CITY OF GLENNVILLE, GEORGIA

FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

CITY OF GLENNVILLE, GEORGIA
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of Glennville, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glennville, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Change in Accounting Principle

As described in Note 19 to the financial statements, in 2015 the City of Glennville adopted new accounting guidance, GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68.* These standards changed the accounting and disclosure requirements for pension plans. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedules of historical pension information and the related notes on pages 44-47 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.

Management has omitted the management's discussion and analysis that 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 Glennville, Georgia's basic financial statements. The combining and individual non-major fund financial statements, financial schedules, and budgetary schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and schedules, the schedules of projects paid with special sales tax proceeds, 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 and America. In our opinion, the combining and individual non-major fund financial statements and the schedule of projects paid with special sales tax proceeds are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015, on our consideration of the City of Glennville, 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 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 Glennville, Georgia's internal control over financial reporting and compliance.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 4, 2015

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and Equivalents	$ 2,334,894	$ 1,495,784	$ 3,830,678	$ 126,224
Receivables	194,457	359,936	554,393	-
Prepaids	6,216	1,691	7,907	-
Internal Balances	3,931	(3,931)	-	-
Restricted Cash and Equivalents	-	1,015,461	1,015,461	-
Original Issue Discount	-	64,580	64,580	-
Capital Assets				
Non-depreciable	725,185	715,697	1,440,882	856,228
Depreciable (net)	3,662,611	7,782,969	11,445,580	-
Total Assets	6,927,294	11,432,187	18,359,481	982,452
Deferred Outflows of Resources				
Deferred pensions	63,759	-	63,759	-
Total Deferred Outflows of Resources	63,759	-	63,759	-
Liabilities				
Accounts payable and accruals	276,584	307,173	583,757	-
Deposits	-	115,489	115,489	-
Long-term liabilities				
Due within one year				
Notes payable	17,636	3,452	21,088	-
Capital lease obligations	51,678	5,237	56,915	-
Bonds payable	-	290,000	290,000	-
Compensated absences	7,751	2,182	9,933	-
Line of credit	401,159	119,930	521,089	-
Due in more than one year				
Notes payable	13,606	-	13,606	-
Capital lease obligations	174,175	16,845	191,020	-
Bonds payable	-	6,705,000	6,705,000	-
Compensated absences	31,006	8,727	39,733	-
Net pension liability	375,124	-	375,124	-
Total liabilities	1,348,719	7,574,035	8,922,754	-
Deferred Inflows of Resources				
Deferred pensions	70,200	-	70,200	-
Total deferred inflows of resources	70,200	-	70,200	-
Net Position				
Net investment in capital assets	3,729,542	1,358,202	5,087,744	856,228
Restricted for:				
Debt Service	-	899,972	899,972	-
Special Sales Tax	19,102	-	19,102	-
Drug Seizure	14,462	-	14,462	-
Hotel Motel	4,159	-	4,159	-
Recreation	40,642	-	40,642	-
Unrestricted	1,764,227	1,599,978	3,364,205	126,224
Total net position	$ 5,572,134	$ 3,858,152	$ 9,430,286	$ 982,452

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government								
Governmental Activities								
General Government	$ 447,045	$ 83,428	$ -	$ 808,776	$ 445,159	$ -	$ 445,159	
Municipal Court	57,714	-	-	-	(57,714)	-	(57,714)	
Public Safety	1,077,844	181,432	-	-	(896,412)	-	(896,412)	
Public Works	906,928	357,432	-	56,231	(493,265)	-	(493,265)	
Community Development	49,216	-	-	-	(49,216)	-	(49,216)	
Culture and recreation	401,812	74,832	125,305	-	(201,675)	-	(201,675)	
Interest on Long-term debt	3,697	-	-	-	(3,697)	-	(3,697)	
Total governmental activities	2,944,256	697,124	125,305	865,007	(1,256,820)	-	(1,256,820)	
Business-type activities:								
Water and Sewer	1,729,525	1,501,965	-	71,063	-	(156,497)	(156,497)	
Total business-type activities	1,729,525	1,501,965	-	71,063	-	(156,497)	(156,497)	
Total primary government	$ 4,673,781	$ 2,199,089	$ 125,305	$ 936,070	$ (1,256,820)	$ (156,497)	$ (1,413,317)	
Component Units								
Downtown Development Authority	7,806	-	10,000	-				2,194
Development Authority	10,018	-	10,000	-				(18)
Total component units	$ 17,824	$ -	$ 20,000	$ -				$ 2,176
General revenues:								
Taxes:								
Property taxes, levied for general purposes					$ 781,814	$ -	$ 781,814	$ -
Sales Taxes					666,182	-	666,182	-
Franchise Fee					246,501	-	246,501	-
Other Taxes					372,978	-	372,978	-
Unrestricted investment earnings					8,355	15,073	23,428	229
Miscellaneous					8,396	29,111	37,507	351
Gain on sale of asset					4,600	3,912	8,512	-
Total general revenues, special items, and transfers					2,088,826	48,096	2,136,922	580
Change in net position					832,006	(108,401)	723,605	2,756
Net position - beginning, as stated					5,111,991	3,966,553	9,078,544	979,696
Prior period adjustment					(371,863)	-	(371,863)	-
Net position - beginning, as restated					4,740,128	3,966,553	8,706,681	979,696
Net position - ending					$ 5,572,134	$ 3,858,152	$ 9,430,286	$ 982,452

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL FUND	SPECIAL SALES TAX	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	$ 1,812,086	$ 367,948	$ 154,861	$ 2,334,895
Receivables (net):				
Taxes	73,580	38,373	8,908	120,861
Accounts	38,572	-	-	38,572
Interest	4,380	-	-	4,380
Due from other funds	16,792	9,403	-	26,195
Receivable from other governments	9,220	-	6,090	15,310
Other receivables	15,334	-	-	15,334
Prepaid expenditures	6,216	-	-	6,216
Total Assets	1,976,180	415,724	169,859	2,561,763
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	61,319	102,325	87,359	251,003
Line of credit	-	401,159	-	401,159
Due to other funds	8,121	-	14,143	22,264
Other accrued expenditures	22,112	-	3,470	25,582
Total Liabilities	91,552	503,484	104,972	700,008
DEFERRED INFLOWS OF RESOURCES				
Property tax revenue	23,602	-	-	23,602
Unavailable revenue	29,834	-	-	29,834
Total Deferred Inflows of Resources	53,436	-	-	53,436
Fund balances (deficits):				
Nonspendable	6,216	-	-	6,216
Restricted	-	-	64,887	64,887
Unassigned	1,824,976	(87,760)	-	1,737,216
Total Fund Balances (Deficits)	1,831,192	(87,760)	64,887	1,808,319
Total Liabilities, Deferred Inflows and Fund balances	$ 1,976,180	$ 415,724	$ 169,859	$ 2,561,763

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

Total fund balance, governmental funds	$	1,808,319
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.		4,387,796
The deferred outflows are not current assets or financial resources, and the deferred inflows are not due and payable in the current period and therefore are not reported in the fund financial statements.		
Deferred outflows		63,759
Deferred inflows		(70,200)
Long-term liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Government-wide Statement of Net Position.		
Notes payable		(31,242)
Capital lease obligations		(225,853)
Compensated absences		(38,757)
Net pension liability		(375,124)
Deferred revenue in governmental funds is susceptible to full accrual on the entity-wide statements.		53,436
Net Position of Governmental Activities in the Statement of Net Position	$	5,572,134

