Current operating:					
General government	100,330	-	-	-	100,330
Street department	31,680	-	-	-	31,680
Public safety	315,748	-	-	-	315,748
Culture and recreation	27,012	-	-	-	27,012
Capital outlays	-	-	-	33,226	33,226
Debt service:					
Principal	15,075	-	-	-	15,075
Interest	1,995	-	-	-	1,995
Total expenditures	<u>491,840</u>	<u>-</u>	<u>-</u>	<u>33,226</u>	<u>525,066</u>
Excess (deficiency) of revenues over expenditures	<u>(15,033)</u>	<u>21,317</u>	<u>4</u>	<u>(25,243)</u>	<u>(18,955)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Loan proceeds	18,394	-	-	-	18,394
Transfers in (out)	(7,271)	-	(9,275)	-	(16,546)
Total other financing sources and uses	<u>11,123</u>	<u>-</u>	<u>(9,275)</u>	<u>-</u>	<u>1,848</u>
Net change in fund balance	<u>(3,910)</u>	<u>21,317</u>	<u>(9,271)</u>	<u>(25,243)</u>	<u>(17,107)</u>
<b>FUND BALANCE, beginning of year</b>	<u>167,895</u>	<u>(29,319)</u>	<u>10,675</u>	<u>31,037</u>	<u>180,288</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 163,985</u>	<u>\$ (8,002)</u>	<u>\$ 1,404</u>	<u>\$ 5,794</u>	<u>\$ 163,181</u>

(Continued)

See accompanying notes to the basic financial statements

(Continued)

CITY OF OAK PARK, GEORGIA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2015

Net change in fund balances - total governmental funds \$ (17,107)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital outlays	61,538
Depreciation	<u>(46,423)</u>
	<u>15,115</u>

The effect of various capital asset disposals and sales, net of accumulated depreciation -

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets:

Issuance of long-term debt	(18,394)
Repayment of long-term debt	<u>15,075</u>
	<u>(3,319)</u>

\$ (5,311)

See accompanying notes to the basic financial statements

**CITY OF OAK PARK, GEORGIA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015**

	<u>Water Fund</u>
<b>ASSETS</b>	
<b>CURRENT ASSETS:</b>	
Cash in bank	\$ 28,869
Accounts receivable, net of allowance	2,640
Due from Capital Projects Fund	2,765
Total current assets	34,274
<b>NONCURRENT ASSETS:</b>	
Restricted Assets:	
Cash and cash equivalents	9,025
Capital Assets:	
Building and improvements	287,396
Equipment	30,361
Infrastructure	76,060
Construction in process	-
	393,817
Less accumulated depreciation	(314,516)
Total capital assets	79,301
Total noncurrent assets	88,326
Total assets	122,600
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES:</b>	
Accounts payable	-
Current portion of bond payable	7,000
Accrued interest	1,900
Meter deposits held	666
Total current liabilities	9,566
<b>NONCURRENT LIABILITIES</b>	
Bond payable, net of current portion	31,000
Total liabilities	40,566
<b>NET POSITION</b>	
<b>NET INVESTMENT IN CAPITAL ASSETS</b>	41,301
<b>RESTRICTED FOR DEBT SERVICE</b>	9,025
<b>UNRESTRICTED</b>	31,708
Total net position	\$ 82,034

