CITY OF MANCHESTER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2014

Prepared by:

Department of Finance and Administration

CITY OF MANCHESTER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2014

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City of Manchester
P. O. BOX 366
MANCHESTER, GEORGIA 31816
(706) 846-3141 OR (706) 846-3142

December 15, 2014

TO: The Citizens of the City of Manchester, Georgia
The Honorable Mayor and Members of the City Council
of the City of Manchester, Georgia

The Comprehensive Annual Financial Report (CAFR) of the City of Manchester, Georgia (City) is submitted for the fiscal year ended June 30, 2014. Management of the City accepts all responsibility for the accuracy of the data and completeness and fairness of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Our goal has been to relate the City's financial position in a format that is informative for the general public.

Georgia law requires cities to perform an audit every two years by independent certified public accountants. The City chooses to have an annual audit and this year Council selected the firm of AJK, LLC to perform the audit. The independent auditor's report is included in the financial section of this report.

The MD&A, which immediately follows the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Manchester is located in the west central part of Georgia approximately 65 miles southwest of Atlanta and 35 miles north of Georgia's second largest city, Columbus.

This report includes all funds of the City of Manchester. The City of Manchester, incorporated in 1909, operates under the council-manager form of government. The City is organized under the following departments: City Hall Administration, Police, Fire, Highways and Street, Health and Welfare, Culture and Recreation, Code Enforcement, Public Works, Water and Sewerage, Gas System and Solid Waste. These departments operate under the supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services for approximately 4,200 citizens. Included among these services are traditional city functions, such as police and fire protection, street construction and maintenance, parks and recreation services, building inspection, zoning enforcement and economic development, as well as gas, water, and sewer utilities and solid waste disposal.

The Housing Authority of the City of Manchester has not met the established criteria for inclusion in the reporting entity and is excluded from this report. The Manchester Development Authority and the Downtown Development Authority of the City of Manchester (the "DDA") have been included in these financial statements as discretely presented component units. The DDA was formed in 1997, but did not become financially active until the fall of 2009.

The City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of Manchester. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is exercised by the City Council at the department level. Additional information on the budgetary process can be found in Note 1(D) in the Notes to the Basic Financial Statements.

FACTORS AFFECTING ECONOMIC CONDITION

The information provided in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Manchester operates.

Local Economy

Unemployment continues to be an underlying issue in the City of Manchester and Meriwether County that contributes to the poverty level in this area.

The new *CVS Pharmacy* that opened in November 2013 has enhanced the downtown area of the City. We also had a locally owned bakery/restaurant and a florist opened on Main Street and a locally owned pharmacy opened in our shopping center.

The *President Theatre* project continues to progress. Renovations to the exterior of the old local theater are substantially complete and seats are now being sold for the interior renovation.

The second annual *Celebration of Trees* and the *Christmas Parade* were successful tourism events for the City. We also hosted a July 4th celebration. For an additional tourism event, we hosted *Terrific Tuesday's* in July and August of 2014. It was an outdoor concert series, that was very successful and we hope to host it again next summer.

Long-Term Financial Planning

Mando 2 Manufacturing, located in *Meriwether Park,* which is in the northern end of the County, became operational in December 2013. The plant uses natural gas in manufacturing, which it purchases from the City of Manchester. The continued growth in *Meriwether Park* will benefit the City of Manchester and Meriwether County as the demand of natural gas increases.

The 2013 Special Purpose Local Option Sales Tax was approved by County voters. The additional tax revenue will enable the City to complete some much needed capital projects.

Major Initiatives

The City of Manchester participated in a tourism project developed by the *Georgia Department of Economic Development.* The County wide project was the first for the GDED and the project initiated a joint effort to attract tourism to the City of Manchester and Meriwether County.

A large water tank maintenance and repair project began in the fall of 2014 on the Rush Creek water treatment plant. Funds from last year's *Utility Bonds* issued will be used to cover the expenses.

Two of the small businesses mentioned above were established due to the efforts of the *Downtown Development Authority.* The Authority made small business loans to the Sugar Shack Bakery and The Petal Pusher. This endeavor has proved to be very beneficial in assisting entrepreneurs with making their projects possible. The *Downtown Development Authority* is a driving force in revitalizing our downtown area.

The City has an application for a Community Development Block Grant in the amount of $500,000 to replace sewer lines in the Perry Street area and we were recently notified that we will receive this grant.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manchester for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2013. This was the twenty second consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The timely preparation of this report was possible because of the efficiency and dedicated service of the entire staff at City Hall. Each member of the department has our sincere appreciation for their contributions in the preparation of this report. We wish to thank the Mayor and Council Members for their continued support as we strive for excellence in financial reporting for the City of Manchester. We also wish to acknowledge the professional and dedicated services of the staff of AJK, LLC, Certified Public Accountants.

Respectfully submitted,

Kathy Storey

Kathy Storey, City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Manchester

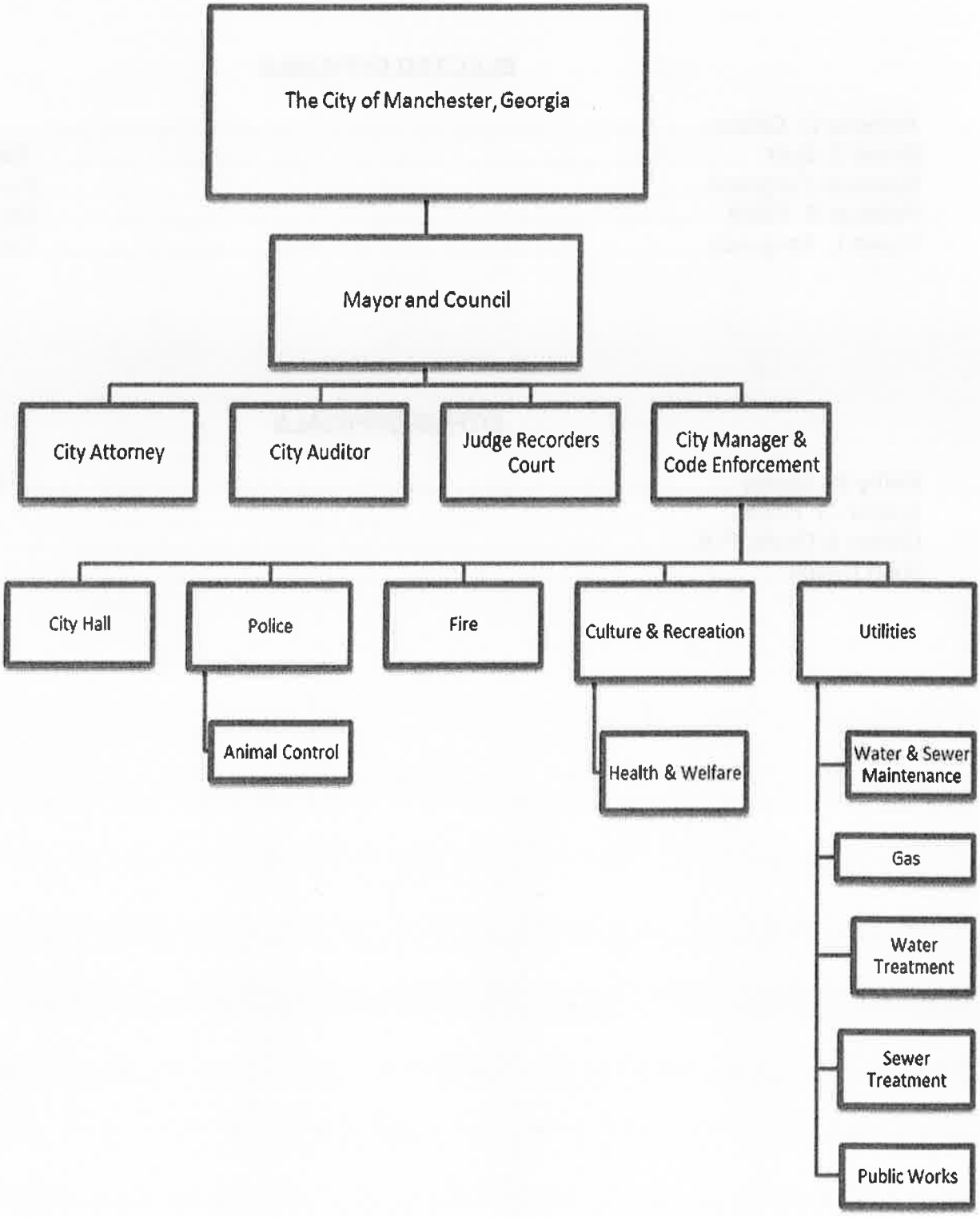
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO

CITY OF MANCHESTER, GEORGIA
ORGANIZATION CHART
June 30, 2014



CITY OF MANCHESTER, GEORGIA
LIST OF PRINCIPAL OFFICIALS
June 30, 2014

ELECTED OFFICIALS

Anthony D. Clifton	Mayor
Bruce S. Burt	Mayor Pro-Tem
Solomon Ferguson	Council Member
Pattisue S. Elliott	Council Member
Travis L. Ferguson	Council Member

OTHER OFFICIALS

Kathy M. Storey	City Manager
Kristen C. Price	City Clerk
Glover & Davis, P.A.	City Attorney
John Gilson	City Judge

AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 ☐ 405 Second Street ☐ Manchester, GA 31816
(706) 846-8401 ☐ Fax (706) 846-3370

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Manchester, 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 Manchester, Georgia, as of and for the year ended June 30, 2014, 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.

Auditors' 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 Manchester, Georgia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of funding progress information on pages 4 through 9 and page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's basic financial statements. The introductory section, combining, comparative, budgetary comparison, and individual fund financial statements and schedules, other supplemental information, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of Manchester, Georgia's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective 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. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's basic financial statements as a whole. The individual fund financial statements, as of and for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

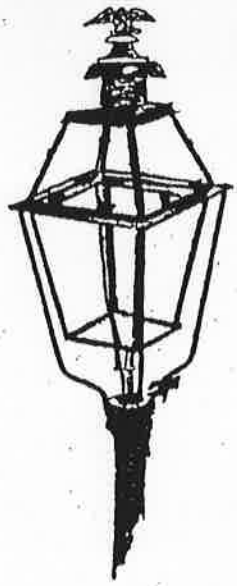
In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of the City of Manchester, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 City of Manchester, Georgia's internal control over financial reporting and compliance.

AJK

Manchester, Georgia
December 15, 2014

NOTICE

Certain pages of this report have been left blank intentionally.
These pages are identified as shown on this page.



Management's Discussion and Analysis

As management of the City of Manchester (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

FINANCIAL HIGHLIGHTS

- At June 30, 2014, the City's assets exceeded its liabilities by $13,666,805 (net position). Net position in governmental activities increased $1,854,603 or 38.61 percent, and net position of our business-type activities increased $489,477 or 7.51 percent.
- The City's total net position increased $2,344,080 from the previous year. The majority of this increase is due to the City's pro-rata share of the 2014 Meriwether County General Obligation Sales Tax Bonds. The City received $1,729,152 this year from this intergovernmental agreement. Since all of this money was not spent at June 30, there is an increase in net position.
- As of the close of 2014, the City's governmental funds reported combined ending fund balances of $2,546,737, an increase of $1,844,349 from the prior year. This increase is due to the intergovernmental agreement explained above.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These financial statements will present an overview of the City's financial activities and are presented in three components- 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide statements are intended to present information about the City as a whole using accounting methods similar to the private sector.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

The government-wide financial statements of the City are separated into three kinds of activities:

- Governmental activities: Most of the City's programs and services are reported here, including police, fire, senior center, recreation, public works, and general administration. These governmental activities are funded primarily by property taxes and state and federal grants.

- Business-type activities: These activities include the business-like operations of the City which are intended to recover all or a significant portion of their costs through user fees and charges. These services include water, sewer, gas and garbage.

- Component units: The Manchester Development Authority and the Downtown Development Authority of the City of Manchester are included as discretely presented component units of the City. Although they are legally separate from the City, the City is financially accountable. Additional information can be found on the Manchester Development Authority in their separately issued financial statements. The DDA does not issue separate financial statements. The Manchester Public Utilities Authority, although also legally separate, functions for all practical purposes as part of the City's Water and Sewerage Fund; therefore, it has been included as part of the business-type activities.

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided, along with the financial resources available.

By comparing the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and SPLOST Fund, which are the City's major governmental funds. Individual data from the remaining nonmajor governmental funds are combined into a single, aggregate column marked "Other Governmental Funds." Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and other supplementary data provided within the financial section of the report.

Proprietary Funds - The City presents only enterprise funds for its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The City utilizes enterprise funds to account for the Water & Sewer operations, Gas operations, and Solid Waste disposal activities The Water & Sewer, Gas, and Solid Waste funds are all considered to be major enterprise funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water & Sewer, Gas, and Solid Waste funds since all are considered to be major funds of the City.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summarizes the components of the City's net position of the primary government at June 30, 2014 and 2013.

NET POSITION

	Governmental Activities		Business-type		Totals	
	2014	2013	2014	2013	2014	2013
Assets:						
Current &Other Assets	$ 2,825,495	$ 964,776	$ 3,930,177	$ 5,409,313	$ 6,755,672	$ 6,374,089
Capital Assets, Net	4,752,245	4,825,693	13,383,199	12,023,705	18,135,444	16,849,398
Total Assets	7,577,740	5,790,469	17,313,376	17,433,018	24,891,116	23,223,487
Deferred Outflows of Resources	0	0	277,140	369,520	277,140	369,520
Liabilities:						
Current & Other Liabilities	445,515	430,255	914,012	906,276	1,359,527	1,336,531
Long-term Liabilities	473,864	556,456	9,668,060	10,377,295	10,141,924	10,933,751
Total Liabilities	919,379	986,711	10,582,072	11,283,571	11,501,451	12,270,282
Net Position:						
Net Investment in Capital Assets	4,236,911	4,229,346	8,115,278	6,892,270	12,352,189	11,121,616
Restricted	1,742,690	222,804	1,697,345	3,031,484	3,440,035	3,254,288
Unrestricted	678,760	351,608	(2,804,179)	(3,404,787)	(2,125,419)	(3,053,179)
Total Net Position	$ 6,658,361	$ 4,803,758	$ 7,008,444	$ 6,518,967	$ 13,666,805	$ 11,322,725

As noted earlier, changes in net position over time can be a useful indicator of a government's financial position. In the case of the City of Manchester, assets exceeded liabilities by $13,666,805 at June 30, 2014. The City's investment in capital assets (e.g. land, buildings, infrastructure, machinery, equipment and vehicles), less any outstanding related debt used to acquire the asset equals approximately 90.38% of net position. The City uses these capital assets to provide services to citizens and consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities.

The following shows the changes in net position for 2014 and 2013.

CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for services	$ 694,099	$ 686,945	$ 3,235,691	$ 3,065,013	$ 3,929,790	$ 3,751,958
Operating grants and contributions	900,555	509,996	0	0	900,555	509,996
Capital grants and contributions	1,729,191	140,440	0	0	1,729,191	140,440
General Revenues:						
Property taxes	1,036,188	1,063,897	0	0	1,036,188	1,063,897
Franchise tax	217,697	221,189	0	0	217,697	221,189
Insurance premium tax	218,200	210,739	0	0	218,200	210,739
Motor vehicle and mobile home tax	144,361	113,568	0	0	144,361	113,568
Alcoholic beverage tax	79,749	85,990	0	0	79,749	85,990
Sales tax	361,302	380,696	0	0	361,302	380,696
Other	22,819	16,024	0	0	22,819	16,024
Investment earnings	2,827	1,228	2,795	2,223	5,622	3,451
Total Revenues	5,406,988	3,430,712	3,238,486	3,067,236	8,645,474	6,497,948
Expenses:						
General government	691,609	851,282	0	0	691,609	851,282
Public safety	1,559,309	1,526,212	0	0	1,559,309	1,526,212
Health and welfare	166,324	155,931	0	0	166,324	155,931
Culture and recreation	466,802	506,659	0	0	466,802	506,659
Highways and streets	502,479	489,636	0	0	502,479	489,636
Community development	108,801	104,379	0	0	108,801	104,379
Interest on long-term debt	28,027	31,754	0	0	28,027	31,754
Water and sewer	0	0	1,743,175	2,061,417	1,743175	2,061,417
Gas	0	0	771,321	659,844	771,321	659,844
Solid waste	0	0	263,547	267,034	263,547	267,034
Broadband	0	0	0	3,705	0	3,705
Total Expenses	3,523,351	3,665,853	2,778,043	2,992,000	6,301,394	6,657,853
Increase (decrease) in net position before transfers	1,883,637	(235,141)	460,443	75,236	2,344,080	(159,905)
Transfers	(29,034)	293,493	29,034	(293,493)	0	0
Increase (decrease) in net position	1,854,603	58,352	489,477	(218,257)	2,344,080	(159,905)
Net Position, beginning of year	4,803,758	4,745,406	6,518,967	6,737,224	11,322,725	11,482,630
Net Position, end of year	$ 6,658,361	$ 4,803,758	$ 7,008,444	$ 6,518,967	$ 13,666,805	$ 11,322,725

Governmental Activities

Governmental activities increased the City's net position by $1,854,603. Key elements of this increase are shown in the preceding table *Changes in Net Position*. Noteworthy variances are:

- Operating grants and contributions increased $390,559. Approximately $340,000 of this is from an increase in the amount of Community Development Block Grants received during the year.
- Capital grants and contributions increased $1,588,751, mostly due to the City's pro-rata share of the 2014 Meriwether County General Obligation Sales Tax Bonds discussed earlier.

Business-Type Activities

Business-type activities increased the City's net position by $489,477. The only noteworthy variance was:

- Expenses in the Water and Sewerage Fund decreased approximately $320,000. This is due to a decrease in bond issue cost.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

As of June 30, 2014, the City's governmental funds reported a combined ending fund balance of $2,546,737, an increase of $1,844,349 in comparison with the prior year. The fund balance is classified as nonspendable ($76,205), restricted ($1,742,690), committed ($248,687) and unassigned ($479,155) to indicate the purpose for which the resources can be used. The restricted fund balance (amounts constrained to specific purposes by their providers) represents approximately 68% of the fund balance. The unassigned fund balance, which represents approximately 19% of the total fund balance, is available for any purpose.

The General Fund is the City's chief operating fund. The fund balance of the City's General Fund increased by $324,463 during year ended 2014. The increase in the General Fund is a result of the City's continued effort to curtail expenditures where possible.

Proprietary Funds

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

The change for net position in the Proprietary Funds for the year ended June 30, 2014 was an increase of $489,477. The factors concerning this increase have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Manchester City Council adopts the annual operating budgets for the City on or about May 1 each year for the fiscal year commencing July 1. The most significant budgeted fund of the City is the General Fund. During the year, amendments to the budget are adopted as needed. The significant amendments during the year were:

- Grant revenue was increased approximately $60,000 to reflect a recreation grant, a fire department grant and a GDOT grant.
- Capital outlay was increased by approximately $75,000 to reflect various purchases approved during the year.
- Salaries were adjusted in most departments to reflect actual amounts paid. The net adjustments to salaries and related cost was approximately a $45,000 increase.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2014 was $12,352,189, net of accumulated depreciation and related debt. This investment in capital assets includes land, buildings, improvements, machinery, equipment, vehicles, infrastructure, and construction in progress.

Long-Term Debt

As of June 30, 2014 the City had total bonded outstanding debt of $9,415,000.

More detailed information about the City's capital assets and long-term debt is presented in the notes to the basic financial statements in Note 3 and Note 5, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the following:

Kathy M. Storey, City Manager
Department of Financial Administration
P.O. Box 366
Manchester, Georgia 31816
706-846-3141

BASIC FINANCIAL STATEMENTS

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manchester Development Authority	Downtown Development Authority
ASSETS					
Cash and cash equivalents	$ 2,549,841	$ 1,303,044	$ 3,852,885	$ 946,392	$ 9,316
Receivables (net, where applicable, of allowance for uncollectibles):					
Tax and tax liens	11,338		11,338		
Accounts		318,928	318,928		
Fines and forfeitures	28,711		28,711		
Nutrition program	16,829		16,829		
Other	142,571		142,571		
Inventory, at cost	36,116	1,062	37,178		
Prepaid items	40,089		40,089		
Note receivable			-	476,772	15,960
Restricted assets:					
Temporarily restricted:					
Cash		2,224,474	2,224,474		
Capital assets not being depreciated	289,733	1,499,989	1,789,722	134,433	
Capital assets being depreciated, net of accumulated depreciation	4,462,512	11,883,210	16,345,722	2,988,998	
Prepaid bond insurance, net of accumulated amortization		82,669	82,669		
Total assets	7,577,740	17,313,376	24,891,116	4,546,595	25,276
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding		277,140	277,140		
Total deferred outflows of resources	-	277,140	277,140	-	-
LIABILITIES					
Accounts payable and other current liabilities	187,111	13,246	200,357	3,339	350
Accrued payroll	37,179		37,179		
Accrued interest on bonds	9,200		9,200		
Customer deposits		89,873	89,873		
Customer overpayments		12,012	12,012		
Unearned revenue	54,468	24,600	79,068		500
Current liabilities payable from restricted assets		583,743	583,743		
Noncurrent liabilities:					
Due within one year	157,557	190,538	348,095	44,251	
Due in more than one year	473,864	9,668,060	10,141,924	926,271	
Total liabilities	919,379	10,582,072	11,501,451	973,861	850
NET POSITION					
Net investment in capital assets	4,236,911	8,115,278	12,352,189	2,152,909	
Restricted for:					
Construction		1,697,345	1,697,345		
Economic development activities	222,807		222,807		
Capital projects	1,519,883		1,519,883		
Debt service			-	529,296	
Unrestricted	678,760	(2,804,179)	(2,125,419)	890,529	24,426
Total net position	$ 6,658,361	$ 7,008,444	$ 13,666,805	$ 3,572,734	$ 24,426

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services, Fees, Fines, and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: 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: Manchester Development Authority	Component Units: Downtown Development Authority
Primary government:									
Governmental activities:									
General government	$ 691,609	$ 431,327	$ 96,007	$ 268,100	$ 103,825		$ 103,825		
Public safety	1,559,309	195,597	25,448	258,098	(1,080,166)		(1,080,166)		
Health and welfare	166,324	113	102,995		(63,216)		(63,216)		
Culture and recreation	466,802	58,776	157,505	102,039	(148,482)		(148,482)		
Highways and streets	502,479	8,286		1,100,954	606,761		606,761		
Community development	108,801		518,600		409,799		409,799		
Interest on long-term debt	28,027				(28,027)		(28,027)		
Total governmental activities	3,523,351	694,099	900,555	1,729,191	(199,506)		(199,506)		
Business-type activities:									
Water and sewerage	1,743,175	1,909,741				$ 166,566	166,566		
Gas	771,321	900,497				129,176	129,176		
Solid Waste	263,547	425,453				161,906	161,906		
Total business-type activities	2,778,043	3,235,691	-	-	-	457,648	457,648		
Total primary government	$ 6,301,394	$ 3,929,790	$ 900,555	$ 1,729,191	(199,506)	457,648	258,142		
Component units:									
Manchester Development Authority	$ 592,537	$ 160,890						$ (431,647)	
Downtown Development Authority	11,120		$ 20,104						$ 8,984
Total component units	$ 603,657	$ 160,890	$ 20,104	$ -				(431,647)	8,984
General revenues:									
Taxes:									
Property taxes					1,036,188		1,036,188		
Sales tax					361,302		361,302		
Franchise tax					217,697		217,697		
Insurance premium tax					218,200		218,200		
Motor vehicle and mobile home tax					144,361		144,361		
Alcoholic beverage tax					79,749		79,749		
Other					22,819		22,819		
Investment earnings					2,827	2,795	5,622	13,314	277
Other revenue								6,035	
Transfers					(29,034)	29,034			
Total general revenues and transfers					2,054,109	31,829	2,085,938	19,349	277
Change in net position					1,854,603	489,477	2,344,080	(412,298)	9,261
Net position, beginning of year					4,803,758	6,518,967	11,322,725	3,985,032	15,165
Net position, end of year					$ 6,658,361	$ 7,008,444	$ 13,666,805	$ 3,572,734	$ 24,426

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

CITY OF MANCHESTER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	Major Governmental Fund Types		Nonmajor Governmental Fund Types	
	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	$ 882,432	$ 1,519,883	$ 147,526	$ 2,549,841
Receivables (net, where applicable, of allowances for uncollectibles):				
Taxes and tax liens	11,338			11,338
Fines and forfeitures	28,711			28,711
Nutrition program	16,829			16,829
Other	67,290		75,281	142,571
Inventory, at cost	36,116			36,116
Prepaid items	40,089			40,089
Total assets	$ 1,082,805	$ 1,519,883	$ 222,807	$ 2,825,495
LIABILITIES				
Accounts payable	$ 187,111			$ 187,111
Accrued payroll	37,179			37,179
Unearned revenue	54,468			54,468
Total liabilities	278,758	$ -	$ -	278,758
FUND BALANCES				
Fund balances:				
Nonspendable for:				
Inventory	36,116			36,116
Prepaids	40,089			40,089
Restricted for:				
Economic development activities			222,807	222,807
Capital projects		1,519,883		1,519,883
Committed:				
Special incentives	8,446			8,446
Infrastructure	240,241			240,241
Unassigned	479,155			479,155
Total fund balances	804,047	1,519,883	222,807	2,546,737
Total liabilities and fund balances	$ 1,082,805	$ 1,519,883	$ 222,807	$ 2,825,495

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

CITY OF MANCHESTER, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2014

Fund balances - Total governmental funds		$ 2,546,737
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds:		
Add - Capital assets		8,594,435
Deduct - Accumulated depreciation		(3,842,190)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net position. Balances at June 30, 2014 are:		
Accrued interest payable on bonds		(9,200)
Bonds payable	$ (460,000)	
Capital leases	(55,334)	
Compensated absences	(116,087)	
Total long-term liabilities		(631,421)
Net position of governmental activities		$ 6,658,361

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	Major Governmental Fund Types		Nonmajor Governmental Fund Types	
	General Fund	SPLOST Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Property	$ 955,278		$ 80,910	$ 1,036,188
Sales	360,700		602	361,302
Franchise	217,697			217,697
Insurance premium	218,200			218,200
Motor vehicle and mobile home	144,361			144,361
Alcoholic beverage	79,749			79,749
Other	14,680		8,139	22,819
Licenses and permits	83,145			83,145
Intergovernmental		$ 1,729,152		1,729,152
Grants and subsidies	264,105		518,600	782,705
Charges for services	63,493			63,493
Fines and forfeitures	195,597			195,597
Interest revenue	232	39	2,595	2,866
Other revenue	469,714			469,714
Total revenues	3,066,951	1,729,191	610,846	5,406,988
Expenditures:				
Current:				
General government	678,763			678,763
Public safety	1,487,937			1,487,937
Health and welfare	165,334			165,334
Culture and recreation	396,157			396,157
Highway and streets	419,397		602	419,999
Community development			108,801	108,801
Debt service:				
Principal retirement	26,013		55,000	81,013
Interest and fees	3,400		25,910	29,310
Capital outlay:				
Health and welfare		6,794		6,794
Public safety	4,034	21,417		25,451
Highway and streets	13,553	11,623		25,176
Culture and recreation	9,500	99,370		108,870
Total expenditures	3,204,088	139,204	190,313	3,533,605
Excess of revenues over (under) expenditures	(137,137)	1,589,987	420,533	1,873,383
Other financing sources (uses):				
Transfers in	4,900,720		161,820	5,062,540
Transfers out	(4,439,120)	(70,105)	(582,349)	(5,091,574)
Total other financing sources (uses)	461,600	(70,105)	(420,529)	(29,034)
Net change in fund balances	324,463	1,519,882	4	1,844,349
Fund balances, beginning of year	479,584	1	222,803	702,388
Fund balances, end of year	$ 804,047	$ 1,519,883	$ 222,807	$ 2,546,737

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

CITY OF MANCHESTER, GEORGIA
RECONILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN THE FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

Net change in fund balances - Total governmental funds	$ 1,844,349
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($238,131) exceeded capital outlays ($164,683) in the current period.	(73,448)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	81,013
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	2,689
Change in net position of governmental activities	$ 1,854,603

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Taxes:				
Property	$ 1,071,492	$ 1,071,492	$ 955,278	$ (116,214)
Sales	400,000	400,000	360,700	(39,300)
Franchise	216,500	216,500	217,697	1,197
Insurance premium	211,000	211,000	218,200	7,200
Motor vehicle and mobile home	86,000	86,000	144,361	58,361
Alcoholic beverage	90,000	90,000	79,749	(10,251)
Other	8,500	8,500	14,680	6,180
Licenses and permits	71,000	71,000	83,145	12,145
Grants and subsidies	262,700	335,065	264,105	(70,960)
Charges for services	63,000	63,000	63,493	493
Fines and forfeitures	160,000	163,391	195,597	32,206
Interest revenue	500	500	232	(268)
Other revenue	733,918	736,873	469,714	(267,159)
Total revenues	3,374,610	3,453,321	3,066,951	(386,370)
Expenditures:				
General government:				
Elected officials	92,704	92,704	90,362	2,342
City manager	90,088	90,357	89,910	447
General administration	464,255	563,699	498,491	65,208
Total general government	647,047	746,760	678,763	67,997
Public safety:				
Police	1,058,074	1,095,560	1,094,487	1,073
Fire	372,304	403,327	393,450	9,877
Total public safety	1,430,378	1,498,887	1,487,937	10,950
Highway and streets:				
Streets	403,641	430,313	419,397	10,916
Total highway and streets	403,641	430,313	419,397	10,916
Health and welfare:				
Senior center	114,090	126,920	126,914	6
Animal control	40,118	42,888	38,420	4,468
Total health and welfare	154,208	169,808	165,334	4,474
Culture and recreation:				
Recreation	374,513	364,261	346,157	18,104
Library	50,000	50,000	50,000	-
Total culture and recreation	424,513	414,261	396,157	18,104
Debt service:				
Principal retirement	306,323	106,323	26,013	80,310
Interest		4,000	3,400	600
Capital outlay	8,500	82,969	27,087	55,882
Total expenditures	3,374,610	3,453,321	3,204,088	249,233
Excess (deficiency) of revenues over (under) expenditures	-	-	(137,137)	(137,137)
Other financing sources (uses):				
Transfers in			4,900,720	4,900,720
Transfers out			(4,439,120)	(4,439,120)
Total other financing sources (uses)	-	-	461,600	461,600
Net change in fund balances	-	-	324,463	324,463
Fund balances, beginning of year	479,584	479,584	479,584	-
Fund balances, end of year	$ 479,584	$ 479,584	$ 804,047	$ 324,463