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	GENERAL FUND	SPECIAL SALES TAX	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	$ 1,716,216	$ -	$ 62,320	$ 1,778,536
Fines and forfeitures	111,741	-	15,908	127,649
Licenses and permits	79,268	-	-	79,268
Intergovernmental	801,957	310,421	124,169	1,236,547
Charges for services	410,708	-	74,832	485,540
Investment earnings	8,230	2,245	412	10,887
Miscellaneous	20,033	-	5,085	25,118
Total Revenues	3,148,153	312,666	282,726	3,743,545
EXPENDITURES				
Current:				
General government	428,772	-	-	428,772
Public safety	1,180,521	-	26,139	1,206,660
Public works	412,541	-	53,699	466,240
Sanitation	294,869	-	-	294,869
Community development	22,754	-	15,341	38,095
Culture and recreation	28,938	-	210,038	238,976
Municipal court	57,713	-	-	57,713
Debt Service:				
Principal	-	50,022	15,135	65,157
Interest and other charges	-	5,693	846	6,539
Capital outlay	-	695,021	60,831	755,852
Total Expenditures	2,426,108	750,736	382,029	3,558,873
Excess (Deficiency) of Revenues Over Expenditures	722,045	(438,070)	(99,303)	184,672
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	98,820	98,820
Transfers out	(98,820)	-	-	(98,820)
Proceeds from other financing sources	188,952	-	-	188,952
Proceeds from sale of assets	4,600	-	-	4,600
Total Other Financing Sources (Uses)	94,732	-	98,820	193,552
Net Change in Fund Balances	816,777	(438,070)	(483)	378,224
Fund Balances - Beginning of Year	1,014,415	350,310	65,370	1,430,095
Fund Balances - Ending of Year	$ 1,831,192	$ (87,760)	$ 64,887	$ 1,808,319

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE GOVERNEMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

Net change in fund balances - total governmental funds:	$	378,224
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays of $973,962 exceeded depreciation of $319,978 in the current period.		653,984
Revenues reported on the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds:		
Deferred revenues		(70,701)
Revenues not reported on the statement of activities that provide current financial resources are reported as revenues in governmental funds:		
Proceeds from notes payables		(26,558)
Proceeds from capital leases		(162,394)
Repayment of principle is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of activities:		
Notes payable principle payments		17,214
Capital lease principal payments		47,947
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:		
Changes in long-term compensated absences		3,993
Pension expense		(9,703)
Change in Net Position of Governmental Activities	$	832,006

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Taxes	$ 1,640,689	$ 1,731,075	$ 1,716,216	$ (14,859)
Fees and fines	139,225	147,876	111,741	(36,135)
Licenses and permits	75,025	80,275	79,268	(1,007)
Charges for services	412,996	413,275	410,708	(2,567)
Investment earnings	7,030	7,037	8,230	1,193
Intergovernmental	48,000	801,957	801,957	-
Miscellaneous	19,000	23,355	20,033	(3,322)
Proceeds from other financing sources	-	-	188,952	188,952
Proceeds from sale of assets	-	4,602	4,600	(2)
Total Revenues	2,341,965	3,209,452	3,341,705	132,253
Expenditures				
Current:				
General government	493,056	493,056	428,772	64,284
Public safety	999,750	1,004,580	1,180,521	(175,941)
Public works	432,868	412,570	412,541	29
Sanitation	350,600	324,464	294,869	29,595
Community development	22,950	825,265	22,754	802,511
Culture and recreation	27,650	29,834	28,938	896
Municipal court	57,535	64,735	57,713	7,022
Transfers out	98,820	98,820	98,820	-
Total Expenditures	2,483,229	3,253,324	2,524,928	728,396
Excess (Deficiency) Of Revenues Over Expenditures	(141,264)	(43,872)	816,777	(596,143)
Fund Balances - Beginning of Year	1,014,415	1,014,415	1,014,415	-
Fund Balances - Ending of Year	$ 873,151	$ 970,543	$ 1,831,192	$ (596,143)

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
JUNE 30, 2015

ASSETS

Current Assets		
Cash and cash equivalents	$	1,495,784
Accounts receivable, net		152,643
Other receivables		207,293
Current portion of original issue discount		5,589
Prepaid expenses		1,691
Total Current Assets		1,863,000
Non-Current Assets		
Restricted Assets - cash and cash equivalents		1,015,461
Total Restricted Assets		1,015,461
Capital Assets		
Land		507,747
Water and sewer system		15,880,264
Equipment and furniture		454,995
Construction in progress		207,950
Total capital assets		17,050,956
Less Accumulated depreciation		(8,552,290)
Net Capital Assets		8,498,666
Other Non-Current Assets		
Original issue discount (net of current portion)		58,991
Total Non-Current Assets		9,573,118
Total Assets	$	11,436,118

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
JUNE 30, 2015

LIABILITIES

Current Liabilities		
Accounts payable	$	215,064
Accrued payroll		3,242
Accrued interest payable		88,867
Due to other funds		3,931
Current portion of compensated absences		2,182
Current portion of long-term debt - capital leases		5,237
Current portion of long-term debt - notes payable		123,382
Current portion of long-term debt - bonds payable		290,000
Total Current Liabilities		731,905
Current liabilites (payable from restricted assets)		
Water Deposits		115,489
Total Current Liabilities (payable from restricted assets)		115,489
Non-Current Liabilites		
Compensated absences payable (net of current portion)		8,727
Capital leases payable (net of current portion)		16,845
Bonds payable (net of current portion)		6,705,000
Total Non-Current Liabilities		6,730,572
Total Liabilities		7,577,966

NET POSITION

Net investment in capital assets		1,358,202
Restricted for debt service		899,972
Unrestricted		1,599,978
Total Net Position	$	3,858,152

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2015

Revenues	
Charges for services	$ 1,501,965
Total Operating Revenues	1,501,965
Operating Expenses	
Personal services	237,961
Contractual services	95,454
Utilities	254,316
Repairs and maintenance	223,616
Other supplies and expenses	141,309
Insurance claims and expenses	40,453
Miscellaneous expenses	7,930
Depreciation expense	537,763
Total Operating Expenses	1,538,802
Operating (Loss)	(36,837)
Non-Operating Revenues (Expenses)	
Interest and investment revenue	15,073
Miscellaneous revenue	29,111
Interest expense	(190,723)
Proceeds from sale of assets	3,912
Total Non-Operating Revenue (Expenses)	(142,627)
(Loss) Before Contributions And Transfers	(179,464)
Capital grants and contributions	71,063
Total Contributions And Transfers	71,063
Change in net position	(108,401)
Total net position - beginning	3,966,553
Total net position - ending	$ 3,858,152

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2015

Cash Flows From Operating Activities		
Cash received from customers:	$	1,507,443
Cash paid to suppliers		(726,900)
Cash paid to employees		(234,997)
Net Cash Provided By Operating Activities		545,546
Cash Flows From Capital And Related Financing Activities		
Principal paid on capital leases payable		(5,059)
Principal paid on notes payable		(3,324)
Principal paid on bonds payable		(285,000)
Acquisition and contruction of capital assets		(71,866)
Interest payments		(181,734)
Net Cash (Used In) Capital And Related Activities		(546,983)
Cash Flows From Investing Activities		
Interest on cash deposits		15,073
Miscellaneous non-operating revenue		7,098
Net Cash Provided By Investing Activities		22,171
Net Increase In Cash		20,733
Cash Beginning of Year		2,490,512
Cash at End of Year	$	2,511,245

RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating (Loss)	$	(36,837)
Adjustments To Reconcile Operating (Loss) To Net Cash Provided By Operating Activities:		
Depreciation and amortization		537,763
Change in Assets and Liabilities:		
Accounts receivable		6,137
Other receivables		(171,899)
Prepaid expenses		9
Accounts payable		198,975
Accrued expenses		2,963
Customer deposits		4,504
Due to other funds		3,931
Net Cash Provided By Operating Activities	$	545,546