See accompanying notes to the basic financial statements

**CITY OF OAK PARK, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PRORIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Water Fund</u>
<b>OPERATING REVENUES:</b>	
Water sales	\$ 38,541
Miscellaneous income	-
Total operating revenue	38,541
<b>OPERATING EXPENSES:</b>	
Personal services and employee benefits:	
Salaries	14,451
Payroll taxes	1,105
Purchased/contracted services:	
Repairs and replacement	1,239
Dues and subscriptions	2,715
Travel and training	2,190
Testing fees	2,800
Professional and administrative expenses	6,360
Supplies:	
Chemicals and supplies	2,591
Office supplies	525
Utilities	3,687
Depreciation	11,819
Miscellaneous	-
Total operating expenses	49,482
<b>OPERATING LOSS</b>	<b>(10,941)</b>
<b>NON-OPERATING REVENUES (EXPENSES):</b>	
Interest income	122
Interest expense	(1,900)
Total non-operating revenues (expenses)	(1,778)
<b>NET LOSS BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS</b>	<b>(12,719)</b>
<b>CAPITAL CONTRIBUTIONS:</b>	
Contribution from Capital Projects Fund	-
<b>NET LOSS BEFORE TRANSFERS</b>	<b>(12,719)</b>
<b>TRANSFERS FROM (TO) GENERAL FUND</b>	<b>16,546</b>
<b>NET LOSS</b>	<b>3,827</b>
<b>NET POSITION, beginning of year</b>	<b>78,207</b>
<b>NET POSITION, end of year</b>	<b>\$ 82,034</b>

See accompanying notes to the basic financial statements



**CITY OF OAK PARK, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<b>Water Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 38,909
Cash paid to suppliers for goods and services	(22,862)
Cash paid to employees	(16,175)
Net cash provided by (used for) operating activities	(128)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Transfer from (to) other funds	16,546
Net cash provided by (used for) noncapital financing activities	16,546
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of capital assets	-
Principal paid on capital debt	(6,000)
Interest paid on capital debt	(2,200)
Net cash provided by (used for) capital and related financing activities	(8,200)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest received	122
Net cash provided by (used for) investing activities	122
<b>NET INCREASE (DECREASE) IN CASH</b>	8,340
<b>CASH AND CASH EQUIVALENTS, beginning of year</b>	29,554
<b>CASH AND CASH EQUIVALENTS, end of year</b>	<b>\$ 37,894</b>
<b>RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>	
Net operating income (loss)	\$ (10,941)
Adjustments to reconcile net operating income (loss to net cash provided by operating activities:	
Cash flows reported in other categories:	
Depreciation expense	11,819
Changes in assets and liabilities:	
Accounts receivable	368
Accounts payable	(707)
Customer deposits	(48)
Other accrued liabilities	(619)
Net cash provided by (used for) operating activities	<b>\$ (128)</b>
<b>RECONCILIATION OF TOTAL CASH:</b>	
Current assets - cash	\$ 28,869
Restricted assets - cash	9,025
	<b>\$ 37,894</b>

See accompanying notes to the basic financial statements



**CITY OF OAK PARK, GEORGIA**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**December 31, 2015**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The financial statements of City of Oak Park (the "City ") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. As required by GAAP, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Currently, the City has no blended component units or discretely presented component units

**B. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the nonfiduciary activities of the City (the primary government) and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

### **C. Measurement Focus, Basis of Accounting and Basis of Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. For the year ended December 31, 2015, the City did not assess property taxes. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including accrued interest on general long-term debt, is recognized when due, and certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, interest, and charges for services. Other receipts and taxes become measurable and available when cash is received by the City and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

The City reports the following major governmental funds:

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

The Capital Projects Fund accounts for capital outlay and other transactions related to the additional one-percent local option sales tax in effect for the period October 1, 2012 to September 30, 2017.

The Jail Fund accounts for the fines charged by the City to be used for improvement.



The TSPLOST Special Revenue Fund accounts for capital outlay and other transportation improvements related to the additional one-percent local option sales tax in effect for the period January 1, 2014 to December 31, 2022.

The City reports the following major proprietary fund:

The Water Fund is used to account for the provision of water services to businesses and residents of the City. All activities necessary to provide such services are accounted for in the fund, including but not limited to, administration, operation, financing and related debt services, and billing and collections.