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
ASSETS				
Current assets:				
Cash	$ 1,303,019	$ 25		$ 1,303,044
Receivables (net, where applicable, of allowance for uncollectibles):				
Accounts	207,725	59,879	$ 51,324	318,928
Inventories	463	599		1,062
Total unrestricted current assets	1,511,207	60,503	51,324	1,623,034
Restricted cash	2,224,474			2,224,474
Total restricted cash	2,224,474	-	-	2,224,474
Total current assets	3,735,681	60,503	51,324	3,847,508
Noncurrent assets:				
Prepaid bond insurance, net of accumulated amortization	82,669	-	-	82,669
Capital assets:				
Land and land improvements	537,065			537,065
Construction in progress	962,924			962,924
Buildings	9,883,369	10,088		9,893,457
Improvements other than building	6,338,610	2,408,781		8,747,391
Machinery and equipment	925,670	63,401	21,060	1,010,131
Less, accumulated depreciation	(7,273,766)	(472,943)	(21,060)	(7,767,769)
Total capital assets (net of accumulated depreciation)	11,373,872	2,009,327	-	13,383,199
Total noncurrent assets	11,456,541	2,009,327	-	13,465,868
Total assets	15,192,222	2,069,830	51,324	17,313,376
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	277,140			277,140
Total deferred outflows of resources	277,140	-	-	277,140
LIABILITIES				
Current liabilities:				
Accounts payable	8,797	4,449		13,246
Customer deposits	65,033	24,840		89,873
Customer overpayments	12,012			12,012
Accrued compensated absences	13,002	1,596		14,598
Unearned revenue	24,600			24,600
Obligations under capital leases, current portion		175,940		175,940
Current liabilities payable from restricted assets:				
Accrued interest	68,743			68,743
Revenue bonds, current portion	515,000			515,000
Total current liabilities	707,187	206,825	-	914,012
Noncurrent liabilities:				
Compensated absences	7,001	860		7,861
Unearned revenues	717,500			717,500
Revenue bonds payable	8,385,927			8,385,927
Obligations under capital leases		556,772		556,772
Total noncurrent liabilities	9,110,428	557,632	-	9,668,060
Total liabilities	9,817,615	764,457	-	10,582,072
NET POSITION				
Net investment in capital assets	6,838,663	1,276,615		8,115,278
Restricted for construction	1,697,345			1,697,345
Unrestricted	(2,884,261)	28,758	51,324	(2,804,179)
Total net position	$ 5,651,747	$ 1,305,373	$ 51,324	$ 7,008,444

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2014

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
Operating revenues:				
Charges for services:				
Sales	$ 1,801,987	$ 843,144	$ 425,453	$ 3,070,584
Other fees	107,754	57,353		165,107
Total operating revenues	1,909,741	900,497	425,453	3,235,691
Operating expenses:				
Salaries and wages	259,630	81,282		340,912
Payroll taxes and employee benefits	85,182	22,246		107,428
Gas purchased for resale		288,193		288,193
Sales tax expense		47,289		47,289
Utilities	188,832	3,984		192,816
Repairs and maintenance	133,236	113,490		246,726
Materials, supplies and chemicals	82,814	9,493		92,307
Office supplies and postage	8,427	2,402		10,829
Engineering and other professional services	32,409	8,190		40,599
Depreciation and amortization	357,768	48,767		406,535
Administrative charges	195,151	104,081	32,525	331,757
Sanitation expense			231,022	231,022
Miscellaneous	98,446	1,923		100,369
Total operating expenses	1,441,895	731,340	263,547	2,436,782
Operating income (loss)	467,846	169,157	161,906	798,909
Nonoperating revenues (expenses):				
Interest income	2,795			2,795
Interest expenses	(301,280)	(39,981)		(341,261)
Total nonoperating revenues (expenses)	(298,485)	(39,981)	-	(338,466)
Income (loss) before transfers	169,361	129,176	161,906	460,443
Transfers in	3,484,806	923,592	447,383	4,855,781
Transfers out	(3,299,118)	(918,311)	(609,318)	(4,826,747)
Changes in net position	355,049	134,457	(29)	489,477
Net position, beginning of year	5,296,698	1,170,916	51,353	6,518,967
Net position, end of year	$ 5,651,747	$ 1,305,373	$ 51,324	$ 7,008,444

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2014

	Business-Type Activities Major Fund Types			
	Water and Sewerage	Gas System	Solid Waste	Total
Cash flows from operating activities:				
Receipts from customers	$ 1,895,706	$ 884,363	$ 425,482	$ 3,205,551
Receipts from (refund of) customer overpayments	(1,083)			(1,083)
Receipts from (refund of) customer deposits	4,384	85		4,469
Payments to employees	(336,710)	(103,389)		(440,099)
Payments to vendors	(738,720)	(578,010)	(263,547)	(1,580,277)
Net cash provided (used) by operating activities	823,577	203,049	161,935	1,188,561
Cash flows from noncapital financing activities:				
Transfers in	2,994,172	923,592	447,383	4,365,147
Transfers out	(3,299,118)	(918,311)	(609,318)	(4,826,747)
Principal paid on noncapital debt	(104,535)			(104,535)
Interest paid on noncapital debt	(45,111)			(45,111)
Net cash provided (used) by noncapital financial activities	(454,592)	5,281	(161,935)	(611,246)
Cash flows from capital and related financing activities:				
Transfers in	490,634			490,634
Acquisition of capital assets	(1,766,029)			(1,766,029)
Principal paid on capital debt	(400,465)			(400,465)
Capital lease payments		(168,349)		(168,349)
Interest paid on capital debt	(172,817)	(39,981)		(212,798)
Net cash provided (used) by capital and related financing activities	(1,848,677)	(208,330)	-	(2,057,007)
Cash flows from investing activities:				
Interest income	2,795			2,795
Net cash provided (used) by investing activities	2,795	-	-	2,795
Net increase (decrease) in cash	(1,476,897)	-	-	(1,476,897)
Cash, beginning of year	5,004,390	25		5,004,415
Cash, end of year	$ 3,527,493	$ 25	$ -	$ 3,527,518
Reported on statement of net position:				
Cash	$ 1,303,019	$ 25		$ 1,303,044
Restricted cash	2,224,474			2,224,474
Total cash per statement of net position	$ 3,527,493	$ 25	$ -	$ 3,527,518
Reconciliation of operating income to net cash provided (used) by operating activities:				
Operating income (loss)	$ 467,846	$ 169,157	$ 161,906	$ 798,909
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	357,768	48,767		406,535
(Increase) decrease in:				
Accounts receivable	10,565	(16,134)	29	(5,540)
Increase (decrease) in:				
Accounts payable	2,794	1,309		4,103
Customer deposits	4,384	85		4,469
Customer overpayments	(1,083)			(1,083)
Accrued compensated absences	5,903	(135)		5,768
Unearned revenue	(24,600)			(24,600)
Net cash provided (used) by operating activities	$ 823,577	$ 203,049	$ 161,935	$ 1,188,561

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Manchester, Georgia (the "City") was incorporated on August 16, 1909, under the provisions of the State of Georgia. The City operates under an elected Mayor-Council form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and welfare services, culture and recreation, public works, public utilities, code enforcement, community development and general administrative services.

The accounting policies of the City of Manchester, Georgia conform to generally accepted accounting principles applicable to governments. The following is a summary of the City's more significant accounting policies used in the preparation of the accompanying financial statements.

A. The Reporting Entity

The City of Manchester, Georgia is a municipal corporation governed by an elected Mayor and four member Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

- **Blended Component Units** - The Manchester Public Utilities Authority (the "PUA") serves all the citizens of the City and is governed by a board comprised of the City's elected council. The rates for any user charges and bond issuance authorizations are approved by the City's council and the legal liability for the general obligation portion of any PUA's debt remains with the City. The PUA is combined with the Water and Sewerage Fund in these financial statements and does not issue separate financial statements.

- **Discretely Presented Component Units** - The Manchester Development Authority (the "Authority") was created to attract new industry and promote existing industry in the City. The board members of the Manchester Development Authority are appointed by the Mayor and City Council of the City. The Authority's bonded debt must be approved by the City Council and the city provides significant financial support to the Authority. The Manchester Development Authority is presented as a governmental fund type. Complete financial statements can be obtained from the Manchester Development Authority, P.O. Box 583, Manchester, Georgia 31816.

  The Downtown Development Authority of the City of Manchester, Georgia (the "DDA") was created to revitalize and redevelop the central business district of the City. The DDA's board members are appointed by the Mayor and City Council of the City. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The DDA is presented as a governmental fund type; however, separate financial statements are not prepared.

- **Related Organization** - The City Council is responsible for appointing the members of the Manchester Housing Authority board, but the City's accountability for this organization does not extend beyond making the appointments.

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental and proprietary fund financial statements.

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues, including property taxes, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants from other governments, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

- The ***SPLOST Fund*** is established as a capital project fund to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

The City reports the following major proprietary funds:

- The ***Water and Sewerage Fund*** accounts for the activities of the government's water and sewerage activities.
- The ***Gas Fund*** accounts for the activities of the government's gas system activities.
- The ***Solid Waste Fund*** accounts for the activities of the government's waste disposal activities.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

The City's net position are reported in three parts - 1) net investment in capital assets; 2) restricted net position; and 3) unrestricted net position. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The City prepares and adopts its budget and complies with the auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purposes for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices while maintaining, preserving and encouraging the principle of home rule over local matters. The procedures are as follows:

1. On or about May 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution. The General Fund, the Special Revenue Funds and the Debt Service Fund have legally adopted budgets that are prepared by fund, function, and department. Any revisions that alter the total expenditures of any fund or any transfers between departments must be approved by the City Council. All appropriations lapse at year end. The legal level of control (level at which expenditures may not legally exceed the budget) is exercised by the City Council at the department level.
4. The budgets for the General Fund, Special Revenue Funds and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles.

The capital project fund representing the Special Purpose Local Option Sales Tax adopts its budget on a project-length basis instead of an annual basis.

The budget amounts shown in these financial statements include any amendments approved by the City Council during the year. The Council made several amendments during the year. In the General Fund, the most significant one recorded grants received from various state and federal agencies for approximately $60,000 and increased capital outlay accordingly. Also, the amendments recorded a net increase in salaries and related cost of approximately $45,000 and affected most departments in the General Fund.

E. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, short-term investments with original maturities of three months or less from the date of acquisition, and non-negotiable certificates of deposits regardless of original maturity.

The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligation; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "a" or better by Moody's Investors Service Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments for the City, as well as for its component units, are reported at fair value. Neither the City, nor its component units, have any investments.

F. Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

G. Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied on October 20, and are due and payable on December 20. All unpaid taxes levied October 20 become delinquent December 21 of that year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

H. Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of expendable supplies. The City uses the consumption method to record inventory, which means that inventory acquisitions are recorded in inventory accounts when purchased and charged as expenditures or expenses when used.

I. Prepaid Items

The City uses the consumption method to record prepaid items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements when paid and charged to expenditures or expenses when used.

J. Restricted Cash

Certain cash in the Proprietary Funds of the City is restricted for the debt service and construction.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets acquired subsequent to July 1, 1980 are reported at historical cost.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Buildings	20-40
Improvements	20-30
Public domain infrastructure	40
System infrastructure	20-50
Machinery and equipment	5-20

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the business-type statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will *not* be recognized as an inflow of resources (revenue) until that time. Currently, the city has no items that qualify for reporting as a deferred inflow of resources.

M. Compensated Absences

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

N. Long-Term Obligations

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

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

O. Fund Equity

Beginning with the year ended June 30, 2011, the City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed Fund Balance** - Amounts constrained to specific purposes by the City Council through an ordinance;
- **Assigned Fund Balance** - Amounts are constrained by an intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City manager based on the City Council direction;
- **Unassigned Fund Balance** - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. It is the City's policy to use restricted fund balances first, followed by committed, assigned, and then unassigned amounts, respectively.

P. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Q. Allocation of Administrative Expenses

The City does not allocate indirect costs. It is the City's policy to allocate to the proprietary funds overhead administrative expenses that are paid by and expended in the General Fund. This allocation is to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, etc.). These expenses allocated to the proprietary funds are presented in these financial statements as "administrative charges" on the proprietary funds financial statement and are included in "other revenue" on the General Fund financial statements.

R. Use of Estimates to Prepare Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

S. Subsequent Events

Subsequent events have been evaluated by management through December 15, 2014, which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

At year end, the City had $3,736 in petty cash, $1,519,883 in short-term investments (cash equivalents), and the carrying amount of the City's deposits (checking, savings, and certificates of deposit) was $4,553,740. The short-term investments were invested 100% in a U.S. Treasury portfolio. For the City's deposits, the bank balance was $4,563,096 of which $647,526 was covered by federal depository insurance and $3,915,570 was covered by collateral held in the pledging bank's trust department or by its agent in the City's name. The City does not have a deposit policy for custodial credit risk. .

At year end, the Manchester Development Authority, a discretely presented component unit, did not have any investments and the carrying amount of the authority's deposits (checking and savings accounts) was $946,392 and the bank balance was $947,306. Of the bank balance, $336,486 was covered by federal depository insurance and $610,820 was covered by collateral held in the pledging bank's trust department or by its agent in the Authority's name.

At year end, the Downtown Development Authority, the other discretely presented component unit, did not have any investments and the carrying amount of the DDA deposits (checking and savings accounts) was $9,316 and the bank balance was $9,316. Of the bank balance, $9,316 was covered by federal depository insurance.

Neither of the discretely presented component units have a deposit policy for custodial credit risk.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 289,733			$ 289,733
Total capital assets, not being depreciated	289,733			289,733
Capital assets, being depreciated:				
Land improvements	23,160			23,160
Buildings and improvements	3,570,617	$ 37,668		3,608,285
Pool	46,092		$(46,092)	
Machinery and equipment	1,473,989	121,815		1,595,804
Infrastructure	3,072,253	5,200		3,077,453
Total capital assets being depreciated	8,186,111	164,683	(46,092)	8,304,702
Less, accumulated depreciation for:				
Land improvements	(3,764)	(579)		(4,343)
Buildings	(1,912,235)	(71,052)		(1,983,287)
Pool	(38,406)	(7,686)	46,092	
Machinery and equipment	(1,162,781)	(81,921)		(1,244,702)
Infrastructure	(532,965)	(76,893)		(609,858)
Total accumulated depreciation	(3,650,151)	(238,131)	46,092	(3,842,190)
Total capital assets, being depreciated, net	4,535,960	(73,448)	0	4,462,512
Governmental activities capital assets, net	$ 4,825,693	$(73,448)	$ 0	$ 4,752,245
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 537,065			$ 537,065
Construction in progress	148,834	$ 1,700,229	$(886,139)	962,924
Total capital assets, not being depreciated	685,899	1,700,229	(886,139)	1,499,989
Capital assets, being depreciated:				
Buildings	9,893,457			9,893,457
Improvements other than buildings	7,861,252	886,139		8,747,391
Machinery and equipment	944,331	65,800		1,010,131
Total capital assets being depreciated	18,699,040	951,939		19,650,979
Less, accumulated depreciation for:				
Buildings	(3,484,292)	(201,100)		(3,685,392)
Improvements other than buildings	(3,195,909)	(156,400)		(3,352,309)
Machinery and equipment	(681,033)	(49,035)		(730,068)
Total accumulated depreciation	(7,361,234)	(406,535)		(7,767,769)
Total capital assets, being depreciated, net	11,337,806	545,404		11,883,210
Business-type activities capital assets, net	$ 12,023,705	$ 2,245,633	$(886,139)	$ 13,383,199

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

Governmental activities:	
General government	$ 14,252
Public safety	70,422
Highways and streets, including depreciation of general infrastructure assets	82,480
Health and welfare	332
Culture and recreation	70,645
Total depreciation expense - Governmental activities	$ 238,131
Business-type activities:	
Water and sewerage	$ 357,768
Gas	48,767
Total depreciation expense - Business-type activities	$ 406,535

Activity for the Manchester Development Authority for the year ended June 30, 2014, was as follows:

Discretely Presented Component Unit	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 134,433			$ 134,433
Total capital assets not being depreciated	134,433	$ -	$ -	134,433
Capital assets being depreciated:				
Infrastructure	287,076			287,076
Buildings and improvements	3,667,918	29,250		3,697,168
Furniture and equipment	35,573			35,573
Total capital assets being depreciated	3,990,567	29,250	-	4,019,817
Less, accumulated depreciation for:				
Infrastructure	(204,981)	(10,141)		(215,122)
Building and improvements	(730,535)	(53,327)		(783,862)
Furniture and equipment	(29,847)	(1,988)		(31,835)
Total accumulated depreciation	(965,363)	(65,456)	-	(1,030,819)
Total capital assets being depreciated, net	3,025,204	(36,206)	-	2,988,998
Development Authority capital assets, net	$ 3,159,637	$(36,206)	$ -	$ 3,123,431

Depreciation expense for the Authority was charged to functions as follows:

Business promotion and tourism	$ 63,468
General and administrative	1,988
	$ 65,456

4. UNEARNED REVENUE

On August 4, 1992, the City entered into a joint services contract with Talbot County, Georgia regarding the City's water treatment facility. The contract entitles Talbot county to 29% of the City's total water treatment plant capacity, 29% of the total reservoir capacity, and 29% of total water line capacity for the sum of $1,230,000. This amount was received by the City during the year ended June 30, 1995, and has been recorded as unearned revenue, to be recognized into income over the life of the contract, which is 50 years. The balance of unearned revenue at June 30, 2014 was $742,100 and is shown as unearned revenue in the business-type activities, Water and Sewerage Fund, in these financial statements as current liability ($24,600) and noncurrent liabilities ($717,500).