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND - WATER AND SEWER FUND
FOR THE YEAR ENDED JUNE 30, 2015

Cash Per Financial Statements, Including Investments	$	2,511,245
Less: Non-Cash Equivalents		-
Total Cash	$	2,511,245

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
COMBINING STATEMENT OF NET POSITION
COMPONENT UNITS
JUNE 30, 2015

	DOWNTOWN DEVELOPMENT AUTHORITY	DEVELOPMENT AUTHORITY	TOTAL COMPONENT UNITS
ASSETS			
Cash and cash equivalents	$ 84,181	$ 42,043	$ 126,224
Non-depreciable capital assets	86,894	769,334	856,228
Total Assets	171,075	811,377	982,452
NET POSITION			
Net investment in capital assets	86,894	769,334	856,228
Unrestricted	84,181	42,043	126,224
Total Net Position	$ 171,075	$ 811,377	$ 982,452

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

CITY OF GLENNVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
COMPONENT UNITS
JUNE 30, 2015

	DOWNTOWN DEVELOPMENT AUTHORITY	DEVELOPMENT AUTHORITY	TOTAL COMPONENT UNITS
OPERATING REVENUES			
Rent	$ -	$ -	$ -
Total Operating Revenues	-	-	-
OPERATING EXPENSES			
Other	7,806	10,018	17,824
Total Operating Expenses	7,806	10,018	17,824
Operating (Loss)	(7,806)	(10,018)	(17,824)
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental	10,000	10,000	20,000
Interest income	168	61	229
Other	351	-	351
Total Non-Operating Revenues (Expenses)	10,519	10,061	20,580
Change in net position	2,713	43	2,756
Total net position - beginning	168,362	811,334	979,696
Total net position - ending	$ 171,075	$ 811,377	$ 982,452

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Glennville, Georgia was chartered by an act of the General Assembly of the State of Georgia. The City operates under a Council/Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), public works (highways, streets, and sanitation), water and sewer services, community development, community services (library, cemetery, and recreation) and general administrative services.

A. Basis of Presentation

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

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental in nature and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. Reporting Entity

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

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

The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City.

A brief description of the City's discretely presented component units follows:

Downtown Development Authority of the City of Glennville and Development Authority of the City of Glennville (the Authorities)

The Authorities are public corporations created to promote industry, trade, and economic growth in the City. The City appoints the members of each authority's board and assists with its funding. Separate financial statements are not prepared by the two authorities.

Related Organizations

The Housing Authority of the City of Glennville, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of members appointed by the City. The City is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Glennville, Georgia is a related organization and is excluded from the reporting entity.

C. Fund Accounting

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Governmental Funds

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

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of City government which are not properly accounted for in another fund. All general operating revenues which are not restricted or designated as to use by outside sources are recorded in the general fund.

Special Sales Tax Fund - The fund accounts for the special purpose local option sales tax received from Tattnall County to be spent for various capital improvements.

The other governmental funds of the City account for other resources whose use is restricted for a particular purpose; the accumulation of resources for, and the payment of debt; and the acquisition or construction of major capital projects.

Proprietary Funds

Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The City's enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

Water & Sewer Fund The fund accounts for financing and costs of providing water and sewer services to residents of the City.

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 proprietary fund principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and service. Operating expenses for enterprise funds and internal service 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.

D. Measurement Focus

Government-Wide Financial Statements

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Fund Financial Statements

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

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

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide and enterprise fund financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting; enterprise funds use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses verses expenditures.

F. Revenues – Exchange and Nonexchange Transactions

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

Nonexchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, sales taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes are recognized in the year for which the taxes are levied. Revenues from sales taxes are recognized in the period in which the sales are made. Revenues from grants, entitlements, and donations are recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used of the year when use is first permitted; matching requirements in which the City must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: sales taxes, charges for services, fines and forfeitures, state-levied locally shared taxes, grants, interest, and rent.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

G. Deferred Outflows/Inflows of Resources

The City adopted new accounting guidance, GASB Statement no. 63, *Financial Reporting of Deferred Outflows or Resources, Deferred Inflows of Resources, and Net Position.* This standard modified terminology and presentation of certain accounts.

Deferred outflows of resources represent 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.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category on the governmental funds balance sheet.

The following amounts are deferred and recognized as an inflow of resources in the period that the amounts become available:

Unavailable Revenue	General Fund
Property taxes	$ 23,602
Unavailable revenue	29,834
	$ 53,436

H. Expenses/ Expenditures

On the accrual basis, expenses are recognized at the time they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

I. FASB Statements and Interpretations

For Proprietary activities, all FASB Statements and Interpretations issued after November 30, 1989 have been applied except for those that conflict with or contradict GASB pronouncements.

J. Budgets and Budgetary Accounting

An annual budget is adopted (as required by law) by the City for the general and special revenue funds. The budgets are adopted on a basis substantially consistent with generally accepted accounting principles.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

All unexpended annual appropriations lapse at year-end.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

K. Cash and Cash Equivalents

For the proprietary fund types a statement of cash flows is presented, as is required by GASB Statement 9, instead of a statement of changes in financial position. For this statement, cash equivalents are defined as short-term, highly liquid investments with a maturity of three months or less when purchased, that are readily convertible to known amounts of cash, and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

L. Investments

The City is authorized to invest its funds in (1) obligations which constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (2) certificates of deposit issued by state and national banks located within the state of Georgia when secured by acceptable collateral; (3) obligations of the Federal Land Bank, the Federal Home Loan Bank, Federal Intermediate Credit Bank and Federal Bank for Cooperatives; and (4) bonds or other obligations issued by any public housing agency or municipality which are served by a pledge of annual contributors under contract with the United States Government, or project notes secured by a payment agreement with the United States Government.

All investments are stated at market value.

M. Capital Assets

General capital assets are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide statement of net position and in the respective funds.

The cost of infrastructure assets, including roads, bridges, curbs and gutters, streets, sidewalks, drainage systems and lighting systems acquired during the current fiscal year is recorded in the government-wide financial statements. The City is not required to and will not record acquisitions prior to June 30, 2003.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market value on the date donated. The City maintains a capitalization threshold of five thousand dollars. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of enterprise fund capital assets is also capitalized.

All capital assets are depreciated, except for land and improvements and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

Description	Estimated Lives
Building	15-40 years
Improvements other than building	10-15 years
Machinery and Equipment	5-10 years
Water and sewer system	15-30 years
Infrastructure	15-25 years

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

N. Inventories

Materials purchased are shown as expenditures when acquired and are not inventories at June 30, 2015 due to lack of materiality.

O. Allowance For Doubtful Accounts

The City provides an allowance for the Water and Sewer Fund accounts receivable and the Property tax accounts receivable that may be uncollectible. At June 30, 2015, the allowances are $3,000 and $0, respectively. No other allowances for uncollectible accounts receivable are necessary. All other accounts receivable are considered collectible as reported at June 30, 2015.

P. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to service already rendered and it is probable the City will compensate the employees for the benefits through paid time off or some other means. The City records a liability for accumulated unused vacation time when earned for all employees.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. The noncurrent portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Q. Retirement Plans

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting (see Note 15 and the required supplementary information (RSI) section immediately following the Notes to the Financial Statements), regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the City recognizes a net pension liability, which represents the City's proportionate share of the excess of the total pension liability over the fiduciary net position of the pension reflected in the actuarial report provided by the Georgia Municipal Employees Benefit System (GMEBS). The net pension liability is measured as of the September 30th immediately prior to the City's fiscal year-end. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized as a component of pension expense over a five year period beginning with the period in which they are incurred.