The City complies with Governmental Accounting Standards Board ("GASB") Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting. This Statement requires the City to apply all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB's). As permitted by GASB No. 20, the City has elected not to comply with the FASB Statements and Interpretations issued after November 30, 1989.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 proprietary funds are charges to customers for sales and services; operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

#### **D. Cash and Investments**

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

Investments, if any, are stated at fair market value with unrealized holding gains and losses reported as the "Change in fair market value of investments" in the Statement of Revenues, Expenses and Changes in Fund Balances.

### **E. Inventory**

Inventory is valued at cost, which approximates market, using the first-in/first-out ("FIFO") method. The cost of governmental fund-type inventory is recorded as an expenditure when consumed rather than when purchased.

### **F. Prepaid Items**

Prepaid balances, if any, are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and a reserve for prepaid items is recognized to signify that a portion of fund balance is not available for other subsequent expenditures.

### **G. Capital Assets and Depreciation**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., streets, sidewalks, distribution systems and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an estimated useful life in excess of two years and an initial cost of \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Prior to July 1, 2003, governmental funds' infrastructure assets were not capitalized. No infrastructure assets were completed during the year ended December 31, 2015. At December 31, 2015, there was no construction-in-progress related to infrastructure assets.

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

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows

Buildings	30-40 years
Depreciable land improvements	8 - 20 years
Machinery and equipment	5 - 25 years
Infrastructure	40 - 50 years



## **H. Compensated Absences**

Accumulated leave of governmental funds that is expected to be liquidated with expendable available financial resources is reported as an expenditure in the fund financial statements. All accumulated leave, including that which is not expected to be liquidated with expendable available financial resources, is reported in the government-wide financial statements. Accumulated leave of Enterprise Funds is recorded as an expense and liability of the respective fund as the benefits accrue to employees.

Liabilities for compensated absences are recorded as other liabilities and accrued expenses in the Enterprise Funds. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

The City does not allow accumulated vacation pay beyond one year; therefore there is no significant unrecorded balances at December 31, 2015.

## **I. 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 position. 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. Bond issuance costs are reported as deferred charged and amortized over the term of the related debt.

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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## **J. Fund Equity**

The City implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, as of January 1, 2015. This new standard changed the overall definitions and classifications of governmental fund balances.

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



## **Fund Balance**

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

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

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

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

**Assigned** - Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

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

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balances are available, unless there are legal documents/contracts that prohibit the use of restricted fund balances, such as grant agreements that require a dollar match. Additionally, the City would then use committed, assigned and lastly unassigned amounts from the unrestricted fund balance when expending funds.

The City does not have a formal minimum fund balance policy; however, the City Council addresses various target reserve positions which are reviewed periodically.

## **Net Position**

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

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

**Unrestricted net position** - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

## **K. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net 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 until then.

In addition to liabilities, the statement of financial position and the balance sheet reports 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.

## **L. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly chargeable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

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

### **Budgetary Basis**

GAAP is the budgetary basis used in the preparation of these statements.

### **Budget Requirements, Accounting and Reporting**

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

1. Prior to year end the City Clerk submits to the Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. The Council holds a public hearing on the budget, giving notice thereof at least ten days in advance by publication in the official organ of Washington County.

3. The budget is then revised and adopted or amended by the Council at a regular meeting early in the year to which it applies.
4. The budget so adopted may be revised during the year only by formal action of the Council in a regular meeting and no increase shall be made therein without provision also being made for financing same.
5. The legal level of budgetary control is the department level within the General Fund. Increases in the total appropriations of a department, whether accomplished through an increase in estimated revenues or through a transfer of appropriations among departments, require the approval of the Mayor and Council.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budget for the General Fund is adopted on a basis consistent with GAAP.
7. Budgeted amounts are as originally adopted, or as amended by the Council. Individual amendments were not material in relation to the original appropriations which were amended.