5. LONG-TERM DEBT

A. General Obligation Bonds

Primary Government

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities and are paid from the debt service fund. The original amount of general obligations bonds issued in prior years was $1,400,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rate	Amount
Governmental activities	4.8 - 5%	$ 460,000

Annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2015	$ 55,000	$ 22,520
2016	60,000	19,880
2017	60,000	17,000
2018	65,000	14,120
2019	70,000	11,000
2020-2021	150,000	11,250
	$ 460,000	$ 95,770

B. Revenue Bonds

Primary Government

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The business-type activities currently have revenue bonds outstanding to be paid from the Water and Sewerage Fund. The original amount of revenue bonds issued in prior years is $9,460,000.

Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Water & Sewer	Variable, 2.0% to 2.75%	$ 8,955,000

Revenue bond debt service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2015	$ 515,000	$ 206,227
2016	525,000	195,927
2017	535,000	185,428
2018	450,000	174,728
2019	460,000	165,728
2020-2024	2,320,000	676,877
2025-2029	2,500,000	411,643
2030-2032	1,650,000	90,490
	$ 8,955,000	$ 2,107,048

C. Notes Payable

Component Unit

The Authority has issued a note payable to provide funds for the purchase of an existing industrial building. The original amount of the note payable issued is $500,000 and will be repaid through the Debt Service Fund. This note payable is secured by the industrial building purchased. The terms of the note payable provided for deferred payments for five years. If the building was sold by the Authority, the purchaser would assume the note payable and must begin repayment. If at the end of the five years the Authority still owns the building, then the Authority must begin repayment. Quarterly payments of $6,250 began April 2014. The balance at June 30, 2014 was $493,750.

The Authority has issued a note payable to assist with machinery and equipment cost of a business in the industrial park. The original amount of the note payable issued is $500,000 and will be repaid through the Debt Service fund. This note payable is secured by a $500,000 promissory note given by the business to the Authority. The note is due in quarterly payments of $8,335, including interest at 3%. The balance at June 30, 2014 was $476,772.

Notes payable are direct obligations of the component unit and pledge the full faith and credit of the component unit. Notes payable currently outstanding are as follows:

Purpose	Interest Rates	Amounts
Purchase of existing industrial building	0%	$ 493,750
Assists with cost of machinery and equipment for business in industrial park	3%	476,772
		$ 970,522

Note payable debt service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30:		
2015	$ 44,251	$ 14,088
2016	44,835	13,504
2017	45,437	12,902
2018	46,057	12,282
2019	46,696	11,643
2020-2024	243,762	47,934
2025-2029	262,906	28,791
2030-2034	236,578	7,192
	$ 970,522	$ 148,336

D. Capital Leases

Primary Government

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment and vehicles for the governmental activities. All of these leases are being paid by the general fund. The gas fund of the business activities has also entered into lease agreements for the expansion and improvements to the gas distribution system. These leases are being repaid from revenues earned by the gas fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded as capital assets at the present value of their future minimum lease payments as of the inception date. The expense resulting from amortization of assets recorded under capital leases is included in depreciation expense.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Gas Fund
Improvements other than buildings		$ 2,000,000
Machinery and equipment	$ 393,694	
Less, accumulated depreciation	(308,711)	(336,080)
Total	$ 84,983	$ 1,663,920

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

	Governmental Activities	Gas Fund
Year ending June 30:		
2015	$ 29,413	$ 208,330
2016	29,413	208,330
2017		208,330
2018		191,162
Total minimum lease payments	58,826	816,152
Less, amount representing interest	(3,492)	(83,440)
Present value of minimum lease payments	$ 55,334	$ 732,712

E. Accrued Compensated Absences

Primary Government

The government accrues compensated absences for their employees. Both governmental activities and business-type activities have accrued compensated absences at June 30, 2014. Accrued compensated absences from governmental activities are repaid through the general fund. Business-type activities accrued compensated absences are repaid through the water & sewerage and gas funds.

F. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bond payable:					
General obligation bonds	$ 515,000		$(55,000)	$ 460,000	$ 55,000
Capital leases	81,347		(26,013)	55,334	27,100
Accrued compensated absences	117,493	$ 53,370	(54,776)	116,087	75,457
Governmental activity long-term liabilities	$ 713,840	$ 53,370	$(135,789)	$ 631,421	$ 157,557
Business-type activities:					
Bonds payable:					
Revenue bonds	$ 9,460,000		$(505,000)	$ 8,955,000	$ 515,000
Less, unamortized discount	(59,160)		5,087	(54,073)	
Total bonds payable	9,400,840		(499,913)	8,900,927	515,000
Capital leases	901,061		(168,349)	732,712	175,940
Accrued compensated absences	16,691	$ 14,326	(8,558)	22,459	14,598
Business-type activities long-term liabilities	$ 10,318,592	$ 14,326	$(676,820)	$ 9,656,098	$ 705,538

The government-wide statement of net position noncurrent liabilities due in more than one year for business-type activities of $9,668,060 includes $717,500 of unearned revenue which is not reported in the business-type activities in the schedule above.

Also, the government-wide statement of net position includes $515,000 of the long-term liabilities due within one year for business-type activities in "liabilities payable from restricted assets." The remaining amount of $190,538 is displayed as "noncurrent liabilities, due within one year" on that same statement.

Component Unit

Long-term liability activity for the Manchester Development Authority for the year ended June 30, 2014 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 990,838	$	(20,316)	$ 970,522	$ 44,251
Component unit long-term liabilities	$ 990,838	$	$(20,316)	$ 970,522	$ 44,251

6. INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended June 30, 2014, consisted of the following:

	Transfers In					
Transfers Out	General Fund	Nonmajor Govern-mental	Water and Sewerage Fund	Gas Fund	Solid Waste Fund	Total
General Fund		$ 161,820	$2,906,325	$ 923,592	$ 447,383	$4,439,120
SPLOST Fund			70,105			70,105
Nonmajor Governmental Fund	$ 161,820		420,529			582,349
Water and Sewerage Fund	3,299,118					3,299,118
Gas Fund	830,464		87,847			918,311
Solid Waste Fund	609,318					609,318
Total	$4,900,720	$ 161,820	$3,484,806	$ 923,592	$ 447,383	$9,918,321

Transfers are primarily used to (1) move funds from the proprietary funds to the General Fund for the allocated amount of administrative expense, (2) move funds between all funds and the General Fund for expenses paid through the accounts payable system, and (3) to supplement operations. The $70,105 transferred out of SPLOST Fund to the Water and Sewerage Fund was transferred to fund SPLOST approved projects.

At June 30, 2014, there were no interfund balances owed between funds.

7. DEFINED BENEFIT PENSION PLAN

The City of Manchester Retirement Plan ("Plan"), a defined benefit pension plan, is affiliated with the Georgia Municipal Employees Benefit System ("System"), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association.

All full-time City employees with one year service and all City officials are eligible to participate in the System. Benefits fully vest after ten years of service. Annual retirement benefits are based on 2% of covered compensation. Normal retirement age is 65 with 5 years of service and early retirement age is 55 with 10 years of credited service. The System also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and city ordinance.

The City's employees participation is noncontributory. However, the City is subject to the minimum funding standards of the Public Retirement Systems Standard Law. Policy set by the City for contributing the annual pension expense exceeds the minimum requirements.

The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling their office at 404-688-0472.

Total pension expense amounted to approximately $190,000 for the year ended June 30, 2014. The participant data and the asset values used in the actuarial valuation are as of January 1, 2014.

Significant actuarial assumptions and other information used to compute the actuarial accrued liability and the annual recommended contribution of the plan are as follows:

Actuarial Cost Method	Projected unit credit.
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Actuarial Assumptions:	
Net investment rate of return	7.75%
Projected salary increases	3.50% plus age and service based merit increases
Cost of living adjustments	0.00%
Post retirement benefit increases	Not applicable
Inflation rate	3.50%

It is the City's policy to contribute an amount equal to the recommended contribution each year.

The System has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the System, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Amortization periods are closed for this plan year.

The annual recommended contribution is the greater of 1) the minimum contribution described above and 2) normal cost (including administrative expenses) with interest, adjusted by a full funding credit to insure that contributions are not required if a plan's assets exceed the present value of future benefits.

Listed below is a summary of the key valuation results.

Contributions for plan year beginning January 1, 2014:		
Recommended	$	188,108
Recommended as a percent of payroll		13.07%
State minimum requirement	$	151,081
Funding elements for plan year beginning January 1, 2014:		
Normal cost, including administrative expenses	$	120,607
Market value of assets	$	3,152,996
Actuarial value of assets	$	3,404,754
Actuarial accrued liability	$	3,831,726
Unfunded (surplus) actuarial accrued liability	$	426,972
Ratio of unfunded (surplus) to annual covered payroll		30.17%
GASB 25/27 for plan year beginning January 1, 2014:		
Annual required contributions	$	151,081
Funded ratio		88.86%
Demographic data for plan year beginning January 1, 2014:		
Number of retired participants and beneficiaries		46
Number of vested former participants		25
Number of active employees, including 5 elected officials:		
Fully vested		20
Partially vested		15
Not vested		13
Total membership in the plan		119
Annual covered payroll	$	1,415,200
Average payroll	$	32,912

Historical trend information is shown in the table below:

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2014	$ 190,000	100%	$ 0
06/30/2013	$ 174,000	100%	$ 0
06/30/2012	$ 206,000	100%	$ 0

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

8. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 403(b). The plan, available to all City employees, permits them to defer a portion of their salary (not to exceed $17,500) until future years. The deferrals are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Deferred Compensation Plan are being held in a trust administered by a third party for the exclusive benefit of the participants and their beneficiaries.

9. OTHER POST EMPLOYMENT BENEFITS

The City provides post retirement life insurance benefits, as per the requirements of a local ordinance for certain retirees. The policy provides $10,000 in benefits payable to a designated beneficiary upon the death of the retiree. The City will pay 100 percent of the premiums when the employee retires. This benefit is available to retirees who terminate employment for the purpose of immediate retirement and will be receiving a monthly benefit over their lifetime from the GMA Retirement Fund. This excludes vested terminations, disability retirements, and those who receive lump sum distributions.

As of year end, there were twelve employees which had retired and were receiving the 100 percent premium coverage benefit. The City finances the plan on a pay-as-you-go basis. For the year ended June 30, 2014, the City paid $588 in premiums.

10. RISK MANAGEMENT

The City is exposed to various risks of loss for claims associated with torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance.

There were no significant reductions of insurance coverage from coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Self Insurance - The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

11. COMMITMENTS AND CONTINGENT LIABILITIES

The activities of the City include revenues received from Federal and State governments and expenditures related to Federal and State funded grant programs. These programs are subject to program compliance audits by the grantors or their representative. The amount, if any, of expenditures which may be disallowed by the granting agencies' audits cannot be determined at this time, although the City believes any such amounts to be immaterial.

Various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The Manchester Development Authority, which has been discretely presented as a component unit in these financial statements, is a non-profit authority that was organized to attract and promote new industry for the City of Manchester. The City entered into a contract with the Manchester Development Authority to pay the Authority the sum of three mill per dollar of assessed taxable property in the City as provided by state law. The Authority agreed to use the funds to identify, attract and locate new business, industry and tourism in the City of Manchester for the purpose of increasing trade, commerce, industry, tourism and employment opportunities. The effective date of the contract is March 11, 1996 and continued through 2028 or until the revenue bonds issued by the Authority were paid off. These bonds were paid off June 27, 2013; however, under the contract, the City will continue to pay the Authority one mil through 2015. During the year ended June 30, 2014, the Authority elected not to receive these funds.

12. INTERGOVERNMENTAL AGREEMENTS

On July 11, 2007, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County, including the City of Manchester (the "City"), relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2007 for $7,800,000 in December 2007 and Series 2008 for $1,200,000 in January 2008 (the "Bonds"). The cities were advanced their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of the SPLOST received by the County, then from general funds of the County as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST receipts be inadequate to service the debt. The City of Manchester's share is 24.86%. Subsequent to year end, the City was required to repay $9,336.

On March 1, 2014, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County, including the City of Manchester (the "City"), relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2014 for $9,000,000 in February 2014. The cities were advanced their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of the SPLOST received by the County, then from general funds of the County as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST receipts be inadequate to service the debt. The City of Manchester's share is 19.6175%. The amount, if any, required to be funded by the City cannot be determined at this time.

13. HOTEL-MOTEL TAX

The City of Manchester has levied a 5% hotel-motel tax. A summary of the transactions for the year ended June 30, 2014 follows:

Balance of hotel-motel tax funds on hand at beginning of year	$	0
Hotel-motel tax receipts		8,139
Disbursements for tourism and promotion	(	8,139)
Balance of hotel-motel tax funds on hand at end of year	$	0

The activity for hotel-motel tax receipts and related expenditures is shown in the Hotel-Motel Tax Fund, a Special Revenue Fund. The expenditures were for promotion of tourism as required by OCGA 48-13-51.

14. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county west Georgia area, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2014, the City paid $4,109 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes three members from each county of the area and five at-large members. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Three Rivers Regional Commission
P.O. Box 1600
Franklin, Georgia 30217

15. DEBT DEFEASANCE

The City defeased utility revenue bonds by placing a portion of the proceeds of new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. At June 30, 2014, $1,506,000 of defeased bonds remain outstanding.