For purposes of measuring the net pension liability and deferred outflows/inflows or resources relating to pensions and pension expense, information about the fiduciary net position of the City's pension plan with GMEBS and additions to/deductions from the plan's fiduciary net position have been determined on the

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

same basis as they are reported by GMEBS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when paid. Investments are reported at fair value.

Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred. Each subsequent year will incorporate an additional closed basis five-year period of recognition.

R. Accrued and Long - Term Liabilities

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable form the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year. Loans and capital leases are recognized as a liability on the fund financial statements when due.

S. Fund Equity

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

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

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

Restricted – Fund balances are reported as restricted when there are limitations imposed on their use whether 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 adoption of a resolution. The City Council also may modify or rescind the commitment by the same formal action.

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. Through resolution, the City Council has authorized the City Manager to assign fund balances.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

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

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

- Committed
- Assigned
- Unassigned

Net Position - Net position represents the difference between assets and liabilities. Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when its use is constrained as described in the fund balance section above. All other net position is reported as unrestricted.

T. Prepaid Expenditures

Payments made to various vendors for items or services for a future period are recorded as prepaid expenditures.

U. Estimates

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

V. Bond Premiums, Discounts, and Issuance Costs

On the government-wide statement of net position and the proprietary funds statement of net position, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

NOTE 2 – EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following funds' expenditures/expenses exceeded appropriations:

	Expenditures/ Expenses Actual	Appropriations	Amount Exceeding Appropriations
Departmental Level			
General Fund			
Public safety	1,180,521	1,004,580	175,941

NOTE 3 – CASH DEPOSITS AND INVESTMENTS

As of June 30, 2015, the carrying amount of the City's bank deposits was $4,845,889 and the respective bank balances totaled $5,100,239. Of the total bank balance, $296,765 was insured through the Federal Depository Insurance Corporation (FDIC). The remaining $4,549,124 was collateralized with pooled securities held by the financial institutions' trust departments. These securities are held in the name of the financial institution and not that of the city.

As of June 30, 2015, the City's carrying amount of deposits, related bank balances, and other cash, were as follows:

	Carrying Amount	Bank Balance
Demand deposits	$ 4,845,889	$ 5,100,239
Petty Cash	250	-
Totals	$ 4,846,139	$ 5,100,239

As of June 30, 2015, the carrying amount of the City's component units' bank deposits was $126,224 and the respective bank balances totaled $126,224. The total bank balance was insured through the Federal Depository Insurance Corporation (FDIC).

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The City has a policy to reduce its exposure to this risk by requiring deposits to be collateralized in accordance with State law. As of June 30, 2015, $4,549,124 of the City's bank balance was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the City's name.

NOTE 4 – PROPERTY TAXES

Property taxes attach an enforceable lien on property as of January 1 of each year. Property taxes are billed on or about October 15th of each year and are payable within sixty days. The City bills and collects its own property taxes. Property tax revenues at the fund reporting level are recognized when levied to the extent that they result in current receivables (i.e. collectible in 60 days). For the year ended June 30, 2015, property taxes were levied on September 28, 2014 and were due December 15, 2014.

NOTE 5 – HOTEL/MOTEL LODGING TAX

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to O.C.G.A 48-13-51(a)(3.7). The tax rate is 5% and is levied on a monthly basis. The City received $16,375 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2015. The City disbursed $15,341 for the promotion of tourism.

NOTE 6 – INTERFUND TRANSFERS

During the course of normal operations, the City has numerous transactions between funds including expenditures and transfers of resources to provide services. Transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as transfers and are reported as other financial sources (uses) in the Governmental Funds and transfers section in the Proprietary Funds.

Transfers between funds during the year ended June 30, 2015 were as follows:

	Transfers In	Transfers Out
General Fund	$ -	$ 98,820
Recreation Commission	98,820	-
	$ 98,820	$ 98,820

NOTE 7 – INTERFUND RECEIVABLE AND PAYABLE BALANCES

During the course of its operations, the City has numerous transactions between funds to finance operations, provide services, construct assets, and service debt. To the extent that certain transactions between funds had not been paid or received as of June 30, 2015, balances of interfund amounts receivable or payable have been recorded.

Individual fund interfund receivable and payable balances at June 30, 2015 are as follows:

	Interfund Receivables	Interfund Payables
General Fund	$ 16,792	$ 8,121
Drug Seizure Fund	-	11,219
Special Sales Tax	9,403	-
Recreation Commission	-	2,924
Water Sewer Fund	-	3,931
	$ 26,195	$ 26,195

NOTE 8 - CAPITAL ASSETS

A summary of changes in fixed assets for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Primary Government				
Governmental Activities:				
Nondepreciable Capital Assets:				
Land	$ 129,680	$ -	$ -	$ 129,680
Construction in Progress	102,250	493,255	-	595,505
Total Nondepreciable Capital Assets	231,930	493,255	-	725,185
Depreciable Capital Assets:				
Buildings	1,260,190	20,162	-	1,280,352
Improvements other than building	610,661	21,573	-	632,234
Machinery and Equipment	1,575,638	274,138	-	1,849,776
Infrastructure	3,037,438	164,834	-	3,202,272
Total Capital Assets	6,715,857	973,962	-	7,689,819
Less Accumulated Depreciation For:				
Buildings	(687,142)	(29,386)	-	(716,528)
Improvements other than building	(419,711)	(24,736)	-	(444,447)
Machinery and Equipment	(1,318,910)	(85,716)	-	(1,404,626)
Infrastructure	(556,282)	(180,140)	-	(736,422)
Governmental Activities Capital Assets, Net	$ 3,733,812	$ 653,984	$ -	$ 4,387,796

NOTE 8 - CAPITAL ASSETS, CONTINUED

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:	
General Government	$ 16,376
Public Safety	62,211
Public Works	186,892
Culture and Recreation	49,817
Community Development	4,682
Total Depreciation Expense-Governmental Activities	$ 319,978

A summary of changes in fixed assets for the City's enterprise fund for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Business-Type Activities:				
Nondepreciable Capital Assets:				
Land and Improvements	$ 507,747	-	-	$ 507,747
Construction in Progress	-	692,531	-	207,950
Total Nondepreciable Capital Assets	507,747	692,531	-	715,697
Depreciable Capital Assets:				
Water and sewer system	15,825,354	54,910	-	15,880,264
Machinery and Equipment	454,995	-	-	454,995
Total Capital Assets	16,788,096	747,441	-	17,050,956
Less Accumulated Depreciation For:				
Water and sewer system	(7,661,354)	(506,408)	-	(8,167,762)
Machinery and Equipment	(353,173)	(31,355)	-	(384,528)
Business-Type Activities Capital Assets, Net	$ 8,773,569	$ 209,678	$ -	$ 8,498,666

Discretely Presented Component Units

A summary of changes in fixed assets for the Downtown Development Authority for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Land	$ 86,894	$ -	$ -	$ 86,894

NOTE 8 - CAPITAL ASSETS, CONTINUED

A summary of changes in fixed assets for the Development Authority for the year ended June 30, 2015 is as follows:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Land	$ 769,334	$ -	$ -	$ 769,334

NOTE 9 – LINES OF CREDIT

The City has a line of credit with S Bank in the amount of $500,000. Interest at the rate of 3.25% will be due monthly. The line is used for renovations to city hall and is secured by certificates of deposit at S Bank. The line of credit will convert to an amortizing loan upon completion of the renovation project. At June 30, 2015, $401,159 was drawn on the line.