#### **Excesses of Expenditures over Appropriations in Individual Funds**

The following general fund departments had excesses of actual expenditures over appropriations in the amount shown for the year ended December 31, 2015:

General government	\$ 25,467
Public works	13,438
Public safety	290,174
Culture and recreation	27,012
General government - capital outlay	3,000
Public works- capital outlay	3,374
Public safety- capital outlay	20,438
Debt Service	17,070

These overexpenditures were funded by greater than anticipated revenues and by available fund balance. The Mayor and Council plan in the future to more closely monitor expenditures to determine if budget amendments need to be made or if cost cutting measures need to be formulated.

### **3. DEPOSITS AND INVESTMENTS**

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. As of December 31, 2015, none of the City's \$192,219 was exposed to custodial credit risk.

Investments - There were no investments at December 31, 2015.



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 increased interest rates.

Credit Risk – Statutes authorize the City to invest in obligations of the State of Georgia, other states, or the United States Government; obligations fully insured or guaranteed by the United States Government or an agency or corporation of the United States Government; and/or repurchase agreements and certificates of deposit which are secured by direct obligations of Georgia or the investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor’s and AAA by Moody’s Investors Service.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. As of December 31, 2015, all of the deposits of the City were properly insured and collateralized as required by the Official Code of Georgia Annotated (OCGA) Section 45-8-12(c) and as defined by GASB pronouncements.

#### 4. ACCOUNTS RECEIVABLE

At December 31, 2015, accounts receivable consisted of the following:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General Fund:			
Local option sales tax	\$ 4,706	\$ -	\$ 4,706
Garbage fees receivable	1,350	-	1,350
Police fines	15,615	-	15,615
Miscellaneous receivable	1,854	-	1,854
Capital Projects Fund:			
Special local option sales tax	6,746	-	6,746
TSPLOST Special Revenue Fund:			
Special local option sales tax	816	-	816
Water Fund:			
Water fees	-	2,640	2,640
	<u>31,087</u>	<u>2,640</u>	<u>33,727</u>
Allowance for doubtful accounts	-	-	-
	<u>\$ 31,087</u>	<u>\$ 2,640</u>	<u>\$ 33,727</u>

## 5. CAPITAL ASSETS AND DEPRECIATION

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

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Not being depreciated:				
Land	\$ 8,000	\$ -	\$ -	\$ 8,000
Other capital assets:				
Buildings & improvements	219,840	41,100	-	260,940
Equipment	297,335	20,438	-	317,773
Subtotal	525,175	61,538	-	586,713
Accumulated depreciation:				
Buildings & improvements	79,096	12,917	-	92,013
Equipment	194,430	33,506	-	227,936
Subtotal	273,526	46,423	-	319,949
Net capital assets	\$ 251,649	\$ 15,115	\$ -	\$ 266,764

Governmental activities depreciation expense:

General government	\$ 13,220
Street department	1,634
Public safety	31,569
	<u>\$ 46,423</u>

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities:</b>				
Not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction-in-progress	-	-	-	-
Subtotal	-	-	-	-
Other capital assets:				
Infrastructure	76,060	-	-	76,060
Buildings & improvements	287,396	-	-	287,396
Equipment	30,361	-	-	30,361
Subtotal	393,817	-	-	393,817
Accumulated depreciation:				
Infrastructure	25,945	3,282	-	29,227
Buildings & improvements	254,225	7,185	-	261,410
Equipment	22,527	1,352	-	23,879
Subtotal	302,697	11,819	-	314,516
Net capital assets	\$ 91,120	\$ (11,819)	\$ -	\$ 79,301



## 7. LONG-TERM DEBT

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

	<u>Balance December 31, 2014</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31, 2015</u>	<u>Amount Due in One Year</u>
Governmental type activities:					
Capital leases payable	\$ 48,225	\$ 18,394	\$ (15,075)	\$ 51,544	\$ 10,525
Business type activities:					
Bonds payable	\$ 44,000	\$ -	\$ (6,000)	\$ 38,000	\$ 7,000