REQUIRED SUPPLEMENTARY INFORMATION

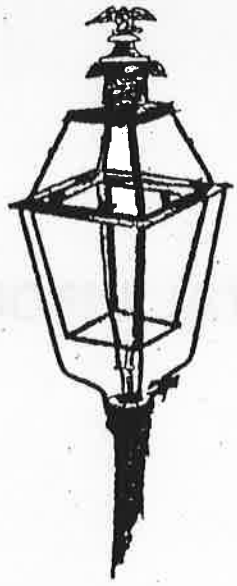
Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Schedule of Funding Progress - Defined Benefit Pension Plan

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2014

	Actuarial Valuation Date		
	1/1/2014	1/1/2013	1/1/2012
Actuarial value of plan assets	$ 3,404,754	$ 3,251,936	$ 3,134,414
Actuarial accrued liability	$ 3,831,726	$ 3,718,234	$ 3,545,730
Total unfunded actuarial liability (or funding excess)	$ 426,972	$ 466,298	$ 411,316
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	88.86%	87.46%	88.40%
Annual covered payroll	$ 1,415,200	$ 1,378,035	$ 1,193,047
Ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll	30.17%	33.84%	34.48%

SUPPLEMENTAL INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

This fund accounts for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of Proprietary Fund Types).

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

CDBG Small Cities Fund - This fund is used to account for the City's multi-activity community development block grants that are funding the street paving, drainage and housing activities for the small cities program.

CDBG Revolving Loan Fund - This fund is used to account for the community development block grants that are funding the revolving loan fund for economic development activities.

Hotel-Motel Tax Fund - This fund is used to account for the City's share of hotel-motel tax revenues that are legally restricted to promote tourism, conventions, and trade shows.

TIA Fund - This fund is used to account for the City's share of Transportation Investment Act sales tax.

CITY OF MANCHESTER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Special Revenue Funds					
	Debt Service Fund	CDBG Small Cities	CDBG Revolving Loan Fund	Hotel-Motel	TIA	Total Nonmajor Governmental Funds
ASSETS						
Cash			$ 147,526			$ 147,526
Grant receivable			75,281			75,281
Total assets	$ -	$ -	$ 222,807	$ -	$ -	$ 222,807
LIABILITIES						
Accounts payable						
Total liabilities	$ -	$ -	$ -	$ -	$ -	$ -
FUND BALANCE						
Restricted for:						
Economic development activities			222,807			222,807
Total fund balance	-	-	222,807	-	-	222,807
Total liabilities and fund balances	$ -	$ -	$ 222,807	$ -	$ -	$ 222,807

CITY OF MANCHESTER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	Special Revenue Funds					
	Debt Service Fund	CDBG Small Cities	CDBG Revolving Loan Fund	Hotel-Motel	TIA	Total Nonmajor Governmental Funds
Revenues:						
Taxes:						
Property	$ 80,910					$ 80,910
Sales					$ 602	602
Hotel and motel				$ 8,139		8,139
Grant income		$ 518,600				518,600
Interest revenue			$ 2,595			2,595
Total revenues	80,910	518,600	2,595	8,139	602	610,846
Expenditures:						
Current:						
Community development		100,662		8,139		108,801
Streets					602	602
Debt service:						
Principal retirement	55,000					55,000
Interest and fees	25,910					25,910
Total expenditures	80,910	100,662	-	8,139	602	190,313
Excess of revenues over (under) expenditures	-	417,938	2,595	-	-	420,533
Other financing sources (uses):						
Transfers in	161,820					161,820
Transfers out	(161,820)	(420,529)				(582,349)
Total other financing sources (uses)	-	(420,529)	-	-	-	(420,529)
Net change in fund balances	-	(2,591)	2,595	-	-	4
Fund balance, beginning of year	-	2,591	220,212	-	-	222,803
Fund balance, end of year	$ -	$ -	$ 222,807	$ -	$ -	$ 222,807

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Property taxes	$ 80,910	$ 80,910	-
Total revenues	80,910	80,910	$ -
Expenditures:			
Debt service:			
Principal retirement	55,000	55,000	-
Interest and fees	25,910	25,910	-
Total expenditures	80,910	80,910	-
Excess of revenue over (under) expenditures	-	-	-
Other financing sources (uses):			
Transfers in		161,820	161,820
Transfers out		(161,820)	(161,820)
Total other financing sources (uses)	-	-	-
Net change in fund balances	-	-	-
Fund balance, beginning of year			
Fund balance, end of year	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-CDBG SMALL CITIES
Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Grant income	$ 559,113	$ 518,600	$ (40,513)
Total revenues	559,113	518,600	(40,513)
Expenditures:			
Current:			
Community development	559,113	100,662	458,451
Total expenditures	559,113	100,662	458,451
Excess of revenue over (under) expenditures	-	417,938	417,938
Other financing sources (uses):			
Transfers out		(420,529)	(420,529)
Total other financing sources (uses)	-	(420,529)	(420,529)
Net change in fund balances	-	(2,591)	(2,591)
Fund balance, beginning of year	2,591	2,591	-
Fund balance, end of year	$ 2,591	$ -	$ (2,591)

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
2013 EIP Grant	$ 14,286		$ (14,286)
Interest revenue	100	$ 2,595	2,495
Total revenues	14,386	2,595	(11,791)
Expenditures:			
Current:			
Community development	-	-	-
Total expenditures	-	-	-
Excess of revenue over (under) expenditures	14,386	2,595	(11,791)
Net change in fund balances	14,386	2,595	(11,791)
Fund balance, beginning of year	220,212	220,212	-
Fund balance, end of year	$ 234,598	$ 222,807	$ (11,791)

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-HOTEL/MOTEL TAX FUND
Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel/motel tax	$ 10,383	$ 8,139	$ (2,244)
Total revenues	10,383	8,139	(2,244)
Expenditures:			
Current:			
Community development:			
Tourism and promotion	10,383	8,139	2,244
Total expenditures	10,383	8,139	2,244
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND-TIA FUND
Year Ended June 30, 2014

	Original and Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Sales tax	$ 602	$ 602	$ -
Total revenues	602	602	-
Expenditures:			
Current:			
Highway and streets:			
Streets	602	602	-
Total expenditures	602	602	-
Excess of revenue over (under) expenditures	-	-	-
Net change in fund balances	-	-	-
Fund balance, beginning of year	-	-	-
Fund balance, end of year	$ -	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for debt service	$ -	$ -
Total fund balances	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
DEBT SERIVCE FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Taxes:		
Property	$ 80,910	$ 78,310
Total revenues	80,910	78,310
Expenditures:		
Debt service:		
Principal retirement	55,000	50,000
Interest and fees	25,910	28,310
Total expenditures	80,910	78,310
Excess of revenue over (under) expenditures	-	-
Other financing sources (uses):		
Transfers in	161,820	170,930
Transfers out	(161,820)	(171,128)
Total other financing sources (uses)	-	(198)
Net change in fund balances	-	(198)
Fund balances, beginning of year	-	198
Fund balances, end of year	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-CDBG SMALL CITIES
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ -	$ 5,512
Grant receivables	-	35,000
Total assets	$ -	$ 40,512
LIABILITIES		
Accounts payable	$ -	$ 37,921
Total liabilities	-	37,921
FUND BALANCE		
Restricted for small cities program	-	2,591
Total fund balances	-	2,591
Total liabilities and fund balance	$ -	$ 40,512

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND- CDBG SMALL CITIES
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Grant income	$ 518,600	$ 176,748
Total revenue	518,600	176,748
Expenditures:		
Current:		
Community development	100,662	98,512
Total expenditures	100,662	98,512
Excess of revenue over (under) expenditures	417,938	78,236
Other financing sources (uses):		
Transfers in	-	50
Transfers out	(420,529)	(79,521)
Total other financing sources (uses)	(420,529)	(79,471)
Net change in fund balances	(2,591)	(1,235)
Fund balances, beginning of year	2,591	3,826
Fund balances, end of year	$ -	$ 2,591

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-CDBG REVOLVING LOAN FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 147,526	$ 133,112
Notes receivable	75,281	87,100
Total assets	$ 222,807	$ 220,212
LIABILITIES		
Total liabilities	$ -	$ -
FUND BALANCE		
Restricted for economic development activities	222,807	220,212
Total liabilities and fund balance	$ 222,807	$ 220,212

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND- CDBG REVOLVING LOAN FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Interest revenue	$ 2,595	$ 860
Total revenue	2,595	860
Expenditures:		
Current:		
Community development	-	-
Total expenditures	-	-
Excess of revenue over (under) expenditures	2,595	860
Net change in fund balances	2,595	860
Fund balances, beginning of year	220,212	219,352
Fund balances, end of year	$ 222,807	$ 220,212

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-HOTEL/MOTEL TAX FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for community development	$ -	$ -
Total fund balances	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND- HOTEL/MOTEL TAX FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Taxes:		
Hotel and motel	$ 8,139	$ 5,867
Total revenue	8,139	5,867
Expenditures:		
Current:		
Community development	8,139	5,867
Total expenditures	8,139	5,867
Excess of revenue over (under) expenditures	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND-TIA FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ -	$ -
Total assets	$ -	$ -
FUND BALANCE		
Restricted for highways and streets	$ -	$ -
Total fund balance	$ -	$ -

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND- TIA FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Sales tax	$ 602	$ 332
Total revenue	602	332
Expenditures:		
Highway and street:		
Streets	602	332
Total expenditures	602	332
Excess of revenue over (under) expenditures	-	-
Net change in fund balances	-	-
Fund balances, beginning of year	-	-
Fund balances, end of year	$ -	$ -

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

This fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

SPLOST Fund - This fund is used to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
GENERAL FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 882,432	$ 528,384
Receivables (net where applicable, of allowances for uncollectibles):		
Taxes and tax liens	11,338	15,737
Fines and forfeitures	28,711	25,495
Nutrition program	16,829	17,646
Other	67,290	70,342
Inventory at cost	36,116	29,843
Prepaid items	40,089	16,604
Total assets	$ 1,082,805	$ 704,051
LIABILITIES		
Accounts payable	$ 187,111	$ 185,744
Accrued payroll	37,179	31,998
Unearned revenue	54,468	6,725
Total liabilities	278,758	224,467
FUND BALANCES		
Nonspendable for:		
Inventory	36,116	29,843
Prepaids	40,089	16,604
Committed:		
Infrastructure	240,241	240,241
Special incentives	8,446	12,759
Unassigned	479,155	180,137
Total fund balances	804,047	479,584
Total liabilities and fund balances	$ 1,082,805	$ 704,051

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GENERAL FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Taxes:		
Property	$ 955,278	$ 985,587
Sales	360,700	380,364
Franchise	217,697	221,189
Insurance premium	218,200	210,739
Motor vehicle/mobile home	144,361	113,568
Alcoholic beverage	79,749	85,990
Other	14,680	10,157
Licenses and permits	83,145	85,470
Grants and subsidies	264,105	331,872
Charges for services	63,493	60,757
Fines and forfeitures	195,597	192,472
Interest revenue	232	368
Other revenue	469,714	479,627
Total revenues	3,066,951	3,158,160
Expenditures:		
Current:		
General government	678,763	834,570
Public safety	1,487,937	1,448,479
Health and welfare	165,334	155,599
Culture and recreation	396,157	445,918
Highway and streets	419,397	393,039
Debt service:		
Principal retirement	26,013	24,969
Interest and fees	3,400	4,444
Capital outlay:		
Public safety	4,034	9,550
Highways and streets	13,553	75,412
Culture and recreation	9,500	24,870
Total expenditures	3,204,088	3,416,850
Excess of revenue over (under) expenditures	(137,137)	(258,690)
Other financing sources (uses):		
Transfers in	4,900,720	4,117,853
Transfers out	(4,439,120)	(3,650,377)
Total other financing sources (uses)	461,600	467,476
Net change in fund balances	324,463	208,786
Fund balances, beginning of year	479,584	270,798
Fund balances, end of year	$ 804,047	$ 479,584

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPLOST FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	$ 1,519,883	$ 1
Total assets	$ 1,519,883	$ 1
LIABILITIES		
Total liabilities	$ -	$ -
FUND BALANCE		
Restricted for capital projects	1,519,883	1
Total fund balances	1,519,883	1
Total liabilities and fund balance	$ 1,519,883	$ 1

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPLOST FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Intergovernmental	$ 1,729,152	
Interest revenue	39	$ 435
Total revenue	1,729,191	435
Expenditures:		
Capital outlay:		
Health and welfare	6,794	-
Public safety	21,417	
Highway and streets	11,623	14,950
Culture and recreation	99,370	
Total expenditures	139,204	14,950
Excess of revenue over (under) expenditures	1,589,987	(14,515)
Other financing sources (uses):		
Transfers out	(70,105)	(94,314)
Total other financing sources (uses)	(70,105)	(94,314)
Net change in fund balances	1,519,882	(108,829)
Fund balances, beginning of year	1	108,830
Fund balances, end of year	$ 1,519,883	$ 1



PROPRIETARY FUNDS

These funds account for the provision of utility service to the residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to administration, financing and related debt service, and billing and collection.

Water and Sewerage - This fund accounts for the operations of the City's water and sewerage activities.

Gas System - This fund accounts for the operations of the City's gas system activities.

Solid Waste - This fund accounts for the operations of the City's waste disposal activity.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
WATER AND SEWERAGE FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash	$ 1,303,019	$ 1,359,464
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	207,725	218,290
Inventories	463	463
Total unrestricted current assets	1,511,207	1,578,217
Restricted cash	2,224,474	3,644,926
Total current assets	3,735,681	5,223,143
Noncurrent assets:		
Prepaid bond insurance, net of accumulated amortization	82,669	90,448
Capital assets:		
Land and land improvements	537,065	537,065
Construction in progress	962,924	148,834
Buildings and systems	9,883,369	9,883,369
Improvements other than buildings	6,338,610	5,452,471
Machinery and equipment	925,670	859,870
Less, accumulated depreciation	(7,273,766)	(6,915,998)
Total capital assets (net of accumulated depreciation)	11,373,872	9,965,611
Total noncurrent assets	11,456,541	10,056,059
Total assets	15,192,222	15,279,202
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refunding	227,140	369,520
Total deferred outflows of resources	227,140	369,520
LIABILITIES		
Current liabilities:		
Accounts payable	8,797	6,003
Customer deposits	65,033	60,649
Customer overpayments	12,012	13,095
Accrued compensated absences	13,002	9,165
Unearned revenue	24,600	24,600
Total current liabilities	123,444	113,512
Current liabilities payable from restricted assets:		
Accrued interest	68,743	90,637
Revenue bonds, current portion	515,000	505,000
Total current liabilities payable from restricted assets	583,743	595,637
Noncurrent liabilities:		
Compensated absences	7,001	4,935
Unearned revenue	717,500	742,100
Revenue bonds payable	8,385,927	8,895,840
Total noncurrent liabilities	9,110,428	9,642,875
Total liabilities	9,817,615	10,352,024
NET POSITION		
Net investment in capital assets	6,838,663	5,735,237
Restricted for construction	1,697,345	3,031,484
Unrestricted	(2,884,261)	(3,470,023)
Total net position	$ 5,651,747	$ 5,296,698

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
WATER AND SEWERAGE FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Charges for services:		
Sales	$ 1,801,987	$ 1,762,999
Other fees	107,754	93,518
Total operating revenues	1,909,741	1,856,517
Operating expenses:		
Salaries and wages	259,630	227,816
Payroll taxes and employee benefits	85,182	71,929
Utilities	188,832	187,327
Repairs and maintenance	133,236	182,412
Materials, supplies and chemicals	82,814	84,998
Office supplies and postage	8,427	7,819
Engineering and other professional services	32,409	14,800
Depreciation and amortization	357,768	352,966
Administrative charges	195,151	189,420
Miscellaneous	98,446	72,905
Total operating expenses	1,441,895	1,392,392
Operating income	467,846	464,125
Nonoperating revenues (expenses):		
Interest income	2,795	2,223
Bond issue cost	-	(369,709)
Interest expense	(301,280)	(299,316)
Total nonoperating revenues (expenses)	(298,485)	(666,802)
Income (loss) before transfers	169,361	(202,677)
Transfers in	3,484,806	2,878,002
Transfers out	(3,299,118)	(2,752,053)
Changes in net position	355,049	(76,728)
Net position, beginning of year	5,296,698	5,373,426
Net position, end of year	$ 5,651,747	$ 5,296,698