The Water and Sewer Fund has a line of credit with the Georgia Environmental Finance Authority (GEFA) in the amount of $699,000. Interest at the rate of 0.52% will be due monthly. The line is used for upgrading and replacing the residential and commercial water meters and backflow preventers connected to the City's water and sewer system. The line of credit will convert to an amortizing loan upon completion of the project. Under the terms of the agreement between the City and GEFA, 30% or $209,700 of the $699,000 borrowed will be forgiven and recognized by the City as revenue. At June 30, 2015, $119,930 was drawn on the line.

NOTE 10 – WATER AND SEWER REVENUE BONDS

In October 2001, the City of Glennville issued a $3,933,700 City of Glennville Water and Sewer Revenue Bond, Series 2000A, a $3,579,406 City of Glennville Water and Sewer Revenue Bond, Series 2000B, and a $531,600 City of Glennville Water and Sewer Revenue Bond, Series 2000C. The bonds were issued in order to provide funds needed to pay the cost, in part, of acquiring, constructing, and equipping improvements, additions to, and extensions of the water and sewer system of the City. In October 2012, the City of Glennville consolidated these bonds and a note payable into a $7,475,000 Series 2012 Bond. For this bond, there is an original issue discount of $80,058 which will be amortized over the life of the bond.

This bond is payable solely from the revenues derived from the ownership and operation of the water and sewer system.

The bonds require the monthly deposit of funds equivalent to ten percent of the monthly installment of principal and interest on the bonds into a bond reserve account.

An interest only payment is due January 1 and a principal and interest payment is due July 1 of each year with the final payment July 1, 2034. Interest rates vary by year from 1.5% to 3.375%.

NOTE 10 – WATER AND SEWER REVENUE BONDS - CONTINUED

As of June 30, 2015, debt service requirements for the Series 2012 revenue bond is as follows:

Year Ending June 30:	Principal	Interest	Total
2016	$ 290,000	$ 174,834	$ 464,834
2017	300,000	168,934	468,934
2018	305,000	162,884	467,884
2019	310,000	156,734	466,734
2020	315,000	151,271	466,271
2021-2025	1,670,000	658,290	2,328,290
2026-2030	1,805,000	438,010	2,243,010
2031-2035	2,000,000	164,679	2,164,679
Total	$ 6,995,000	$ 2,075,636	$ 9,070,636

NOTE 11 – NOTES PAYABLE

Governmental Activities

The following is a summary of short-term debt transactions of the City for the year ended June 30, 2015:

Note payable to Glennville Bank and Trust Company for $50,000, payable in monthly installments of $1,140, including interest at 4.46%, with a final payment of all unpaid principal and interest due on January 10, 2016, unsecured, to be used for recreation improvements.	$ 8,932
Note payable to S Bank for $26,558, payable in quarterly installments of $2,334, including interest at 3.25%, with a final payment of all unpaid principal and interest due on December 1, 2017, secured by a police vehicle.	22,310
Total	$ 31,242

NOTE 11 – NOTES PAYABLE - CONTINUED

Business-type Activities

Notes payable outstanding at June 30, 2015, consists of a loan from the U.S. Department of Agriculture (USDA). The loan from the USDA in the amount of $16,000 was in conjunction with a grant for $45,000 received from the USDA for the purchase of an emergency generator. The loan was signed on March 10, 2011 and requires annual payments of $3,595, including interest of 4.0% beginning March 10, 2012 and through March 10, 2016. This loan has an outstanding balance of $3,452 at June 30, 2015.

As of June 30, 2015, annual debt service requirements for the notes payable are as follows:

	Governmental Activities		Business-Type Activities	
Year Ending June 30:	Principal	Interest	Principal	Interest
2016	$ 17,636	$ 780	$ 3,452	$ 143
2017	8,996	338	-	-
2018	4,610	57	-	-
2019	-	-	-	-
Total	$ 31,242	$ 1,175	$ 3,452	$ 143

NOTE 12 – CAPITAL LEASES

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception. Accumulated amortization resulting from the equipment leased is included with depreciation expense. The equipment leased under capital leases as of June 30, 2015 consisted of the following:

	Government-Type Activities	Business-Type Activities
Police Vehicles	$ 48,600	$ -
Recreation Department Lighting	83,500	-
Street Sweeper	22,356	-
Fire Truck	173,632	-
Backhoe	-	54,000
Vehicle	-	16,204
Ford F-150	18,924	-
John Deere Gator	6,700	-
Ford Expedition	30,465	-
Ford F-150	-	27,140
2010 & 2011 Crown Victorias	44,375	-
2000 Pierce Contender Fire Truck	127,694	-
	556,246	97,344
Less Accumulated Depreciation	(257,045)	(60,212)
Total	$ 299,201	$ 37,132

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments at June 30, 2015:

Year Ending June 30:	Governmental-Type Activities	Business-Type Activities
2016	$ 51,678	$ 5,937
2017	44,619	5,937
2018	46,169	5,937
2019	24,709	5,937
2020	18,861	-
Thereafter	39,817	-
Total Minimum Lease Payments	225,853	23,748
Less: Amount Representing Interest	(23,413)	(1,668)
Present Value of Future Minimum Lease Payments	$ 202,440	$ 22,080

NOTE 13 – CHANGES IN LONG-TERM DEBT

The capital lease obligations and notes payable will be paid from the special sales tax capital projects fund. The compensated absences liability will be paid from the fund from which the employees' salaries are paid. In prior years, most were paid from the General Fund and the Water and Sewer Fund. Principal and interest payments related to the revenue bonds and notes payable for the business-type activities will be paid from income derived from the operation of the water and sewer system.

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2015:

	Balance June 30, 2014	Issues or Additions	Payments or Expenditures	Balance June 30, 2015	Amount Due Within One Year
Governmental Activities					
Compensated absences payable	$ 42,750	$ -	$ 3,993	$ 38,757	$ 7,751
Notes payable	21,898	26,558	17,214	31,242	17,636
Line of credit	-	401,159	-	401,159	401,159
Capital leases payable	111,406	162,394	47,947	225,853	51,678
Total Governmental Activities	176,054	590,111	69,154	697,011	478,224
Business-Type Activities					
Compensated absences payable	$ 8,827	$ 2,082	$ -	$ 10,909	$ 2,182
Revenue bonds payable	7,280,000	-	285,000	6,995,000	290,000
Line of credit	-	119,930	-	119,930	119,930
Capital leases payable	27,140	-	5,058	22,082	5,237
Notes payable	6,776	-	3,324	3,452	3,452
Total Business-Type Activities	7,322,743	122,012	293,382	7,151,373	420,801
Total All Funds	$ 7,498,797	$ 712,123	$ 362,536	$ 7,848,384	$ 899,025
Original issue discount	$ 76,419	$ -	$ 11,839	$ 64,580	$ 5,589

NOTE 14 – FUND EQUITY

Fund balances at June 30, 2015 are classified as follows:

Nonspendable – The following fund balances are non-spendable because they are allocated to:

General Fund:	
Prepaid items	$ 6,216
Total	$ 6,216

NOTE 14 – FUND EQUITY - CONTINUED

Restricted – The following fund balances are restricted for:

Special Revenue Funds:	
Drug Seizure Fund - used to account for funds received from drug property seizures.	$ 984
Hotel/Motel Fund - used to account for hotel/motel tax revenues.	4,159
Recreation Commission Fund - used to account for activity involving recreation commission.	40,642
Total Restricted Fund Balance - Special Revenue Funds	45,785
Capital Projects Funds:	
T-Splost Fund - used to account for capital projects financed with transportation special purpose local option sales tax.	19,102
Total Restricted Fund Balance - Capital Project Funds	19,102
Total Restricted Fund Balance	$ 64,887

Unassigned – The following fund balances are unassigned:

General Fund	$ 1,824,976
Capital Projects Funds:	
Special Sales Tax Fund - negative restricted fund balance reported as unassigned	(87,760)
Total	$ 1,737,216

NOTE 15 – EMPLOYEE RETIREMENT PLAN

Plan Description

The City's defined benefit pension plan, the City of Glennville Retirement Plan (the Plan), provides retirement and disability benefits and death benefits to plan members and beneficiaries. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. The City is assigned the authority to establish and amend benefit provisions of the Plan. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. The report can be obtained by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303, or by calling (404) 688-0472.