### Governmental Activities Long-Term Debt

BB&T Government Finance Capital Lease - General Fund - In September 2013, the City entered into a capital lease agreement with BB&T Government Finance to purchase a public safety vehicle. The original amount of \$34,933 was financed under the lease agreement with an interest rate of 3.44%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The public safety vehicle acquired by the lease is included in the governmental activities general assets in the amount of \$20,690 (cost of \$34,933 less accumulated depreciation of \$13,973). Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 5,673	\$ 605	\$ 6,278
2017	5,868	410	6,278
2018	6,070	208	6,278
	<u>\$ 17,611</u>	<u>\$ 1,223</u>	<u>\$ 18,834</u>

BB&T Government Finance Capital Lease - General Fund - In June 2014, the City entered into a capital lease agreement with BB&T Government Finance to purchase a public safety vehicle. The original amount of \$30,691 was financed under the lease agreement with an interest rate of 3.47%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The public safety vehicle acquired by the lease is included in the governmental activities general assets in the amount of \$21,484 (cost of \$30,691 less accumulated depreciation of \$9,207). Future minimum lease payments are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 4,852	\$ 709	\$ 5,561
2017	5,020	541	5,561
2018	5,194	367	5,561
2019	5,375	186	5,561
	<u>\$ 20,441</u>	<u>\$ 1,803</u>	<u>\$ 22,244</u>

Kansas State Bank Capital Lease - General Fund - In March 2015, the City entered into a capital lease agreement with Kansas State Bank to purchase public safety equipment. The original amount of \$20,438 less a \$2,044 downpayment (\$18,394) was financed under the lease agreement with an interest rate of 5.35%. Capital lease payments are reflected as debt service expenditures at the governmental fund reporting level. The public safety equipment acquired by the lease is included in the governmental activities general assets in the amount of \$17,031 (cost of \$20,438 less accumulated depreciation of \$3,407). Future minimum lease payments are as follows:

Year	Principal	Interest	Total
2016	\$ -	\$ -	\$ -
2017	3,948	1,282	5,230
2018	4,580	650	5,230
2019	4,964	266	5,230
	<u>\$ 13,492</u>	<u>\$ 2,198</u>	<u>\$ 15,690</u>

#### Business-type Activities Long-Term Debt

Business-type Activities Revenue Bonds - In 1980, the City issued \$149,000 of water revenue bonds at an interest rate of 5.00% with annual principal and interest payments. Proceeds from this issuance were utilized in the construction and improvement of the City's water system. Annual debt service requirements to amortize the revenue bonds outstanding as of December 31, 2015 are as follows:

Year	Principal	Interest	Total
2016	\$ 7,000	\$ 1,900	\$ 8,900
2017	7,000	1,550	8,550
2018	7,000	1,200	8,200
2019	8,000	850	8,850
2020	9,000	450	9,450
	<u>\$ 38,000</u>	<u>\$ 5,950</u>	<u>\$ 43,950</u>

#### 6. DEFICIT FUND EQUITY

No fund had a deficit fund balance at December 31, 2015.

## 7. INTERFUND TRANSACTIONS AND BALANCES

Balances due to/from other funds at December 31, 2015, consist of the following -

	<u>Due From</u>	<u>Due To</u>
General Fund	\$ -	\$ 11,986
Water Fund	-	2,765
Capital Projects Fund	14,751	-
	<u>\$ 14,751</u>	<u>\$ 14,751</u>

The interfund balance from the Capital Projects Fund to the General Fund and Water Fund are due to the City expending SPLOST projects with funds from the General Fund and the Water Fund. As SPLOST proceeds are received, the funds are paid back to the appropriate fund accordingly. The City expects to repay these interfund balances within one year.

Transfers:

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 16,546
Water Fund	16,546	-
	<u>\$ 16,546</u>	<u>\$ 16,546</u>

During 2015, the Water Fund transferred \$11,395 to the General Fund. All transfers were made in accordance with budgetary authorizations.