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
WATER AND SEWERAGE FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 1,895,706	$ 1,833,321
Receipts from (refund of) customer deposits	4,384	9,260
Receipts from (refund of) customer overpayments	(1,083)	(6,836)
Payments to employees	(336,710)	(292,478)
Payments to vendors	(738,720)	(755,952)
Net cash provided (used) by operating activities	823,577	787,315
Cash flow from noncapital financing activities:		
Transfers in	2,994,172	2,725,201
Transfers out	(3,299,118)	(2,752,053)
Proceeds from noncapital debt	-	1,839,364
Principal paid on noncapital debt	(104,535)	(1,271,050)
Interest paid on noncapital debt	(45,111)	(66,103)
Net cash provided (used) by noncapital financing activities	(454,592)	475,359
Cash flows from capital and related financial activities:		
Transfers in	490,634	152,801
Proceeds from capital debt	-	7,046,454
Acquisition of capital assets	(1,766,029)	(222,114)
Principal paid on capital debt	(400,465)	(4,314,419)
Interest paid on capital debt	(172,817)	(107,658)
Net cash provided (used) by capital and related financing activities	(1,848,677)	2,555,064
Cash flows from investing activities:		
Interest income	2,795	2,223
Net increase (decrease) in cash	(1,476,897)	3,819,961
Cash, beginning of year	5,004,390	1,184,429
Cash, end of year	$ 3,527,493	$ 5,004,390
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 467,846	$ 464,125
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	357,768	352,966
(Increase) decrease in:		
Accounts receivable	10,565	1,404
Increase (decrease) in:		
Accounts payable	2,794	(16,271)
Customer deposits	4,384	9,260
Customer overpayments	(1,083)	(6,836)
Accrued compensated absences	5,903	7,267
Unearned revenue	(24,600)	(24,600)
Net cash provided by operating activities	$ 823,577	$ 787,315

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
GAS SYSTEM FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Cash	$ 25	$ 25
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	59,879	43,745
Inventory	599	599
Total current assets	60,503	44,369
Noncurrent assets:		
Capital assets:		
Buildings	10,088	10,088
Improvements other than buildings	2,408,781	2,408,781
Machinery and equipment	63,401	63,401
Less, accumulated depreciation	(472,943)	(424,176)
Total capital assets (net of accumulated depreciation)	2,009,327	2,058,094
Total noncurrent assets	2,009,327	2,058,094
Total assets	2,069,830	2,102,463
LIABILITIES		
Current liabilities:		
Accounts payable	4,449	3,140
Customer deposits	24,840	24,755
Accrued compensated absences	1,596	1,684
Obligations under capital leases, current portion	175,940	167,548
Total current liabilities	206,825	197,127
Noncurrent liabilities:		
Compensated absences	860	907
Obligations under capital leases	556,772	733,513
Total noncurrent liabilities	557,632	734,420
Total liabilities	764,457	931,547
NET POSITION		
Net investment in capital assets	1,276,615	1,157,033
Unrestricted	28,758	13,883
Total net position	$ 1,305,373	$ 1,170,916

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
GAS SYSTEM FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Charges for services:		
Sales	$ 843,144	$ 679,552
Other fees	57,353	85,564
Total operating revenues	900,497	765,116
Operating expenses:		
Salaries and wages	81,282	85,793
Payroll taxes and employee benefits	22,246	28,741
Gas purchases for resale	288,193	230,878
Sales tax expense	47,289	43,486
Utilities	3,984	4,417
Repairs and maintenance	113,490	54,397
Materials, supplies, and chemicals	9,493	8,353
Office supplies and postage	2,402	1,957
Engineering and other professional services	8,190	7,200
Depreciation and amortization	48,767	48,767
Administrative charges	104,081	101,024
Miscellaneous	1,923	1,119
Total operating expenses	731,340	616,132
Operating income (loss)	169,157	148,984
Nonoperating revenues (expenses):		
Interest expense	(39,981)	(43,712)
Total nonoperating revenues (expenses)	(39,981)	(43,712)
Income (loss) before transfers	129,176	105,272
Transfers in	923,592	912,893
Transfers out	(918,311)	(930,258)
Changes in net position	134,457	87,907
Net position, beginning of year	1,170,916	1,083,009
Net position, end of year	$ 1,305,373	$ 1,170,916

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
GAS SYSTEM FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 884,363	$ 787,576
Receipts from (refund of) customer deposits	85	(6,618)
Payments to employees	(103,389)	(114,143)
Payments to vendors	(578,010)	(458,480)
Net cash provided (used) by operating activities	203,049	208,335
Cash flows from noncapital financing activities:		
Transfers in	923,592	912,893
Transfers out	(918,311)	(930,258)
Net cash provided (used) by noncapital financing activities	5,281	(17,365)
Cash flows from capital and related financial activities:		
Capital lease payments	(168,349)	(147,258)
Interest expense	(39,981)	(43,712)
Net cash provided (used) by capital and related financing activities	(208,330)	(190,970)
Cash flows from investing activities:		
Interest income	-	-
Net increase (decrease) in cash	-	-
Cash, beginning of year	25	25
Cash, end of year	$ 25	$ 25
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 169,157	$ 148,984
Adjustments to reconcile operating income to net cash provided by operating activities:		
Deprecation and amortization	48,767	48,767
(Increase) decrease in:		
Accounts receivable	(16,134)	22,460
Increase (decrease) in:		
Accounts payable	1,309	(5,649)
Customer deposits	85	(6,618)
Accrued compensated absences	(135)	391
Net cash provided (used) by operating activities	$ 203,049	$ 208,335

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET POSITION
SOLID WASTE FUND
June 30, 2014 and 2013

	2014	2013
ASSETS		
Current assets:		
Receivables (net, where applicable, of allowances for uncollectibles):		
Accounts	$ 51,324	$ 51,353
Total current assets	51,324	51,353
Noncurrent assets:		
Capital assets:		
Machinery and equipment	21,060	21,060
Less, accumulated depreciation	(21,060)	(21,060)
Total capital assets (net of accumulated depreciation)	-	-
Total noncurrent assets	-	-
Total assets	51,324	51,353
NET POSITION		
Unrestricted	51,324	51,353
Total net position	$ 51,324	$ 51,353

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
SOLID WASTE FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Charges for services:		
Sales	$ 425,453	$ 443,380
Total operating revenues	425,453	443,380
Operating expenses:		
Administrative charges	32,525	31,570
Sanitation expense	231,022	235,464
Total operating expenses	263,547	267,034
Operating income (loss)	161,906	176,346
Income (loss) before transfers	161,906	176,346
Transfers in	447,383	439,234
Transfers out	(609,318)	(603,132)
Changes in net position	(29)	12,448
Net position, beginning of year	51,353	38,905
Net position, end of year	$ 51,324	$ 51,353

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
SOLID WASTE FUND
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 425,482	$ 430,932
Payments to vendors	(263,547)	(267,034)
Net cash provided (used) by operating activities	161,935	163,898
Cash flows from noncapital financing activities:		
Transfers in	447,383	439,234
Transfers out	(609,318)	(603,132)
Net cash provided (used) by noncapital financing activities	(161,935)	(163,898)
Net increase (decrease) in cash	-	-
Cash, beginning of year	-	-
Cash, end of year	$ -	$ -
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 161,906	$ 176,346
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	29	(12,448)
Net cash provided by operating activities	$ 161,935	$ 163,898

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF MANCHESTER, GEORGIA
COMPARATIVE SCHEDULES BY SOURCE *
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Years Ended June 30, 2014 and 2013

	2014	2013
Governmental funds capital assets:		
Land and land improvements	$ 312,893	$ 312,893
Buildings and improvements	3,608,285	3,570,617
Machinery and equipment	1,595,804	1,473,989
Infrastructure	3,077,453	3,072,253
Callaway pool	-	46,092
Total governmental funds capital assets	$ 8,594,435	$ 8,475,844
Investment in governmental funds capital assets by source:		
General fund	$ 3,585,461	$ 3,558,375
SPLOST funds	1,167,237	1,029,640
Gifts	584,618	630,710
General obligation bonds	1,228,608	1,228,608
Federal grants	1,705,720	1,705,720
State grants	295,791	295,791
County grants	27,000	27,000
Total governmental funds capital assets	$ 8,594,435	$ 8,475,844

* This schedule presents only the capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE BY FUNCTION AND ACTIVITY *
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
June 30, 2014

Function and Activity	Total	Land and Land Improvements	Building and Improvements	Machinery and Equipment	Infrastructure
General government	$ 946,833	$ 262,733	$ 570,251	$ 113,849	
Public safety	1,383,886		391,851	992,035	
Health and welfare	56,895		45,395	11,500	
Culture and recreation	2,873,687	27,000	2,514,014	332,673	
Highways and streets	3,333,134	23,160	86,774	145,747	$ 3,077,453
Total governmental funds capital assets	$ 8,594,435	$ 312,893	$ 3,608,285	$ 1,595,804	$ 3,077,453

* This schedule presents only capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY *
CAPITAL ASSETS USED IN OPERATION OF GOVERNMENTAL FUNDS
June 30, 2014

Function and Activity	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014
General government	$ 946,833			$ 946,833
Public safety	1,359,384	$ 24,502		1,383,886
Health and welfare	50,759	6,136		56,895
Culture and recreation	2,810,910	108,869	$ (46,092)	2,873,687
Highways and streets	3,307,958	25,176		3,333,134
Total governmental funds capital assets	$ 8,475,844	$ 164,683	$ (46,092)	$ 8,594,435

* This schedule presents only the capital assets balances related to governmental funds.

ADDITIONAL DATA

The following data is required by either state statue, specific grant audit requirements, or auditing standards:

Community Development Block Grant - Disclosure required by specific grant audit requirements.

SPLOST - Disclosure required by state requirements.

CITY OF MANCHESTER, GEORGIA
SOURCE AND APPLICATION OF FUNDS STATUS REPORT
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended June 30, 2014

CDBG 10h-x-099-2-5244:

Total grant	$ 496,246
Less, total program funds drawn down by recipient for the year ended:	
June 30, 2014	(96,200)
June 30, 2013	(99,148)
June 30, 2012	(218,448)
June 30, 2011	(82,450)
Program funds available for future draw down	$ -
Total program funds drawn down by recipient for the year ended June 30, 2014	$ 96,200
Add, program income applicable to the year ended June 30, 2014	-
Total program funds drawn by recipient and program income for the year ended June 30, 2014	$ 96,200

CDBG 12p-x-099-2-5498:

Total grant	$ 500,000
Less, total program funds drawn down by recipient for the year ended:	
June 30, 2014	(422,400)
June 30, 2013	(77,600)
Program funds available for future draw down	$ -
Total program funds drawn down by recipient for the year ended June 30, 2014	$ 422,400
Add, program income applicable to the year ended June 30, 2014	-
Total program funds drawn by recipient and program income for the year ended June 30, 2014	$ 422,400

CITY OF MANCHESTER, GEORGIA
PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended June 30, 2014

Activity	Budgeted Expenditures	Actual Expenditures Year Ended June 30, 2014	Actual Expenditures Prior Years	Questioned Cost
CDBG 10h-x-099-2-5244:				
H-14A-01	$ 69,030	$ 16,669	$ 44,475	None
H-14A-02	397,216	80,293	324,809	None
A-21A-00	30,000	3,700	26,300	None
	$ 496,246	$ 100,662	$ 395,584	
CDBG 12p-x-099-2-5498:				
T-03J-00	$ 36,836		$ 36,836	None
P-03J-02	433,164	$ 420,479	12,685	None
A-21A-00	30,000		30,000	None
	$ 500,000	$ 420,479	$ 79,521	

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF SPECIAL PURPOSE SALES AND USE TAX
June 30, 2014

Project	Estimated Project Amount Original	Estimated Project Amount Amended	Estimated Percentage of Completion	Amount of Receipts to Date	Amount Expended Prior Years	Amount Expended Current Year
Resolution #071107:						
Buildings	$ 155,000	$ 153,606	100.00%		$ 153,606	
Recreation	205,000	75,980	100.00%		75,980	
Infrastructure	1,459,000	769,370	100.00%		769,370	
Streets and sidewalks	320,000	920,000	102.20%		940,221	
Public safety: Facilities and equipment	290,000	190,000	104.78%		199,083	
Equipment	264,670	122,329	100.00%		122,329	
	$ 2,693,670	$ 2,231,285		$ 2,197,555*	$ 2,260,589	$ -
Resolution #030114:						
Buildings	$ 268,101		2.53%			$ 6,794
Recreation	102,039		97.38%			99,370
Streets and sidewalks	357,135		3.25%			11,623
Public safety	258,098		8.30%			21,417
Equipment	290,109					
Water, Sewer, & Gas Projects	453,670		15.45%			70,105
	$ 1,729,152			$ 1,729,152*	$ -	$ 209,309

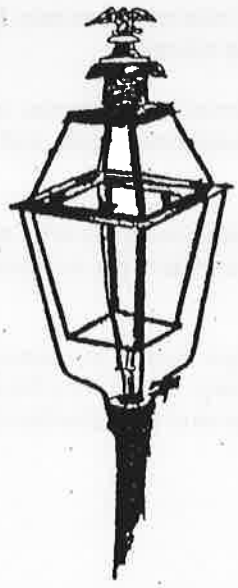
* Receipts are not designated by project.

STATISTICAL SECTION

This part of the City of Manchester's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS	PAGE
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	76
Revenue Capacity - These schedules present information to help the reader assess the City's most significant local revenue sources.	81
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	87
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	92
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	94

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.