Employees Covered Under the Plan

Effective January 1, 2015, the Plan was amended to provide for immediate participation for employees. At June 30, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	22
Inactive employees entitled to but not yet receiving benefits	7
Active employees	32
Total covered employees	61

Funding Policy

Employees are not required to contribute to the Plan. The Plan is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The GMEBS Board of Trustees has adopted an actuarial funding policy that requires a different funding level than the estimated minimum annual contribution to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the Plan. If the City contributes the recommended contribution developed under the actuarial funding policy each year, the Plan will meet applicable state funding standards.

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

At June 30, 2015, the City reported a liability of $375,124 as its net pension liability. The net pension liability was measured as of September 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The City's net pension liability was based on the projection of the City's long-term contributions to the pension plan, actuarially determined at January 1, 2015.

NOTE 15 – EMPLOYEE RETIREMENT PLAN - CONTINUED

The following is a schedule reconciles the differences between the beginning and ending net pension liability for the year ended June 30, 2015:

Changes in Net Pension Liability	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (NPL) (a) - (b)
Balances at September 30, 2013*	$ 2,043,767	$ 1,594,933	$ 448,834
Changes for the year:			
Service cost	54,069	-	54,069
Interest	153,597	-	153,597
Differences between expected and actual experience	(21,934)	-	(21,934)
Contributions - employer	-	76,971	(76,971)
Contributions - employee	-	-	-
Net investment income	-	180,523	(180,523)
Benefit payments, including refunds of employee contributions	(123,744)	(123,744)	-
Administrative expense	-	(4,945)	4,945
Other	(6,893)	-	(6,893)
Net changes	55,095	128,805	(73,710)
Balances at September 30, 2014**	$ 2,098,862	$ 1,723,738	$ 375,124

**Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2014 are used to measure TPL as of September 30, 2013. The balances as of September 30, 2013 constitute measurements of the NPL for the fiscal year ending June 30, 2014.*

***Entry Age Normal liabilities calculated using ages and service amounts as of January 1, 2015 are used to measure TPL as of September 30, 2014. The balances as of September 30, 2014 constitute measurements of the NPL for the fiscal year ending June 30, 2015.*

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report.

NOTE 15 – EMPLOYEE RETIREMENT PLAN, CONTINUED

For the year ended June 30, 2015, the City recognized pension expense of $73,461. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or methods, and plan benefits. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 17,548
Changes of assumptions	-	5,516
Net difference between projected and actual earnings on pension plan investments	-	47,136
City contributions subsequent to the measurement date	63,759	-
Total	$ 63,759	$ 70,200

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to the net pension liability to be recognized in future periods in a systematic and rational manner, as detailed below.

$63,759 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future years as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2016	$ (17,550)
2017	(17,550)
2018	(17,550)
2019	(17,550)
2020	-
Thereafter	-
Total	$ (70,200)

NOTE 15 – EMPLOYEE RETIREMENT PLAN, CONTINUED

Actuarial Methods and Assumptions

The total pension liability in the January 1, 2015 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
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 market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Inflation	3.25%
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
Normal	65 with 5 years of service
Early	55 with 10 years of service
Mortality:	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.
Disabled	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

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

NOTE 15 – EMPLOYEE RETIREMENT PLAN, CONTINUED

The 7.75% 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 weighting 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 allocation as of September 30, 2014 are summarized in the following table:

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

Discount Rate

The discount rate used to measure the total pension liability was 7.75%, which is the same as the long-term expected rate of return. The projection of cash flows used to determine the discount rate assumed that contributions from the City will continue to be made at the recommended rates each year, actuarially determined. Based on that assumption, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and it was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the City's net pension liability calculated using the current discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net pension liability	$ 617,185	$ 375,124	$ 169,574

NOTE 16 – RISK MANAGEMENT

The City is exposed to various risks of losses related to torts, thefts of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City maintains commercial insurance coverage covering general liability claims and property damage claims.

The City has joined with other municipalities in the State as part of the Georgia Municipal Association Workers' Compensation Self Insurance Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments. The effective date of membership was March 24, 1986. As part of this risk pool, the City is obligated to pay all contributions and assessments as prescribed by the pool, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the fund, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the fund being required to pay any claim of loss. The City is also to allow to pool's agents and attorneys to represent the City in investigation, settlement discussions, and all levels of litigation arising out of a 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 government contract and in accordance with the worker's compensation law of Georgia. The fund is to pay all costs 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.

NOTE 17 – CONTINGENT LIABILITIES

There were no known contingent liabilities at June 30, 2015. As of June 30, 2015, there were no pending litigation that would have a material effect on the financial statements.

NOTE 18 – JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the seventeen City East Middle Georgia area, is a member of the Heart of Georgia Altamaha Regional Commission (HOGARC) and is required to pay annual dues thereto. During the year ended June 30, 2015 the City paid $3,569 in such dues. Membership in the HOGARC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the HOGARC in Georgia. The HOGARC 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 an HOGARC. Separate financial statements may be obtained from:

Heart of Georgia Altamaha Regional Commission
5405 Oak Street
Eastman, Georgia 31023

NOTE 19 – PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2015, the City of Glennville implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement 68.* This resulted in an adjustment to the beginning net position on the government-wide statement of activities and changes in net position of $371,863 to recognize the net pension liability and the deferred inflows of resources and deferred outflows of resources related to pensions that are required to be reported in accordance with GASB 68 and GASB 71.

CITY OF GLENNVILLE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - LAST 10 FISCAL YEARS

	Year Ended June 30:									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Total pension liability										
Service cost	$ 54,069									
Interest	153,597									
Differences between expected and actual experience	(21,934)									
Changes of assumptions	(6,893)									
Changes of benefit terms	-		(Historical information prior to implementation of GASB 68 is not required)							
Benefit payments, including refunds of employee contributions	(123,744)									
Net change in total pension liability	55,095									
Total pension liability - beginning	2,043,767									
Total pension liability - ending (a)	$2,098,862									
Plan fiduciary net position										
Contributions - employer	$ 76,971									
Contributions - employee	-									
Net investment income	180,523									
Benefit payments, including refunds of employee contributions	(123,744)		(Historical information prior to implementation of GASB 68 is not required)							
Administrative expense	(4,945)									
Other	-									
Net change in fiduciary net position	128,805									
Plan fiduciary net position - beginning	1,594,933									
Plan fiduciary net position - ending (b)	$1,723,738									
Net pension liability - ending (a)-(b)	$ 375,124									
Plan's fiduciary net position as a percentage of the total pension liability	82.13%		(Historical information prior to implementation of GASB 68 is not required)							
Covered employee payroll	$ 871,723									
Net pension liability as a percentage of covered employee payroll	43.03%									

CITY OF GLENNVILLE, GEORGIA
SCHEDULE OF PENSION CONTRIBUTIONS - LAST 10 FISCAL YEARS

	Year Ended June 30:									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	- *									
Contributions in relation to the actuarially determined contribution	- *									
Contribution deficiency (excess)	- *		(Historical information prior to implementation of GASB 68 is not required)							
Covered employee payroll	- *									
Contributions as a percentage of covered employee payroll	- *									

CITY OF GLENNVILLE, GEORGIA
NOTES TO PENSION SCHEDULES

NOTE 1 – SIGNIFICANT METHODS AND ASSUMPTIONS

Valuation Date

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

Actuarial Methods and Assumptions

The following actuarial methods and assumptions were used to determine contribution rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Closed level dollar for remaining unfunded liability
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 market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Inflation	3.25%
Net Investment Rate of Return	7.75%
Projected Salary Increases	3.25% plus service based merit increases
Cost of Living Adjustments	0.00%
Retirement Age:	
Normal	65 with 5 years of service
Early	55 with 10 years of service
Mortality:	
Healthy	RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.
Disabled	RP-2000 Disabled Retiree Mortality Table with sex-distinct rates
Plan termination basis (all lives)	1994 Group Annuity Reserving Unisex Table

NOTE 2 – CHANGES IN ASSUMPTIONS AND BENEFITS

Changes in Assumptions

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

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

The mortality table for disabled participants was changed to remove the two-year set-forward for males and the one-year set-forward for females.