## 8. COMMITMENTS AND CONTINGENCIES

### Contingent Liabilities

There were no contingent liabilities at December 31, 2015.

### Litigation

Various claims and lawsuits are pending against the City. In the opinion of City management, after consultation with legal counsel, the potential loss on all claims and lawsuits will not materially effect the City's financial position.

## 9. RETIREMENT PLAN

The City does not have a retirement or pension plan.

## 10. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors of omissions, job related illnesses or injuries to employees; natural disaster; and unemployment compensation. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance. GIRMA is a public entity risk pool currently operating as common risk management and insurance program for member local governments. The Georgia Municipal Association administers the pool.

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

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

For its workers' compensation coverage, the City is a participant in the Georgia Municipal Association Self-Insurance Fund (the Fund), a public entity risk pool operated for the benefit of municipal government units located in Georgia. The City's General Fund pays an annual premium to the Fund for this coverage. The Fund provides excess insurance coverage for protection of members against excess losses and initial excess coverage is statutory specific and unlimited aggregate amounts. Government members of the Fund are jointly and severally liable for claims not covered by the Fund. No workers' compensation claims have been filed by the City in the past three years.

## 11. JOINT VENTURE

Under Georgia law, the City in conjunction with other cities and counties in the seventeen county area, is a member of the Heart of Georgia/Altamaha Regional Commission and is required to pay annual dues thereto. Membership in a Regional Commission is required by the OCGA Section 50-8-34 which provides for the organizational structure of the Regional Commission in Georgia. The Regional Commission Board membership includes the chief elected official of each City and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of a Regional Commission. Separate financial statements may be obtained from:

Heart of Georgia/Altamaha Regional Commission  
501 Oak Street  
Eastman, Georgia 31023

12. **SUBSEQUENT EVENTS**

Management has evaluated subsequent events through January 31, 2018, the date the financial statements were available to be issued.



## REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedules - General Fund, TSPLOST Special Revenue Fund and the Jail Special Revenue Fund

**CITY OF OAK PARK, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
<b>REVENUES:</b>				
<b>Taxes:</b>				
Franchise tax	\$ 960	\$ 960	\$ 1,397	\$ 437
Local option sales tax	52,000	52,000	50,551	(1,449)
Motor vehicle tax	5,280	5,280	3,212	(2,068)
Energy excise tax	-	-	984	984
Alcoholic beverage tax	9,900	9,900	9,285	(615)
Insurance company premium	21,882	21,882	27,888	6,006
	<u>90,022</u>	<u>90,022</u>	<u>93,317</u>	<u>3,295</u>
<b>Licenses and Permits:</b>				
Business licenses	4,670	4,670	9,345	4,675
	<u>4,670</u>	<u>4,670</u>	<u>9,345</u>	<u>4,675</u>
<b>Intergovernmental:</b>				
GMA grant	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Charges for services:</b>				
Fines and forfeitures	-	-	328,385	328,385
Garbage fee	15,000	15,000	16,001	1,001
	<u>15,000</u>	<u>15,000</u>	<u>344,386</u>	<u>329,386</u>
<b>Miscellaneous:</b>				
Interest income	-	-	663	663
Rent income	5,880	5,880	6,035	155
Fire department fundraising	1,500	1,500	1,811	311
Shiners committee fundraising	-	-	19,242	19,242
Other	50	50	2,008	1,958
	<u>7,430</u>	<u>7,430</u>	<u>29,759</u>	<u>22,329</u>
<b>Total revenues</b>	<u>117,122</u>	<u>117,122</u>	<u>476,807</u>	<u>359,685</u>