CITY OF MANCHESTER, GEORGIA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities										
Net investment in capital assets	$ 2,074,105	$ 2,358,389	$ 2,575,973	$ 3,722,007	$ 5,713,711	$ 5,924,123	$ 5,899,570	$ 4,268,924	$ 4,229,346	$ 4,236,911
Restricted	205,374	204,079	701,128	1,738,873	963,410	830,029	771,920	408,008	222,804	1,742,690
Unrestricted	111,298	(168,177)	(560,633)	(511,763)	(800,824)	(30,449)	(56,374)	68,474	351,608	678,760
Total governmental activities net position	$ 2,390,777	$ 2,394,291	$ 2,716,468	$ 4,949,117	$ 5,876,297	$ 6,723,703	$ 6,615,116	$ 4,745,406	$ 4,803,758	$ 6,658,361
Business-type activities										
Net investment in capital assets	$ 6,167,814	$ 6,180,298	$ 6,205,910	$ 7,102,166	$ 7,273,454	$ 7,363,268	$ 7,182,172	$ 7,102,398	$ 6,892,270	$ 8,115,278
Restricted	374,891	322,268	251,534						3,031,484	1,697,345
Unrestricted	(734,988)	(725,135)	(165,249)	(374,323)	(272,714)	(890,561)	(408,624)	(365,174)	(3,404,787)	(2,804,179)
Total business-type activities net position	$ 5,807,717	$ 5,777,431	$ 6,292,195	$ 6,727,843	$ 7,000,740	$ 6,472,707	$ 6,773,548	$ 6,737,224	$ 6,518,967	$ 7,008,444
Primary government										
Net investment in capital assets	$ 8,241,919	$ 8,538,687	$ 8,781,883	$ 10,824,173	$ 12,987,165	$ 13,287,391	$ 13,081,742	$ 11,371,322	$ 11,121,616	$ 12,352,189
Restricted	580,265	526,347	952,662	1,738,873	963,410	830,029	771,920	408,008	3,254,288	3,440,035
Unrestricted	(623,690)	(893,312)	(725,882)	(886,086)	(1,073,538)	(921,010)	(464,998)	(296,700)	(3,053,179)	(2,125,419)
Total primary government net position	$ 8,198,494	$ 8,171,722	$ 9,008,663	$ 11,676,960	$ 12,877,037	$ 13,196,410	$ 13,388,664	$ 11,482,630	$ 11,322,725	$ 13,666,805

CITY OF MANCHESTER, GEORGIA
CHANGES IN NET POSITION
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30									
Expenses	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	$ 824,230	$ 810,527	$ 895,411	$ 1,147,257	$ 999,930	$ 1,115,872	$ 963,147	$ 875,283	$ 851,282	$ 691,609
Public safety	1,171,558	1,221,731	1,295,576	1,480,934	1,463,794	1,491,837	1,425,739	1,461,400	1,526,212	1,559,309
Health and welfare	156,666	151,005	332,670	159,624	147,547	164,498	129,721	151,054	155,931	166,324
Culture and recreation	431,659	402,972	424,232	477,367	397,162	410,603	447,241	479,144	506,659	466,802
Streets and highways	375,472	448,007	165,713	459,326	710,416	680,166	587,832	556,214	489,636	502,479
Other governmental services	70,545	75,132								
Community development	138,686	256,123	141,474	281,637	121,927	12,883	159,378	2,218,377	104,379	108,801
Interest on long-term debt	62,824	67,982	66,484	75,693	65,901	106,183	44,254	36,721	31,754	28,027
Total governmental activities expenses	3,231,640	3,433,479	3,321,560	4,081,838	3,906,677	3,982,042	3,757,312	5,778,193	3,665,853	3,523,351
Business-type activities:										
Water and sewerage	1,453,190	1,447,964	1,473,231	1,525,784	1,344,528	1,354,612	1,599,354	1,593,314	2,061,417	1,743,175
Gas	1,023,359	1,214,593	1,218,653	1,345,341	948,163	848,029	797,554	702,362	659,844	771,321
Solid waste	317,167	315,022	317,631	271,229	301,947	296,420	281,548	271,683	267,034	263,547
Broadband				31,056	376,228	322,163	342,506	18,822	3,705	
Total business-type activities expenses	2,793,716	2,977,579	3,009,515	3,173,410	2,970,866	2,821,224	3,020,962	2,586,181	2,992,000	2,778,043
Total primary government expenses	$ 6,025,356	$ 6,411,058	$ 6,331,075	$ 7,255,248	$ 6,877,543	$ 6,803,266	$ 6,778,274	$ 8,364,374	$ 6,657,853	$ 6,301,394
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 443,112	$ 417,591	$ 429,360	$ 442,328	$ 473,763	$ 473,058	$ 484,127	$ 452,979	$ 431,163	$ 431,327
Public safety	149,789	139,061	167,261	124,526	130,675	143,143	129,646	166,785	192,472	195,597
Culture and recreation	79,480	58,775	61,343	54,165	71,879	56,200	58,800	68,936	61,230	58,776
Other activities	16,786	12,962	17,335	16,322	12,410	8,223	7,347	9,505	2,080	8,399
Operating grants and contributions	302,281	366,480	161,524	537,316	347,765	155,292	333,270	408,311	509,996	900,555
Capital grants and contributions	27,000	325,891	704,745	2,987,196	1,690,720	586,406	143,722	117,471	140,440	1,729,191
Total governmental activities program revenues	1,018,448	1,320,760	1,541,568	4,161,853	2,727,212	1,422,322	1,156,912	1,223,987	1,337,381	3,323,845
Business-type activities:										
Charges for services:										
Water and sewerage	1,415,241	1,495,752	1,727,961	1,835,877	1,818,181	1,894,847	2,108,600	1,970,781	1,856,517	1,909,741
Gas	999,891	1,152,923	1,300,627	1,528,805	891,819	964,698	949,673	756,450	765,116	900,497
Solid waste	321,110	315,742	332,265	342,416	339,140	419,367	446,503	437,134	443,380	425,453
Broadband				37,578	335,769	280,041	180,290	4,940		
Operating grants and contributions	650,404	20,262	103,422							
Capital grants and contributions										
Total business-type activities program revenues	3,386,646	2,984,679	3,464,275	3,744,676	3,384,909	3,558,953	3,685,066	3,169,305	3,065,013	3,235,691
Total primary government program revenues	$ 4,405,094	$ 4,305,439	$ 5,005,843	$ 7,906,529	$ 6,112,121	$ 4,981,275	$ 4,841,978	$ 4,393,292	$ 4,402,394	$ 6,559,536
Net (expense)/revenue										
Governmental activities	$ (2,213,192)	$ (2,112,719)	$ (1,779,992)	$ 80,015	$ (1,179,465)	$ (2,559,720)	$ (2,600,400)	$ (4,554,206)	$ (2,328,472)	$ (199,506)
Business-type activities	592,930	7,100	454,760	571,266	414,043	737,729	664,104	583,124	73,013	457,648
Total primary government net expense	$ (1,620,262)	$ (2,105,619)	$ (1,325,232)	$ 651,281	$ (765,422)	$ (1,821,991)	$ (1,936,296)	$ (3,971,082)	$ (2,255,459)	$ 258,142

General Revenues and Other Changes Net Position	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Taxes										
Property taxes	$ 965,598	$ 978,268	$ 1,061,303	$ 909,773	$ 920,746	$ 1,127,332	$ 1,094,171	$ 1,034,166	$ 1,063,897	$ 1,036,188
Sales tax	382,709	413,353	402,280	406,851	376,908	395,807	395,138	392,921	380,696	361,302
Franchise tax	200,503	212,132	202,234	186,793	217,618	194,708	210,722	229,997	221,189	217,697
Insurance premium tax	185,648	199,733	208,971	217,980	223,201	221,107	214,681	198,405	210,739	218,200
Motor vehicle and mobile home tax	99,421	94,804	100,834	96,423	96,551	86,774	98,654	97,088	113,568	144,361
Alcoholic beverage taxes	93,842	96,896	92,570	88,949	90,289	89,694	92,336	90,480	85,990	79,749
Other	29,241	26,052	78,366	22,879	18,306	17,242	20,804	19,586	16,024	22,819
Investment earnings	4,642	4,317	3,551	38,287	21,194	8,163	1,098	823	1,228	2,827
Transfers	374,455	90,678	(47,940)	184,699	141,832	1,266,299	364,209	621,030	293,493	(29,034)
Total governmental activities	2,336,059	2,116,233	2,102,169	2,152,634	2,106,645	3,407,126	2,491,813	2,684,496	2,386,824	2,054,109
Business-type activities:										
Gain on sale of assets	77,076	41,378		37,120						
Investment earnings	15,581	11,914	12,064	11,961	686	537	946	1,582	2,223	2,795
Transfers	(374,455)	(90,678)	47,940	(184,699)	(141,832)	(1,266,299)	(364,209)	(621,030)	(293,493)	29,034
Total business-type activities	(281,798)	(37,386)	60,004	(135,618)	(141,146)	(1,265,762)	(363,263)	(619,448)	(291,270)	31,829
Total primary government	$ 2,054,261	$ 2,078,847	$ 2,162,173	$ 2,017,016	$ 1,965,499	$ 2,141,364	$ 2,128,550	$ 2,065,048	$ 2,095,554	$ 2,085,938
Change in Net Position										
Governmental activities	$ 122,867	$ 3,514	$ 322,177	$ 2,232,649	$ 927,180	$ 847,406	$ (108,587)	$ (1,869,710)	$ 58,352	$ 1,854,603
Business-type activities	311,132	(30,286)	514,764	435,648	272,897	(528,033)	300,841	(36,324)	(218,257)	489,477
Total primary government	$ 433,999	$ (26,772)	$ 836,941	$ 2,668,297	$ 1,200,077	$ 319,373	$ 192,254	$ (1,906,034)	$ (159,905)	$ 2,344,080

CITY OF MANCHESTER, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund										
Nonspendable	$ 66,427	$ 63,144	$ 58,644	$ 75,226	$ 75,632	$ 64,138	$ 38,002	$ 64,268	$ 46,447	$ 76,205
Restricted							44,911	75,802		
Committed							12,502	21,760	253,000	248,687
Unassigned	127,273	(141,846)	(529,486)	(460,501)	(737,723)	119,291	7,182	108,968	180,137	479,155
Total general fund	$ 193,700	$ (78,702)	$ (470,842)	$ (385,275)	$ (662,091)	$ 183,429	$ 102,597	$ 270,798	$ 479,584	$ 804,047
Other governmental funds										
Restricted, reported in:										
Debt service fund	$ 188	$ 196	$ 197	$ 197	$ 197	$ 197	$ 198	$ 198		
Special revenue funds	205,186	203,883	701,021	696,971	712,595	719,288	715,501	223,178	$ 222,803	$ 222,807
Capital project fund				1,041,705	250,618	110,544	11,310	108,830	1	1,519,883
Total other governmental funds	$ 205,374	$ 204,079	$ 701,218	$ 1,738,873	$ 963,410	$ 830,029	$ 727,009	$ 332,206	$ 222,804	$ 1,742,690

CITY OF MANCHESTER, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Taxes	$ 1,956,962	$ 2,021,238	$ 2,098,558	$ 1,929,648	$ 1,943,619	$ 2,132,664	$ 2,126,506	$ 2,062,643	$ 2,092,103	$ 2,080,316
Licenses and permits	83,439	82,963	83,409	74,247	72,089	70,492	79,535	80,570	85,470	83,145
Intergovernmental				2,197,555			29,668			1,729,152
Grants and subsides	302,281	692,371	866,269	1,261,127	347,765	724,577	344,708	445,942	508,620	782,705
Charges for services	89,342	60,760	62,540	54,516	70,643	56,276	58,800	65,837	60,757	63,493
Fines and forfeitures	122,316	138,479	143,137	115,377	125,087	142,425	129,646	166,291	192,472	195,597
Interest revenue	4,642	4,317	3,551	38,287	21,194	8,163	2,137	1,409	1,663	2,866
Miscellaneous	394,070	346,187	386,213	459,031	420,908	440,701	493,100	464,761	479,627	469,714
Total revenues	2,953,052	3,346,315	3,643,677	6,129,788	3,001,305	3,575,298	3,264,100	3,287,453	3,420,712	5,406,988
Expenditures:										
General government	804,711	778,922	837,962	1,068,742	934,268	922,739	913,022	834,472	834,570	678,763
Public safety	1,121,634	1,166,746	1,231,321	1,333,508	1,390,208	1,386,289	1,373,271	1,378,111	1,448,479	1,487,937
Health and welfare	156,334	149,331	137,440	151,554	144,915	143,637	146,660	150,722	155,599	165,334
Culture and recreation	361,075	332,215	330,038	326,695	325,326	319,063	389,168	441,243	445,918	396,157
Highway and streets	342,176	418,563	353,317	424,777	557,515	576,763	415,793	417,056	393,371	419,999
Community development	138,686	256,123	141,474	281,637	121,927	12,883	159,378	715,049	104,379	108,801
Other governmental services	70,545	75,132	23,735	11,687	5,719	34,940	31,130			
Debt service:										
Principal	88,279	150,690	104,267	106,045	96,015	97,083	103,006	103,968	74,969	81,013
Interest	63,930	66,082	70,597	76,980	67,189	107,570	45,723	38,190	32,754	29,310
Capital outlay	85,351	598,527	260,587	1,409,640	552,334	528,491	235,010	56,274	124,782	166,291
Total expenditures	3,232,721	3,992,331	3,490,738	5,191,265	4,195,416	4,129,458	3,812,161	4,135,085	3,614,821	3,533,605
Excess of revenues over (under) expenditures	(279,669)	(646,016)	152,939	938,523	(1,194,111)	(554,160)	(548,061)	(847,632)	(194,109)	1,873,383
Other financing sources (uses):										
Transfers in	4,109,360	3,879,092	3,621,164	5,003,182	4,496,671	5,015,481	5,303,747	4,555,880	4,288,833	5,062,540
Transfers out	(3,734,905)	(3,788,414)	(3,669,104)	(4,818,483)	(4,354,839)	(3,749,182)	(4,939,538)	(3,934,850)	(3,995,340)	(5,091,574)
Capital leases	22,460	281,641								
Total other financing sources (uses)	396,915	372,319	(47,940)	184,699	141,832	1,266,299	364,209	621,030	293,493	(29,034)
Net change in fund balances	$ 117,246	$ (273,697)	$ 104,999	$ 1,123,222	$ (1,052,279)	$ 712,139	$ (183,852)	$ (226,602)	$ 99,384	$ 1,844,349
Debt service as a percentage of noncapital expenditures	4.84%	6.39%	5.41%	4.63%	4.36%	5.62%	4.04%	3.46%	3.07%	3.27%

CITY OF MANCHESTER, GEORGIA
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Utilities and Other Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2005	23,160,765	15,457,871	17,699,892	3,623,963	59,942,491	16.18	149,856,228	40%
2006	23,351,812	15,924,817	18,306,536	3,397,550	60,980,715	16.15	152,451,788	40%
2007	26,855,269	16,253,610	18,045,503	2,867,309	64,021,691	16.15	160,054,227	40%
2008	31,008,986	16,854,217	13,115,910	3,331,190	64,310,303	16.15	160,775,758	40%
2009	28,498,307	18,696,169	14,968,995	8,382,359	70,545,830	16.15	176,364,575	40%
2010	32,206,279	20,351,383	15,927,525	3,126,102	71,611,289	17.15	179,028,223	40%
2011	33,394,954	17,938,189	11,319,108	3,126,064	65,778,315	17.242	164,445,788	40%
2012	33,339,197	17,865,342	9,667,910	3,126,064	63,998,513	17.242	159,996,283	40%
2013	32,052,831	18,179,965	13,131,113	2,881,761	66,245,670	17.704	165,614,175	40%
2014	30,412,353	18,449,189	12,488,038	3,237,486	64,587,066	17.704	161,467,665	40%

Data Source: Meriwether and Talbot County Tax Digest
(1) Per $1,000 of assessed value

CITY OF MANCHESTER, GEORGIA
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
(PER $1,000 OF ASSESSED VALUE)
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Manchester (Direct Rates)			Overlapping Rates	
	Operating Millage	Debt Service Millage *	Total City Millage	Total County Millage (1)	Total School Millage (2)
2005	16.060	0.120	16.180	10.000	16.307
2006	16.040	0.110	16.150	13.000	18.000
2007	15.980	0.170	16.150	12.220	18.000
2008	14.360	1.790	16.150	12.220	18.000
2009	14.400	1.750	16.150	12.270	18.000
2010	15.510	1.640	17.150	13.567	16.900
2011	15.572	1.670	17.242	13.650	16.998
2012	15.542	1.700	17.242	12.417	18.830
2013	15.984	1.720	17.704	13.740	19.010
2014	16.444	1.260	17.704	13.540	19.019

Data Sources:
(1) Meriwether County Tax Commissioner
(2) Meriwether County Board of Education

* General Obligation Debt

CITY OF MANCHESTER, GEORGIA
PRINCIPAL PROPERTY TAXPAYERS
Current year and Nine Years Ago

Taxpayer	2014 (1) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2005 (2) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Angio Dynamics	$ 3,662,887	1	5.639			
Georgia Power Company	1,746,804	2	2.689	$ 1,333,924	4	2.225
F&M Bank & Trust Co	1,676,541	3	2.581	913,322	6	1.523
The Sherwin Williams Co	1,543,689	4	2.377			
Dan Bitton (Eccomelt)	1,524,827	5	2.348			
William B Jones	868,560	6	1.337	875,112	7	1.459
CSX	653,413	7	1.006	735,981	8	1.227
Kilbarry Enterprises LLC	596,868	8	0.919			
Windstream Georgia Communications	563,217	9	0.867			
Regency Commercial Associates	472,520	10	0.728			
Goody Products				8,342,802	1	13.913
Horizon Medical Products				3,725,842	2	6.212
Alltel Ga Communications				1,562,923	3	2.606
Bank of Upson				1,023,664	5	1.707
Dobco				601,374	9	1.003
Manchester Housing LTD				548,328	10	0.915
	$ 13,309,326		20.491	$ 19,663,272		32.790

Data Source: City Finance Office
(1) Based on 2014 tax digest.
(2) Based on 2005 tax digest.