The turnover rates were updated to introduce select rates for service less than five years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.

The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.

The inflation assumption was decreased from 3.50% to 3.25%.

The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service-related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and include an inflation assumption of 3.25%.

Benefit Changes

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

CITY OF GLENNVILLE, GEORGIA
BUDGETARY COMPARISON SCHEDULE
SPECIAL SALES TAX FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Over (Under)
	Original	Final		
Revenues				
Intergovernmental	$ 252,000	$ 310,421	$ 310,421	$ -
Interest	2,000	2,245	2,245	-
Total Revenues	254,000	312,666	312,666	-
Expenditures				
Debt Service:				
Principal	45,777	53,653	50,022	3,631
Interest and other charges	3,821	5,697	5,693	4
Capital Outlay	496,700	486,948	695,021	(208,073)
Total Expenditures	546,298	546,298	750,736	(204,438)
(Deficiency) Of Revenues Over Expenditures	(292,298)	(233,632)	(438,070)	204,438
Fund Balances - Beginning of Year	350,310	350,310	350,310	-
Fund Balances - Ending of Year	$ 58,012	$ 116,678	$ (87,760)	$ 204,438

The accompanying notes are an integral part of these statements.

CITY OF GLENNVILLE, GEORGIA
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	SPECIAL REVENUE				CAPITAL PROJECTS	
	DRUG SEIZURE	GRANT FUND	HOTEL/MOTEL TAX	RECREATION COMMISSION	T SPLOST	TOTAL OTHER GOVERNMENTAL FUNDS
ASSETS						
Cash and cash equivalents	$ 14,462	$ 53,699	$ 2,742	$ 40,946	$ 43,012	$ 154,861
Taxes receivable (net)	-	-	1,417	-	7,491	8,908
Receivable from other governments	-	-	-	6,090	-	6,090
Total Assets	14,462	53,699	4,159	47,036	50,503	169,859
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	2,259	53,699	-	-	31,401	87,359
Due to other funds	11,219	-	-	2,924	-	14,143
Other accrued expenses	-	-	-	3,470	-	3,470
Total Liabilities	13,478	53,699	-	6,394	31,401	104,972
Fund balances:						
Restricted	984	-	4,159	40,642	19,102	64,887
Total Fund Balances	984	-	4,159	40,642	19,102	64,887
Total Liabilities and Fund Balances	$ 14,462	$ 53,699	$ 4,159	$ 47,036	$ 50,503	$ 169,859

CITY OF GLENNVILLE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE				CAPITAL PROJECTS	
	DRUG SEIZURE	GRANT FUND	HOTEL/MOTEL TAX	RECREATION COMMISSION	T SPLOST	TOTAL OTHER GOVERNMENTAL FUNDS
REVENUES						
Taxes	$ -	$ -	$ 16,375	$ -	$ 45,945	$ 62,320
Fines and forfeitures	15,908	-	-	-	-	15,908
Intergovernmental	-	53,699	-	70,470	-	124,169
Charges for services	-	-	-	74,832	-	74,832
Investment earnings	112	-	13	-	287	412
Miscellaneous	-	-	-	5,085	-	5,085
Total Revenues	16,020	53,699	16,388	150,387	46,232	282,726
EXPENDITURES						
Current:						
Public safety	26,139	-	-	-	-	26,139
Public works	-	53,699	-	-	-	53,699
Community development	-	-	15,341	-	-	15,341
Culture and recreation	-	-	-	210,038	-	210,038
Capital outlay	-	-	-	-	60,831	60,831
Debt Service:						
Principal	-	-	-	15,135	-	15,135
Interest and other charges	-	-	-	846	-	846
Total Expenditures	26,139	53,699	15,341	226,019	60,831	382,029
Excess (Deficiency) of Revenues Over Expenditures	(10,119)	-	1,047	(75,632)	(14,599)	(99,303)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	98,820	-	98,820
Total Other Financing Sources (Uses)	-	-	-	98,820	-	98,820
Net Change in Fund Balances	(10,119)	-	1,047	23,188	(14,599)	(483)
Fund Balances - Beginning of Year	11,103	-	3,112	17,454	33,701	65,370
Fund Balances - Ending of Year	$ 984	$ -	$ 4,159	$ 40,642	$ 19,102	$ 64,887

CITY OF GLENNVILLE, GEORGIA

DRUG SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Fines and forfeitures	$ 12,000	$ 26,030	$ 15,908	$ (10,122)
Interest	20	111	112	1
Total Revenues	12,020	26,141	16,020	(10,121)
Expenditures:				
Public Safety	12,020	26,141	26,139	2
Total Expenditures	12,020	26,141	26,139	2
Revenues Over (Under) Expenditures	-	-	(10,119)	(10,119)
Fund Balance - Beginning	11,103	11,103	11,103	-
Fund Balance - Ending	$ 11,103	$ 11,103	$ 984	$ (10,119)

CITY OF GLENNVILLE, GEORGIA

GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ 54,083	$ 53,699	$ 53,699	$ -
Total Revenues	54,083	53,699	53,699	-
Expenditures:				
Public works	54,083	53,699	53,699	-
Total Expenditures	54,083	53,699	53,699	-
Revenues And Other Financing Sources Over Expenditures	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	$ -	$ -	$ -	$ -

CITY OF GLENNVILLE, GEORGIA

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

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Taxes	$ 14,285	$ 16,375	$ 16,375	$ -
Interest	15	14	13	1
Total Revenues	14,300	16,389	16,388	1
Expenditures:				
Community development	14,300	16,389	15,341	1,048
Total Expenditures	14,300	16,389	15,341	1,048
Revenues And Other Financing Sources Over Expenditures	-	-	1,047	(1,047)
Fund Balance - Beginning	3,112	3,112	3,112	-
Fund Balance - Ending	$ 3,112	$ 3,112	$ 4,159	$ (1,047)

CITY OF GLENNVILLE, GEORGIA

GLENNVILLE RECREATION COMMISSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ 63,280	$ 63,280	$ 70,470	$ 7,190
Charges for services	52,560	52,560	74,832	22,272
Miscellaneous	1,450	1,450	5,085	3,635
Transfers in	105,000	105,000	98,820	(6,180)
Total Revenues	222,290	222,290	249,207	26,917
Expenditures:				
Culture/Recreation	217,340	217,340	210,038	7,302
Debt Service:				
Principal	12,535	12,535	15,135	(2,600)
Interest	-	-	846	(846)
Total Expenditures	229,875	229,875	226,019	3,856
Revenues And Other Financing Sources Over (Under) Expenditures	(7,585)	(7,585)	23,188	30,773
Fund Balance - Beginning	17,454	17,454	17,454	-
Fund Balance - Ending	$ 9,869	$ 9,869	$ 40,642	$ 30,773