**CITY OF OAK PARK, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>EXPENDITURES:</b>				
<b>Current Operating:</b>				
General government	\$ 70,363	\$ 70,363	\$ 95,830	\$ (25,467)
Public works	14,868	14,868	28,306	(13,438)
Public safety	5,136	5,136	295,310	(290,174)
Culture and recreation	-	-	27,012	(27,012)
	<u>90,367</u>	<u>90,367</u>	<u>446,458</u>	<u>(356,091)</u>
<b>Capital Outlays:</b>				
General government	1,500	1,500	4,500	(3,000)
Public works	-	-	3,374	(3,374)
Public safety	-	-	20,438	(20,438)
Culture and recreation	-	-	-	-
	<u>1,500</u>	<u>1,500</u>	<u>28,312</u>	<u>(26,812)</u>
<b>Debt Service:</b>				
Principal	-	-	15,075	(15,075)
Interest	-	-	1,995	(1,995)
	<u>-</u>	<u>-</u>	<u>17,070</u>	<u>(17,070)</u>
<b>Total expenditures</b>	<u>91,867</u>	<u>91,867</u>	<u>491,840</u>	<u>(399,973)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>25,255</u>	<u>25,255</u>	<u>(15,033)</u>	<u>(40,288)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Loan proceeds	-	-	18,394	18,394
Transfers in (out)	(25,255)	(25,255)	(7,271)	17,984
	<u>(25,255)</u>	<u>(25,255)</u>	<u>11,123</u>	<u>36,378</u>
<b>Excess (deficiency) of revenues over expenditures and other financing sources</b>	<u>-</u>	<u>-</u>	<u>(3,910)</u>	<u>(3,910)</u>
<b>FUND BALANCE, beginning of year</b>	<u>167,895</u>	<u>167,895</u>	<u>167,895</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 167,895</u>	<u>\$ 167,895</u>	<u>\$ 163,985</u>	<u>\$ (3,910)</u>



**CITY OF OAK PARK, GEORGIA**  
**TSPLOST SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET (GAAP) BASIS AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>REVENUES:</b>				
Intergovernmental:				
Special local option sales tax	\$ 9,000	\$ 9,000	\$ 7,969	\$ (1,031)
Intergovernmental grant revenue	-	-	-	-
Other revenue	-	-	14	14
	<u>9,000</u>	<u>9,000</u>	<u>7,983</u>	<u>(1,017)</u>
<b>EXPENDITURES:</b>				
Current operating:				
Transportation improvements	-	-	-	-
Capital outlays	34,000	34,000	33,226	774
	<u>34,000</u>	<u>34,000</u>	<u>33,226</u>	<u>774</u>
Total expenditures	34,000	34,000	33,226	774
Excess revenues over (under) expenditures	<u>(25,000)</u>	<u>(25,000)</u>	<u>(25,243)</u>	<u>(243)</u>
<b>OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess revenues and other financing sources (uses) over (under) expenditures	(25,000)	(25,000)	(25,243)	(243)
<b>FUND BALANCE, beginning of year</b>	<u>31,037</u>	<u>31,037</u>	<u>31,037</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 6,037</u>	<u>\$ 6,037</u>	<u>\$ 5,794</u>	<u>\$ (243)</u>

**CITY OF OAK PARK, GEORGIA  
 JAIL SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET (GAAP) BASIS AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES:</b>				
Intergovernmental:				
Fines and forfeitures	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Other revenue	-	-	4	4
	<u>2,000</u>	<u>2,000</u>	<u>4</u>	<u>(1,996)</u>
<b>EXPENDITURES:</b>				
Current operating:				
Public safety	2,000	2,000	-	2,000
Capital outlays	-	-	-	-
	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Excess revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (to)/from General Fund	<u>-</u>	<u>-</u>	<u>(9,275)</u>	<u>(9,275)</u>
Excess revenues and other financing sources (uses) over (under) expenditures	<u>-</u>	<u>-</u>	<u>(9,271)</u>	<u>(9,271)</u>
<b>FUND BALANCE, beginning of year</b>	<u>10,675</u>	<u>10,675</u>	<u>10,675</u>	<u>-</u>
<b>FUND BALANCE, end of year</b>	<u>\$ 10,675</u>	<u>\$ 10,675</u>	<u>\$ 1,404</u>	<u>\$ (9,271)</u>

## OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor are a part of the basic financial statements, but are presented for purposes of additional analysis. Such information includes:

- Schedule of Projects Constructed with Special Sales Tax Proceeds
- Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*



CITY OF OAK PARK, GEORGIA  
 SCHEDULE OF PROJECTS CONSTRUCTED WITH  
 SPECIAL SALES TAX PROCEEDS  
 For the Year Ended December 31, 2015

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2012 Referendum:						
Water system improvements	\$ 50,000	\$ 50,000	\$ 23,780	\$ -	\$ 23,780	47.6%
City Building Renovations - Public safety	50,000	52,639	52,639	-	52,639	100.0%
City Building Renovations - Culture and recreation	40,000	40,000	-	-	-	0.0%
Paving and street improvements	11,402	8,763	-	-	-	0.0%
	<u>\$ 151,402</u>	<u>\$ 151,402</u>	<u>\$ 76,419</u>	<u>\$ -</u>	<u>\$ 76,419</u>	

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

To the Mayor and Council  
City of Oak Park, 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 and each major fund of the City of Oak Park, 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 Oak Park's basic financial statements and have issued our report thereon dated January 31, 2018.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that were considered to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

We did identify certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, that we consider to be significant deficiencies in internal control over financial reporting noted as items 15-1 through 15-3.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Oak Park Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 15-4.

### **City of Oak Park, Georgia's Response to Findings**

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

### **Purpose of this Report**

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



Sandersville, Georgia  
January 31, 2018



**CITY OF OAK PARK, GEORGIA**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**For the Year Ended December 31, 2015**

**15-1 Segregation of Duties**

**Condition**

Due to the small size of the City's staff, controls are not practical to provide adequate segregation of duties in the cash receipts and disbursements functions.

**Effect**

Because of the failure to separate control over cash, errors or fraud that might avoid detection are possible.

**Recommendation**

The City Council should implement other internal controls in areas where segregation of duties is not practical.

**Views of Responsible Officials**

We concur and will continue to require dual signatures on checks and council approval for non recurring expenditures.

**15-2 Controls Over Financial Statement Presentation**

**Condition**

City personnel do not currently possess the professional skills necessary to prepare the year end financial statements in sufficient detail to detect material misstatements in the financial statements and related footnotes.

**Effect**

The deficiency identified above could result in a material misstatement to the City's financial statements that would not be prevented or detected on a timely basis.

**Recommendation**

The City should consider additional training that would provide accounting personnel with the skills to detect and correct misstatements in the financial statements.

## **Views of Responsible Officials**

We concur. We will evaluate the cost effectiveness of implementing the control and act accordingly.

## **15-3 Expenditure Disbursements Documentation and Payment Processing Practices**

### **Condition**

Disbursements processed and paid by the City did not always contain appropriate documentation supporting the disbursement, or proper authorization from management approving the disbursement.

### **Effect**

Failure to properly support all disbursements with an invoice or other appropriate documentation and have supporting documentation reviewed by management creates the potential for the City's funds to be improperly disbursed and creates potential for misappropriation of the City's assets.

### **Recommendation**

Disbursements processed by the City should include an invoice or other appropriate supporting documentation, and the expenditure disbursement and supporting documentation should be reviewed by management prior to being disbursed.

## **Views of Responsible Officials**

We concur and will be more diligent in our recordkeeping and approval of disbursements.

## **15-4 Budgetary**

### **Condition**

In the City's General Fund, actual expenditures exceeded budget appropriations in several departments. This is a violation of state law.

### **Effect**

Fiscal control and accountability over departmental expenditures may be jeopardized.

### **Recommendation**

The City should monitor the budget and amend it when appropriate.

## **Views of Responsible Officials**

Our City Council will analyze budgetary financial data periodically and amend the budget when appropriate.