CITY OF MANCHESTER, GEORGIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	1,062,002	1,051,798	99%	10,204	1,062,002	100%
2006	1,065,369	1,059,396	99%	5,973	1,065,369	100%
2007	1,136,949	1,130,022	99%	6,927	1,136,949	100%
2008	989,282	968,159	98%	21,080	989,239	99.9%
2009	1,034,853	975,159	94%	59,303	1,034,462	100%
2010	1,168,964	1,101,187	94%	67,058	1,168,245	99.9%
2011	1,134,170	1,108,400	98%	22,239	1,130,639	99.7%
2012	1,132,152	1,107,460	98%	21,629	1,129,089	99.7%
2013	1,156,148	1,129,391	98%	17,134	1,146,525	99.2%
2014	1,163,477	1,147,929	99%	-	1,147,929	98.7%

Data Source: City Finance Office
(1) Includes: Real Property
Personal Property
Utility
Vehicles

CITY OF MANCHESTER, GEORGIA
TOP TEN WATER CONSUMERS
Year Ended June 30, 2014

Consumer	Fiscal Year Ended June 30, 2014		
	Consumption *	Revenue	Percentage of Total Water Revenue
Manchester Elderly Housing, LP	1,775,900	$ 8,740	1.00%
Jet Spray Car Wash, LLC	1,088,820	5,692	0.65%
Nebula Road Mobile Home Park	981,100	4,834	0.55%
Larry Bishop's Farms	789,986	4,510	0.51%
Manchester Superetta	691,400	3,512	0.40%
TBO Manchester- McDonald's	590,700	3,207	0.37%
Meriwether County Board of Education	443,720	3,458	0.39%
Manchester Laundry	317,100	1,708	0.19%
Dairy Queen	302,900	1,640	0.19%
Multi Purpose Center	285,780	1,557	0.18%
	7,267,406	$ 38,858	4.43%

Data Source: City Finance Office
* per gallons

CITY OF MANCHESTER, GEORGIA
TOP TEN SEWER CONSUMERS
Year Ended June 30, 2014

Consumer	Fiscal Year Ended June 30, 2014 Consumption *	Revenue	Percentage of Total Sewer Revenue
Manchester Elderly Housing, LP	1,775,900	$ 8,824	1.13%
Jet Spray Car Wash, LLC	1,088,820	5,776	0.74%
Nebula Road Mobile Home Park	981,100	4,883	0.63%
Manchester Superetta	691,400	3,597	0.46%
TBO Manchester- McDonald's	590,700	3,115	0.40%
Meriwether County Board of Education	300,350	2,693	0.35%
Manchester Laundry	317,100	1,792	0.23%
Dairy Queen	302,900	1,724	0.22%
Multi Purpose Center	285,780	1,641	0.21%
Magic City Grill	191,530	1,236	0.16%
	6,525,580	$ 35,281	4.54%

Data Source: City Finance Office
* per gallons

CITY OF MANCHESTER, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income**	Per Capita*
	General Obligation Bonds	Capital Leases	Revenue Bonds	Capital Leases	Notes Payable			
2005	$1,060,000	$ 90,748	$4,665,000	$1,990,844		$7,806,592		$ 1,958
2006	1,000,000	281,699	4,375,000	1,886,443		7,543,142		1,891
2007	940,000	237,432	4,070,000	1,762,674		7,010,106		1,758
2008	870,000	201,387	3,915,000	1,633,038		6,619,425		1,659
2009	800,000	175,373	3,691,000	1,498,419		6,164,792		1,545
2010	725,000	153,290	4,786,000	1,359,798	$ 827,595	7,851,683		1,969
2011	645,000	130,284	4,255,332	1,214,242	1,418,732	7,663,590		1,812
2012	565,000	106,316	3,695,050	1,048,319	1,890,419	7,305,104		1,727
2013	515,000	81,347	9,460,000	901,061		10,957,408		2,590
2014	460,000	55,334	8,955,000	732,712		10,203,046		2,412

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

* See Demographic and Economic Statistics on page 90 for population data.
** Information not available.

CITY OF MANCHESTER, GEORGIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita**
2005	$ 1,060,000	$ 188	$ 1,059,812	0.71%	$ 266
2006	1,000,000	196	999,804	0.66%	251
2007	940,000	197	939,803	0.59%	236
2008	870,000	197	869,803	0.54%	218
2009	800,000	197	799,803	0.45%	200
2010	725,000	197	724,803	0.40%	182
2011	645,000	198	644,802	0.39%	152
2012	565,000	198	564,802	0.35%	134
2013	515,000		515,000	0.31%	122
2014	460,000		460,000	0.28%	109

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

* See Assessed Value and Estimated Actual Value of Taxable Property on page 81 for property value data.
** See Demographic and Economic Statistics on page 90 for population data.

CITY OF MANCHESTER, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of June 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Meriwether County, Georgia	$ 4,894,722	20%	$ 978,944
Meriwether County Board of Public Education	9,410,000	20%	1,882,000
Subtotal, overlapping debt			2,860,944
Direct debt:			
City of Manchester, Georgia governmental activities			515,334
Subtotal, direct debt			515,334
Total direct and overlapping debt			$ 3,376,278

Data Sources: Debt outstanding data provided by the County and the Board of Education.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Manchester, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

CITY OF MANCHESTER, GEORGIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	$ 5,994,249	$ 6,098,072	$ 6,402,169	$ 6,431,030	$ 7,054,583	$ 7,161,128	$ 6,577,832	$ 6,399,851	$ 6,624,567	$ 6,458,707
Total net debt applicable to limit	1,060,000	999,804	939,803	869,803	799,803	724,803	644,802	564,802	515,000	460,000
Total net debt margin	$ 4,934,249	$ 5,098,268	$ 5,462,366	$ 5,561,227	$ 6,254,780	$ 6,436,325	$ 5,933,030	$ 5,835,049	$ 6,109,567	$ 5,998,707
Total net debt applicable to the limit as a percentage of debt limit	17.68%	16.40%	14.68%	13.53%	11.34%	10.12%	9.80%	8.83%	7.77%	7.12%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	$ 64,587,066
Add Back: Exempt real property	-
Total assessed value	$ 64,587,066
Debt limit (10% of total assessed value)	$ 6,458,707
Debt applicable to limit:	
General obligation bonds	460,000
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	460,000
Legal debt margin	$ 5,998,707

Note: Under state law the City of Manchester's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF MANCHESTER, GEORGIA
PLEDGED-REVENUE COVERAGE
Last Ten Fiscal Years

Fiscal Year Ended June 30	Utility Charges and Other*	Less: Operating Expenses**	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2005	$ 2,459,325	$ 1,778,027	$ 681,298	$ 165,000	$ 256,068	1.62
2006	2,668,937	1,965,023	703,914	290,000	247,983	1.31
2007	3,132,010	1,983,608	1,148,402	305,000	233,483	2.13
2008	3,364,682	2,278,451	1,086,231	320,000	218,080	2.02
2009	2,710,000	1,676,724	1,033,276	224,000	117,707	3.02
2010	2,902,292	1,594,079	1,308,213	405,000	108,485	2.55
2011	3,058,273	1,620,285	1,437,988	426,000	95,742	2.76
2012	2,596,937	1,525,264	1,071,673	436,000	82,493	2.07
2013	2,621,633	1,606,791	1,014,842	504,254	68,238	1.77
2014	1,914,045	1,084,127	829,918	505,000	216,928	1.15

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Through fiscal year ended June 30, 2013, the revenue bonds outstanding were Combined Public Utilities Revenue Bonds; therefore, the above figures included the Water, Sewer, and Gas Funds of the City. Beginning with fiscal year ended June 30, 2014, the revenue bonds are Water and Sewer Revenue Bonds; therefore, the above figures include only the Water and Sewerage Fund of the City.

* Interest income not included in this figure. SPLOST reimbursement for repairs and maintenance is included.
** Operating expenses do not include interest or depreciation.

CITY OF MANCHESTER, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last ten Fiscal Years

Fiscal Year	Population (1)	Per Capita Personal Income (2)	Personal Income	Meriwether County Public School Enrollment (3)	Meriwether County Unemployment Rate (4)
2005	3,988	$ 14,380	$ 57,347,440	3,794	6.10%
2006	3,988	14,380	57,347,440	3,821	6.00%
2007	3,988	14,380	57,347,440	3,736	6.40%
2008	3,988	14,380	57,347,440	3,511	5.10%
2009	3,988	22,715	90,587,420	3,149	8.40%
2010	3,988	20,880	83,269,440	3,071	12.10%
2011	4,230	17,586	74,388,780	3,038	11.70%
2012	4,230	17,586	74,388,780	3,135	14.60%
2013	4,230	18,295	77,387,850	3,164	15.20%
2014	4,230	15,708	66,444,840	3,075	11.40%

Data Sources:
(1) U.S. Census Bureau
(2) Meriwether County Industrial Development Authority
(3) Meriwether County Board of Public Education, based on census at start of school year
(4) Georgia Department of Labor

CITY OF MANCHESTER, GEORGIA
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

	2014			2005		
Taxpayer	Employees	Rank	Percentage of Total City Employees	Employees	Rank	Percentage of Total City Employees
CSX	285	1	23.17%			
Board of Education	119	2	9.67%			
Angio Dynamics	106	3	8.62%			
The Sherwin Williams Co	61	4	4.96%	37	3	3.31%
City of Manchester	55	5	4.47%	50	2	4.47%
M Jordan Roofing	30	6	2.44%			
F&M Bank & Trust Co	27	7	2.20%			
Piggly Wiggly	25	8	2.03%	22	5	1.97%
CVS	19	9	1.54%			
Food Outlet	19	10	1.54%			
Rita Medical				143	1	12.79%
Lewis Jones Foods				23	4	2.06%
Ga L P Gas				20	6	1.79%
Variety Wholesellers				18	7	1.61%
Maxway				18	8	1.61%
TBO Manchester- McDonald's				15	9	1.34%
Rite Aid				15	10	1.34%
	746		60.65%	361		32.29%

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENTAL EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	10	10	10	11	9	11	9	9	9	9
Public safety										
Police	13	17	14	18	19	16	17	17	17	19
Fire	8	8	8	8	8	7	6	7	7	8
Health and welfare										
Senior center	2	2	2	2	2	2	2	2	2	2
Animal control	1	1	1	1	1	1	1	1	1	1
Culture and recreation	3	3	3	3	3	3	4	4	3	4
Highways and streets	3	4	3	3	2	2	2	1	1	1
Other governmental services										
Code enforcement	0	0	0	0	0	0	0	0	0	0
Vehicle maintenance	1	1	0	0	0	1	0	0	0	0
Community development	0	0	0	0	0	0	0	0	0	0
Water and sewerage	6	7	9	10	10	7	7	6	7	9
Gas	3	3	2	4	5	3	2	3	2	2
Solid waste	0	0	0	0	0	0	0	0	0	0
Total	50	56	52	60	59	53	50	50	49	55

Data Source: City Finance Office

CITY OF MANCHESTER, GEORGIA
OPERATING INDICATORS BY FUNCTION
Last Ten Years

	Fiscal Year Ended June 30									
Function	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**
Police										
Physical arrests	244	236	186	214	227	219	283	263	327	326
Parking violations	0	2	0	0	5	6	8	37	94	51
Traffic violations	*	*	683	477	739	677	667	802	1,089	1,047
Fire										
Number of calls answered	368	397	418	610	639	626	451	550	664	777
Inspections	102	58	70	193	350	350	146	162	171	112
Culture and recreation										
Number of youth participants	1,083	1,078	1,182	927	820	862	1,120	1,170	1,369	1,320
Senior center meals served	21,643	17,906	17,035	14,385	14,483	12,824	9,898	10,259	11,123	12,354
Health and Welfare										
Animal Control (captured animals)	*	*	98	76	121	102	248	209	225	124
Highways and streets										
Street resurfacing (miles)	2	2	2	2	1	1	1	1	2	1
Potholes repaired	230	270	228	178	178	103	187	250	50	200
Water and sewerage										
New water connections	5	15	9	7	8	11	9	5	3	3
New sewage connections	2	3	3	2	4	3	1	1	0	1
Average daily consumption ^	800	800	800	800	800	800	800	800	800	800
Average daily sewage treatment ^	710	710	710	710	710	710	710	710	710	710
Gas										
Breaks on gas main	4	3	4	1	2	2	1	0	0	0
Solid waste										
Refuse collected (tons/day)	*	*	*	*	*	*	*	*	*	*
Recyclables collected (tons/day)	*	*	*	*	*	*	*	*	*	*

Data Sources: Various City Departments
Note: Indicators not available for the general government function.
* Information not available
^ Per thousands of gallons

CITY OF MANCHESTER, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
Last Ten Fiscal Years

Function	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	14	13	14	14	14	13	14
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines	3	3	3	4	4	4	4	3	3	3
Health and welfare										
Animal control- Animal pounds	1	1	1	1	1	1	1	1	1	1
Senior center- Buildings	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Parks acreage	38	38	38	38	51	51	51	51	51	51
Parks	5	5	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	1	1	1	1	0
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community centers	3	3	3	3	4	4	4	3	2	2
Highways and streets										
Streets (miles)	67	67	67	67	67	67	67	67	67	67
Streetlights	678	678	678	678	670	670	670	670	670	670
Traffic signals	4	4	4	4	4	4	4	4	4	4
Water and sewerage										
Water customers	2,261	2,215	2,273	2,247	2,191	2,119	2,132	2,103	2,101	2,058
Water mains (miles)	105	105	105	105	105	105	105	105	113	113
Fire hydrants	265	265	265	265	265	265	265	265	300	300
Maximum daily water capacity ^	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Sewer customers	1,781	1,750	1,799	1,758	1,718	1,659	1,671	1,637	1,631	1,600
Sanitary sewers (miles)	543	609	609	609	609	609	609	609	609	609
Storm sewers (miles)	366	366	366	366	366	366	366	366	366	366
Maximum daily sewer treatment capacity ^	850	850	850	850	850	850	850	850	850	850
Gas										
Gas customers	1,069	1,010	984	943	927	865	845	805	770	727
Gas lines (miles)	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5
Number of distribution stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Sanitation customers	1,788	1,750	1,789	1,758	1,718	1,659	1,671	1,637	1,631	1,600

Data Sources: Various City departments

Note: No capital asset statistics are available for the general government function.

^ Per thousands of gallons