CITY OF GLENNVILLE, GEORGIA

T-SPLOST FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE COMPARED TO BUDGET
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS BUDGETARY BASIS	VARIANCE WITH FINAL BUDGET OVER (UNDER)
	ORIGINAL	FINAL		
Revenues:				
Intergovernmental	$ -	$ 47,763	$ 45,945	$ (1,818)
Interest	-	287	287	-
Total Revenues	-	48,050	46,232	(1,818)
Expenditures:				
Capital Outlay	-	60,832	60,831	1
Total Expenditures	-	60,832	60,831	1
Revenues (Under) Expenditures	-	(12,782)	(14,599)	(1,819)
Fund Balance - Beginning	33,701	33,701	33,701	-
Fund Balance - Ending	$ 33,701	$ 20,919	$ 19,102	$ (1,817)

CITY OF GLENNVILLE, GEORGIA
SPECIAL SALES TAX
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

PROJECT	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
Debt service on equipment purchased under capital leases	$ 76,600	$ 373,681	$ 373,681	$ 42,940	$ 416,621	111.49%
Street paving/improvements	309,650	718,049	712,974	-	712,974	99.29%
Vehicle purchases	46,000	210,504	118,858	-	118,858	56.46%
Water and sewer system improvements	30,000	16,137	16,137	-	16,137	100.00%
Drainage projects	48,500	167,718	167,718	-	167,718	100.00%
Economic projects	71,500	47,677	47,677	-	47,677	100.00%
Glenwanis Hotel renovations	-	136,685	118,300	-	118,300	86.55%
Capital improvements/ equip. - recreation	115,000	160,683	160,683	-	160,683	100.00%
Capital improvements/ equip. - public safety	130,000	537,458	537,458	-	537,458	100.00%
Capital improvements/ water and sewer system	-	165,996	165,996	-	165,996	100.00%
City Hall renovations	102,748	577,271	69,227	508,043	577,270	100.00%
Old City Yard improvements	30,000	52,000	51,934	-	51,934	99.87%
Storage building	3,458	15,580	15,580	-	15,580	100.00%
Multipurpose building - carpet	2,299	2,299	2,299	-	2,299	100.00%
Barnard Park improvements	445	14,495	14,495	-	14,495	100.00%
Animal control building	15,000	15,000	15,000	-	15,000	100.00%
City Hall equipment	-	23,000	22,911	-	22,911	99.61%
Library equipment	-	5,428	5,428	-	5,428	100.00%
Auditorium equipment	-	4,525	4,525	-	4,525	100.00%
Welcome Center Sign and a/c	1,975	5,115	3,475	1,640	5,115	100.00%
Multipurpose building -a/c	-	4,844	4,844	-	4,844	100.00%
Land purchase	-	5,000	5,000	-	5,000	100.00%
Police station renovations	-	73,350	71,814	-	71,814	97.91%
Refurbish 1942 fire truck	-	5,255	5,255	-	5,255	100.00%
Street equipment	-	10,000	10,000	-	10,000	100.00%
HHP/TE Streetscape Project	-	419,000	355,503	-	355,503	84.85%
Equipment for fire department	-	95,987	95,987	-	95,987	100.00%
Auditorium improvements	-	42,036	42,036	-	42,036	100.00%
City Hall heat pump	-	2,743	2,743	-	2,743	100.00%
Multipurpose building improvements	-	2,834	2,834	-	2,834	100.00%
Totals	$ 983,175	$ 3,910,350	$ 3,220,372	$ 552,623	$ 3,772,995	

CITY OF GLENNVILLE, GEORGIA
SPECIAL SALES TAX
2014 SPLOST REFERENDUM
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
FOR THE YEAR ENDED JUNE 30, 2015

PROJECT	ORIGINAL ESTIMATED COST	CURRENT ESTIMATED COST	PRIOR YEARS	CURRENT YEAR	TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
City Hall Building Renovations	$ 90,000	$ 500,000	$ -	$ -	$ -	0.00%
Admin Vehicles/Equipment	90,000	90,000	-	6,653	6,653	7.39%
Barnard Park	-	939	-	939	939	100.00%
Community Center	50,000	50,000	-	-	-	0.00%
Economic Development	-	50,000	-	8,140	8,140	16.28%
Police station renovations	26,000	26,000	-	-	-	0.00%
Police vehicles and equipment	265,000	265,000	-	62,087	62,087	23.43%
Fire Department equipment	71,000	71,000	-	11,205	11,205	15.78%
Fire Department renovations	-	16,822	-	16,822	16,822	100.00%
Street repairs	300,000	300,000	-	61,345	61,345	20.45%
Street equipment	308,376	308,376	-	30,923	30,923	10.03%
Capital improvements/equipment - Recreation	214,378	214,378	-	-	-	0.00%
Capital improvements/equipment - Water and sewer system	369,000	369,000	-	-	-	0.00%
Totals	$ 1,783,754	$ 2,261,515	$ -	$ 198,114	$ 198,114	

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Glennville, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Glennville, Georgia's basic financial statements and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited 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 we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Glennville, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed 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.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 4, 2015

Henderson & Godbee, LLP

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

To the Honorable Mayor and Members of the City Council
City of Glennville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Glennville, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Glennville, Georgia's major federal programs for the year ended June 30, 2015. The City of Glennville, Georgia'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 laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Glennville, 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 the City of Glennville, 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 of the City of Glennville, Georgia's compliance.

Opinion on Each Major Federal Program

In our opinion, the City of Glennville, 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 federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the City of Glennville, 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 Glennville, Georgia'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 federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 Glennville, Georgia'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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Henderson & Godbee, LLP
Certified Public Accountants
Valdosta, Georgia

December 4, 2015

CITY OF GLENNVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2015

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued		Unmodified
Internal control over financial reporting		
Material weakness identified?	_____Yes	___X___No
Significant deficiencies identified not considered to be material weakness?	_____Yes	___X___None reported
Noncompliance material to financial statements noted?	_____Yes	___X___No

Federal Awards

Internal control over major programs		
Material weaknesses identified?	_____Yes	___X___No
Significant deficiencies identified not considered to be material weaknesses?	_____Yes	___X___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 Circular A-133, Section .510(a)?	_____Yes	___X___No

Identification of major programs:

CFDA Number	Name of Federal Program
12.600	Community Investment

Dollar threshold used to distinguish between Type A and Type B programs: $300,000

Auditee considered a low risk auditee? _____Yes ___X___No

CITY OF GLENNVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2015

Grant Title	Federal CFDA Number	Grant I. D. Number	Federal Expenditures
Department of Housing and Urban Development			
Passthrough the Georgia Department of Community Affairs			
Community Development Block Grants States Program	14.228	14P-X-132-2-5668	$ 19,664
Total Department of Housing and Urban Development			19,664
Environmental Protection Agency			
Passthrough the Georgia Environmental Finance Authority			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DWSRF 14-012	132,832
Total Environmental Protection Agency			132,832
Department of Defense			
Passthrough the Coastal Regional Commission of Georgia			
Community Investment	12.600	SP1015-10-01	801,957
Total Department of Defense			801,957
TOTAL EXPENDITURES OF FEDERAL AWARDS			$ 954,453

CITY OF GLENNVILLE, GEORGIA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2015

NOTE 1. GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the City of Glennville (the "City"). The City receives pass-through financial assistance from several state agencies.

NOTE 2. REPORTING ENTITY

The authoritative criteria for determining the programs, organizations and functions of government included in the financial statements of the City are as follows: oversight responsibility, including selection of governing authority, designation of management, and ability to significantly influence operations; accountability for fiscal matters, including budget, surplus/deficits, debt, fiscal management and revenue characteristics; scope of public service; and special financial relationships.

NOTE 3. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities.