CITY OF SANDERSVILLE, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2013

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2013

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WRIGHT & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
130 NORTH HARRIS STREET • POST OFFICE BOX 1014
SANDERSVILLE, GEORGIA 31082
email: wwpc@wrightandwrightpc.com

CLYDE K. WRIGHT, CPA
BRIAN K. WRIGHT, CPA

TELEPHONE (478) 552-6146
FACSIMILE (478) 552-6158

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council
City of Sandersville, 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 unit, each major fund, and the aggregate remaining fund information of the City of Sandersville, Georgia, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sandersville, Georgia, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information on page 44 and pension plan information on page 45 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 Sandersville, Georgia's basic financial statements. The schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The schedule of projects constructed with special sales tax proceeds and the other schedules included in other supplementary information as described in the accompanying table of contents is the responsibility of management and was derived from and relates to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated May11, 2015 on our consideration of the City of Sandersville, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Sandersville, Georgia's internal control over financial reporting and compliance.

Wright & Wright, P.C.

May 11, 2015

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Sandersville, Georgia (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended December 31, 2013. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by $31,652,637 (net position) for the fiscal year reported.
- Total net position is comprised of the following:
  (1) Net investment in capital assets, of $13,994,522 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net position of $1,771,149 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $15,886,966 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of $2,267,492 this year. This compares to the prior year ending fund balance of $2,277,568 showing a decrease of $10,076 during the current year. Unassigned fund balance of $445,049 at December 31, 2013 shows a $57,604 decrease from the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $445,049 or 10.1% of total General Fund expenditures, as compared to 11.2% at December 31, 2012.
- Overall, the City continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available and feasible.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position.* This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities, which* reports how the City's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, public works, health and welfare, culture and recreation and housing and development. Business-type activities include the water and sewer systems, electrical system, sanitation and telecom.

The government-wide financial statements are presented on pages 14 & 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 16 - 19 of this report.

Individual fund information for nonmajor governmental funds is found in a later section of this report.

The *Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as enterprise funds. These enterprise funds essentially encompasses the same functions reported as business-type activities in the government-wide statements. Services are provided to customers external to the City organization for these funds. The basic enterprise fund financial statements are presented on pages 20 – 23 of this report.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 24 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the City's budget presentations. Budgetary comparison statements are included as "required supplementary information" for the general fund. Also included are notes to the RSI.

Supplementary Information

Combining statements for nonmajor governmental funds and budgetary comparison schedules for the nonmajor special revenue and debt service funds can be found in the supplementary information.

Note that because of some reclassifications in this fiscal year from last fiscal year, it is difficult to explain some comparisons.

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $31,654,655 as compared to $32,115,401 at December 31, 2013. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets:						
Current assets	$ 2,397,943	$ 2,385,961	$ 16,446,806	$ 17,167,565	$ 18,844,749	$ 19,553,526
Capital assets	7,945,751	7,331,444	9,520,981	10,010,362	17,466,732	17,341,806
Other noncurrent assets	-	-	-	12,231	-	12,231
Total assets	10,343,694	9,717,405	25,967,787	27,190,158	36,311,481	36,907,563
Liabilities:						
Current liabilities	128,150	104,479	1,278,216	1,215,420	1,406,366	1,319,899
Long-term liabilities	-	-	3,252,478	3,472,263	3,252,478	3,472,263
Total liabilities	128,150	104,479	4,530,694	4,687,683	4,658,844	4,792,162
Net position:						
Net investment in capital assets	79,454,751	7,331,444	6,048,771	6,327,042	85,503,522	13,658,486
Restricted	1,771,149	1,774,915	-	624,035	1,771,149	2,398,950
Unrestricted	498,644	506,567	15,388,322	15,551,398	15,886,966	16,057,965
Total net position	$ 81,724,544	$ 9,612,926	$ 21,437,093	$ 22,502,475	$ 103,161,637	$ 32,115,401

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 18.7 to 1 as compared to 22.8 to 1 at December 31, 2012. The current ratio for business-type activities is 12.9 to 1 as compared to 14.1% at December 31, 2012.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $604,636 or 6.3% for governmental activities, and decreased $1,065,382 or 4.7% for business-type activities. The City's overall financial position improved during fiscal year 2013.

Note that approximately 77.8% of the governmental activities' net position is tied up in capital. The City uses these capital assets to provide services to its citizens. However, with business type activities, the City has spent approximately 28.2% of its net position on capital. Capital assets in the business-type activities also provide utility services, but they also generate revenues for this fund. 44.2% of the City's total net position is included in capital assets. The following is a summary of changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program:						
Charges for services & fines	$ 287,817	$ 320,319	$ 12,534,237	$ 12,702,490	12,822,054	$ 13,022,809
Operating grants	313,157	244,754	-	-	313,157	244,754
Capital grants	1,004,422	639,691	99,475	-	1,103,897	639,691
General:						
Taxes	4,125,075	3,502,442	-	-	4,125,075	3,502,442
Other	38,696	249,751	90,015	34,733	128,711	284,484
Total revenues	5,769,167	4,956,957	12,723,727	12,737,223	18,492,894	17,694,180
Program Expenses:						
General government	1,061,301	1,320,955	-	-	1,061,301	1,320,955
Judicial	115,245	2,481,147	-	-	115,245	2,481,147
Public safety	2,291,325	789,315	-	-	2,291,325	789,315
Public works	1,380,443	151,793	-	-	1,380,443	151,793
Health and welfare	70,301	73,006	-	-	70,301	73,006
Culture and recreation	49,427	149,279	-	-	49,427	149,279
Housing and devel.	345,622	213,639	-	-	345,622	213,639
Interest	2,885	-	-	-	2,885	-
Water and sewer	-	-	1,691,691	1,697,807	1,691,691	1,697,807
Electrical	-	-	10,839,389	11,382,322	10,839,389	11,382,322
Telecommunications	-	-	232,583	349,247	232,583	349,247
Solid waste	-	-	875,446	824,093	875,446	824,093
Total expenses	5,316,549	5,179,134	13,639,109	14,253,469	18,955,658	19,432,603
Revenues over (under) expenses	452,618	(222,177)	(915,382)	(1,516,246)	(462,764)	(1,738,423)
Transfers in (out)	150,000	333,723	(150,000)	(333,723)	-	-
Net changes in net position	602,618	111,546	(1,065,382)	(1,849,969)	(462,764)	(1,738,423)
Beginning net position	9,612,926	9,501,380	22,502,475	24,352,444	32,115,401	33,853,824
Ending net position	$ 10,215,544	$ 9,612,926	$ 21,437,093	$ 22,502,475	$ 31,652,637	$ 32,115,401

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 19.7% of the City's total governmental revenues as compared to 17.8% in fiscal year 2012. Sales taxes make up 24.6% of the City's total governmental revenues as compared to 21% in fiscal year 2012.

Capital grant type revenue for the public works function ($117,495) included the following:

- T-SPLOST - $63,843
- CDBG - $32,937
- CHIPS - $20,716

The coutribution in housing and development function was the "Boys and Girls Club" building with a value of $886,926.

User charges and fines revenue source totaled $287,817 and operating grants totaled $313,157. Note that program revenues cover 30.3% of governmental operating expenses. If the building referenced above were excluded from program revenue, program revenues would only cover 13.5% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 86.5% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up 69.1% of the total governmental activities expenses as compared to 63.1% in fiscal year 2012. General government totals over $1 million and the housing and development costs the City were $345,622.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities

	Total Cost of Services	%	Net Cost of Services	%
General government	$ 1,061,301	20.0%	$ 934,809	25.2%
Judicial	115,245	2.2%	115,245	3.1%
Public safety	2,291,325	43.1%	1,985,568	53.5%
Public works	1,380,443	26.0%	1,254,147	33.8%
Health and welfare	70,301	1.3%	62,301	1.7%
Culture and recreation	49,427	0.9%	49,427	1.3%
Housing and development	345,622	6.4%	(693,229)	-18.7%
Interest	2,885	0.1%	2,885	0.1%
Total	$ 5,316,549	100.0%	$ 3,711,153	100.0%

The public safety totals 53.7% of the net cost of services and public works totals 33.8% of these costs.

BUSINESS-TYPE ACTIVITIES

Overall Analysis – For all enterprise funds, total operating revenues decreased $55,589 or 4/10th of 1%. Operating expenses decreased $606,393 or 4.3%. In total, the operating loss decreased $550,807. The total reduction in the operating loss relates to less loss in the electrical fund.

The operating income (loss) for each utility was as follows:

	Amount
Electric	$ (882,287)
Water and sewer	206,916
Telecom	(64,916)
Solid waste	(108,888)

The following includes an analysis of the fiscal year 2013 financial activities for each utility.

Electric Utility – The operating loss of $882,887 in fiscal year 2013 compares to operating loss of $1,448,738 in fiscal year 2012. This decrease in operating income relates partially to the cost of purchased electricity decrease of $117,054 or 1.2%.

The fiscal year 2013 operating revenues increased just $23,145 over fiscal year 2012. Operating expenses decreased $543,306 or 4.8%. The cost of purchased services increased $190,271 over the prior year and miscellaneous decreased $574,907. These changes relate primarily to reclassifications of expenses.

Water and Sewerage System Utility – The operating income of $206,916 in fiscal year 2013 compares to operating income of $207,411 in fiscal year 2012. The fiscal year 2013 operating revenues decreased just $492 from fiscal year 2012. Operating expenses increased just $2,224. In total, this year's operations were almost the same of last year's operations. Purchased services increased $82,898 over the prior year or 33.8% resulting from repairs of wells. Capital grant totaled $89,755. The transfer out of $150,000 to the general fund is intended to cover the administration costs provided by the general fund.

Telecom - The operating loss of $64,916 in fiscal year 2013 compares to operating loss of $152,383 in fiscal year 2012. This loss was reduced by 57.4%. The fiscal year 2013 operating revenues decreased just $29,197 or 14.8% from fiscal year 2012. Operating expenses decreased $116,664. The franchise fee was $65,903 below the 2012 amount. Supply costs were $53,844 or 65.9% decrease relating to a reclassification of these expenses in this fiscal year. In fiscal year 2012, these were paid from the telecom fund, but paid from the electric fund correctly in fiscal year 2013.

Solid Waste - The operating loss of $108,888 in fiscal year 2013 compares to operating loss of just $6,272 in fiscal year 2012. The fiscal year 2013 operating revenues decreased $51,263 or 6.3% from fiscal year 2012. Operating expenses increased $51,353 or 6.2%. Purchased services increased $63,551 or 9.1% due to an increase in the cost of garbage pick-up from our independent contractor.

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $2,267,492 as compared to the 2012 fiscal year amount of $2,277,568. Of this year-end total, $445,049 is unassigned indicating availability for continuing City service requirements. Fund balance includes $1,429,283 restricted for capital outlay, $336,773 restricted for economic development and $5,093 for public safety. Fund balance includes assets not available for current expenditure of $51,294, which is tied up in inventory. The total ending fund balances of governmental funds show a decrease of $10,076 or a decrease of 4/10 of 1% over the prior year.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased $64,435 in fiscal year 2013. In fiscal year 2012, the fund balance increased $278,785.

Total revenues decreased $133,233 or 2.7% from that of fiscal year 2012.

Local option sales taxes decreased $121,445 or 11.6% due to the lack of growth in the economy. Charges for services were up from $6,030 to $63,602 due to reclassification of revenues.

Fines decreased $60,466 or 37.6%. Much of this decrease relates to the implementation of new software, which slowed the issuance of citations. This issue has been resolved in 2014.

Total expenditures decreased $93,273 or 2.1% below the fiscal year 2012 total.

The general government function is down $139,552 or 14.8% below the fiscal year 2012 amount. This decrease relates to efforts reduce general government.

The expenditures for most other functions were approximately equal to the fiscal year 2012 amount.

The general fund's ending unassigned fund balance decreased $57,604 or 11.6% below the December 31, 2012 balance. This balance is considered adequate, representing the equivalent of 10.1% of annual expenditures, as compared to 11.1% last year.

2005 SPLOST Fund – This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2005 Special Purpose Local Option Sales Tax revenues including:

- The replacement of the City Hall roof
- A cemetery fence coustruction project
- A sidewalk improvement project
- Public safety equipment purchase
- The purchase of AMR equipment for the electric department

In fiscal year 2013, this fund did not recognize any revenues. The City spent just $177,666. The ending fund balance is $257,909.

2009 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2009 Special Purpose Local Option Sales Tax revenues including

- A Fire training complex construction project
- The purchase of public safety vehicles and equipment
- A road aud drainage improvement project
- Improvements to City water towers
- A SCADA system for the Water Department
- The purchase of public works vehicles and equipment

In fiscal year 2013, this fund reported total revenues of $467,264, of which $437,264 was SPLOST taxes received from the County. The County spent $387,911. The ending fund balance totals over $1,070,359.

The Proprietary Funds

The proprietary funds' statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, additional analysis is not necessary.

Budgetary Highlights

The General Fund – During fiscal year 2013, the City Council did amend the general fund budget. The revenue budget was amended downward $290,790.

The City recognized $125,373 more than anticipated total revenues, primarily due to increased motor vehicle taxes of $77,562 and insurance premium taxes of $29,964. Total tax revenue was $126,662 above the budget. In total, the City realized 103.2% of the estimated revenues.

The expenditure budget was amended upward $106,448 or just 2.3%.

On the expenditure side, the general government function was under spent by $45,421, again the administration is making all efforts to minimize spending. In total, the public safety budget was underspent by $95,604, primarily in the police and fire departments. The street department budget was underspent by $60,513, with personal services underspending of $36,002, with a reduction of staff through attrition.

In total, the City expended 95.3% of the final budget.

Capital Assets and Debt Administration

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2013, was $7,947,769 and $9,520,981 respectively. The increase in net investment was 8.4% for governmental activities and a 4.9% decrease for business-type activities. See Note 3-F for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets

	Governmental Aetivities		Business Activities		Total	
	2013	2012	2013	2012	2013	2012
Non-depreciable assets:						
Land	$ 960,416	$ 960,416	$ 222,257	$ 222,257	$ 1,182,673	$ 1,182,673
Construction in progress	165,175	148,261	45,944	34,289	211,119	182,550
Total non-depreciable assets:	1,125,591	1,108,677	268,201	256,546	1,393,792	1,365,223
Depreciable assets:						
Buildings	3,992,875	3,105,949	459,109	459,109	4,451,984	3,565,058
Equipment	4,488,527	4,984,394	3,937,994	-	8,426,521	4,984,394
Software	222,920	100,533	-	4,253,948	222,920	4,354,481
Infrastrueture	1,880,430	1,880,430	22,465,849	22,374,515	24,346,279	24,254,945
Total depreeiable assets	10,584,752	10,071,306	26,862,952	27,087,572	37,447,704	37,158,878
Less accumulated depreciation	3,764,592	3,848,539	17,610,172	17,333,756	21,374,764	21,182,295
Book value - depreciable assets	6,820,160	6,222,767	9,252,780	9,753,816	16,072,940	15,976,583
Pereentage depreciated	36%	38%	66%	64%	57%	57%
Book value - all assets	$ 7,945,751	$ 7,331,444	$ 9,520,981	$ 10,010,362	$ 17,466,732	$ 17,341,806

At December 31, 2013, the depreciable capital assets for governmental activities were 36% depreciated. This compares to 38% at the December 31, 2012 percentage. This comparison indicates that the City is replacing its assets at the same rate as they are depreciating which is a positive indicator.

With the City's business type activities, 66% of the asset values were depreciated at December 31, 2013, which compares to 64% at December 31, 2012.

Long-term Debt

At the end of this fiscal year, the City reported $3,472,211 of outstanding GEFA loans. During the year, the City retired $211,109 or 6.1% of the beginning outstanding business-type activities debt. The following are the changes in the GEFA loans during 2013.

	Outstanding 1/1/2013	Additions	Reductions	Outstanding 12/31/2013
Business-Type Activities				
GEFA loan - 2002-L223WQ	$ 79,816	$ -	$ 4,132	$ 75,684
GEFA loan - D2W00-0223	561,737	-	35,075	526,662
GEFA loan - 2002-L22WS	1,894,337	-	129,414	1,764,923
GEFA loan - 2010-L06WJJ	1,147,430	-	42,488	1,104,942
Total Business-Type Activities	$ 3,683,320	$ -	$ 211,109	$ 3,472,211

See Note 3-F for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The decline in the kaolin industry coupled with the 2009 recession have been the major contributing factors to the city's continued double digit unemployment rate in FISCAL YEAR 2013 of 10.25%, down from 15.4% in 2010, 13.5% in 2011 and 11.7% in 2012. During the recession, Trojan Battery, along with other area industries, reduced or stopped production altogether, because of the economic downturn. With evidence of improvement in the local labor market as indicated in the decrease in the unemployment rate over the last four years along with recent activity by industries in the City and Washington County, we are optimistic about the continued improvement in the local economy. Trojan Battery is making considerable progress to re-open their Sandersville plant in the coming months and to produce a new product line, which will require higher skilled labor and offer increased salary levels. In addition, Duraline, another local industry, has expanded their production line in the last year and continues to be a valuable asset to our community.

The City, like many other cities, experienced the impact of the economic recession with declining general fund revenues particularly in Local Option Sales Tax (LOST), which decreased from $1,286,080 in 2008 to $862,637, or 33% in 2009. While LOST revenues have not returned to the 2008 level they have unproved significantly from 2009 with $921,558 received in 2013. The gross property tax digest for the City of Sandersville which has declined for three of the four previous three years, declined again in 2013 from $243,916,941 in 2012 to $238,791,959. To address the decrease in the digest and ad valorem tax revenues in previous years, the City Council has adopted a millage rate increase in each of these years from three mills in 2010 to 4.525 mills in 2013. Other revenue concerns for the City include franchise taxes and insurance premium taxes, both of which decreased significantly in the economic downturn and have not recovered to 2009 levels. The city received $1,273,876 in franchise taxes in 2009, $1,092,615 in 2012, and $976,695 in 2013. Insurance premium taxes decreased from $340,643 in 2009 to $294,536 in 2012, and increased in 2013 to $304,964, still $35,679 below 2009 collections.

The decline in the industrial base in Sandersville resulted in a decline in the reliance on the City's utility services, particularly electricity. As in the previous fiscal year, the City remains extremely concerned about the performance of the Electric Fund where the operating income experienced a loss of $1,448,738 in 2012 and $882,287 in 2013. This is primarily due to the increase in the cost to purchase power resulting from increased market pressures and the City's excess power capacity. Measures have been implemented in the city's budget in each of these years to minimize the impact of these declining revenues including reducing expenses and eliminating transfers from the electric fund to supplement other funds.

While the City budgets expenses conservatively and monitors budgets closely to absorb the impact of declining revenues Sandersville officials continue to have concerns regarding the impact of Federal and State budget cuts and legislation that impacts local governments. We remain apprehensive about the impact of Georgia HB 386, which eliminates sales tax and ad valorem tax on vehicles and replaces it with a one-time title tax, and eliminates sales tax on energy used in manufacturing, agriculture and mining. During this challenging period, the City will continue to adhere to sound financial policies to ensure that we remain financially stable.

In March 2013, the voters of Washington County approved a referendum to continue the collection of the 1% sales tax, which provides the necessary revenue for capital projects, many of which could not be funded without these SPLOST funds. The 2013 SPLOST will provide the City with an estimated $3 million in funding in addition to remaining 2005 and 2009 SPLOST funds for these capital projects for FISCAL YEAR 2014 - FISCAL YEAR 2019. During this period, the City will continue to invest in infrastructure while funding a scheduled preventative maintenance program for vehicles, facilities and equipment. One of the most visible and costly of the traditional government services is public safety (police and fire) consuming 41.8% of the City's general fund budget.

With the continued support of tax revenue for equipment and training, our police department will attain the goal of becoming state certified, which will significantly reduce our risk and liability insurance costs and also prepare us to fight crime in the City which has decreased since 2010 by 20.69% in violent crimes and by 3.7% in property crimes reported to the FBI. In fiscal year 2014, the 2009 Special Purpose Local Option Sales Tax (SPLOST) will fund the scheduled replacement of police vehicles and conversions of $75,032 and continued construction of a fire-training complex of $20,000. The 2005 SPLOST will fund $65,000 to purchase a fire ladder truck and $75,000 for the replacement of the roof at City Hall. The 2005 SPLOST funds of $75,430, also will be used to purchase automated meter reading equipment (AMR) for the electric department, which will provide for more efficient and accurate meter reading while eliminating at least one authorized position in the electric department.

In fiscal year 2014, the 2009 SPLOST Fund also appropriates funding of $80,000 for matching funds for a 2012 Community Development Block Grant of $367,890 for roadway and drainage improvements in the Tybee Community in Sandersville. Other public works projects in fiscal year 2014 include the purchase of a small track hoe in street construction of $46,000 and the purchase of a knuckle boom truck for solid waste collection costing $135,000. The Water & Sewer Fund appropriates $411,999 to retrofit water meters to radio read during fiscal years 2014, 2015 and 2016. Funds have also been appropriated in the 2005 SPLOST Fund and in the Electric Fund in fiscal years 2014, 2015 and 2016 for capital projects totaling $226,290 over three the years for the purchase and implementation of an automated meter reading system, which will provide more accuracy in reading the meters and promote more efficiency in the billing process.

Our City leadership has been proactive in financing major upgrades to infrastructure, which provide quality water and sewer resources and improved transportation throughout the City. In fiscal year2013, the City Council approved an application to the USDA for funding to retire and consolidate current water and sewer debt and to finance an additional $4.9 million for new water and sewer upgrades. In 2012, the voters of the City, Washington County and other local governments in the Central Savannah Regional Area approved a regional 1% transportation SPLOST, in which 75% of the funding will be used for a pre-determined list of priority projects in the region while the remaining 25% will be provided to the local governments in the region as discretionary funds to be used on their individual transportation projects. The City established a Transportation Fund in the fiscal year 2013 budget, to account for the receipt and disbursement of these funds as well as LMIG (Local Maintenance and Improvement Grant) funds from the Georgia Department of Transportation. Capital projects totaling $ $211,876 are included in this fund for fiscal year2014 including resurfacing four city streets and funding for an ongoing repaving/ resurfacing and milling program.

With each budget cycle, the City addresses the challenges of providing quality services to constituents with increasingly limited resources and we will continue to make every effort to improve service levels, reduce taxes and improve the financial integrity of the City.

Contacting the City's Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Administrator at 141 West Hayes Street, Sandersville, Georgia, 31,082 or call 478-552-2525.

City of Sandersville, Georgia
Statement of Net Position
December 31, 2013

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 1,977,491	$ 4,197,373	$ 6,174,864	$ 17,731
Investments	-	10,736,215	10,736,215	-
Receivables:				
Accounts	61,189	963,063	1,024,252	-
Taxes	206,506	-	206,506	-
Intergovernmental	32,937	-	32,937	-
Interfund	68,526	(68,526)	-	-
Inventories	51,294	618,681	669,975	-
Total Current Assets	2,397,943	16,446,806	18,844,749	17,731
Noncurrent Assets				
Capital assets (Note 3D)				
Nondepreciable	1,125,591	268,201	1,393,792	-
Depreciable, net	6,820,160	9,252,780	16,072,940	-
Total Noncurrent Assets	7,945,751	9,520,981	17,466,732	-
Total Assets	10,343,694	25,967,787	36,311,481	17,731
Liabilities				
Current Liabilities				
Accounts payable	28,109	758,280	786,389	300
Accrued expenses	2,439	36,991	39,430	-
Customer deposits	-	263,213	263,213	-
Unearned revenue	97,602	-	97,602	-
GEFA loans payable	-	219,732	219,732	
Total Current Liabilities	128,150	1,278,216	1,406,366	300
Long-term Liabilities:(net of current portion)(Note 3G)				
GEFA loans payable	-	3,252,478	3,252,478	-
Total Liabilities	128,150	4,530,694	4,658,844	300
Net Position				
Net investment in capital assets (Note 3I)	7,945,751	6,048,771	13,994,522	-
Restricted for housing and development	437,788	-	437,788	-
Restricted for capital outlay	1,328,268	-	1,328,268	-
Restricted for public safety	5,093	-	5,093	-
Unrestricted	498,644	15,388,322	15,886,966	17,431
Total Position	$ 10,215,544	$ 21,437,093	$ 31,652,637	$ 17,431

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Activities
For the Year Ended December 31, 2013

Function/Program	Expenses	Program Revenues: Charges for Services and Sales	Program Revenues: Operating Grants	Program Revenues: Capital Grants	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-Type Activities	Primary Government: Total	Component Unit
Primary Government								
Governmental Activities								
General government	$ 1,061,301	$ 116,409	$ 10,083	$ -	$ (934,809)	$ -	$ (934,809)	$ -
Judicial	115,245	-	-	-	(115,245)	-	(115,245)	-
Public safety	2,291,325	162,608	143,149	-	(1,985,568)	-	(1,985,568)	-
Public works	1,380,443	8,800	-	117,496	(1,254,147)	-	(1,254,147)	-
Health and welfare	70,301	-	8,000	-	(62,301)	-	(62,301)	-
Culture and recreation	49,427	-	-	-	(49,427)	-	(49,427)	-
Housing and development	345,622	-	151,925	886,926	693,229	-	693,229	-
Interest	2,885	-	-	-	(2,885)	-	(2,885)	-
Total Governmental Activities	5,316,549	287,817	313,157	1,004,422	(3,711,153)	-	(3,711,153)	-
Business-type Activities:								
Water and sewerage	1,691,691	1,717,475	-	89,755	-	115,539	115,539	-
Electrical	10,839,389	9,903,179	-	9,720	-	(926,490)	(926,490)	-
Telecom	232,583	147,025	-	-	-	(85,558)	(85,558)	-
Solid waste	875,446	766,558	-	-	-	(108,888)	(108,888)	-
Total Business-type Activities:	13,639,109	12,534,237	-	99,475	-	(1,005,397)	(1,005,397)	-
Total - Primary Government	$ 18,955,658	$ 12,822,054	$ 313,157	$ 1,103,897	$ (3,711,153)	(1,005,397)	(4,716,550)	-
Component Unit								
Downtown Development Authority	$ 8,665	$ -	$ -	$ -	$ -	-	-	(8,665)
General Revenues								
Property taxes levied for general government purposes					1,136,016	-	1,136,016	-
Sales tax					1,358,822	-	1,358,822	-
Transportation sales tax					139,074	-	139,074	-
Insurance premium tax					304,964	-	304,964	-
Franchise tax					976,695	-	976,695	-
Alcohol tax					129,206	-	129,206	-
Hotel/motel tax					36,789	-	36,789	-
Financial institutions tax					43,509	-	43,509	-
Gain on disposition of capital assets					23,341	-	23,341	-
Investment earnings (loss)					38	(22,652)	(22,614)	21
Miscellaneous					15,317	112,667	127,984	6,000
Total General Revenues					4,163,771	90,015	4,253,786	6,021
Transfers					150,000	(150,000)	-	-
Total General Revenues and Transfers					4,313,771	(59,985)	4,253,786	6,021
Change in Net Position					602,618	(1,065,382)	(462,764)	(2,644)
Net Position Beginning of Year					9,612,926	22,502,475	32,115,401	20,075
Net Position End of Year					$ 10,215,544	$ 21,437,093	$ 31,652,637	$ 17,431

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Balance Sheet
Governmental Funds
December 31, 2013

	General	2005 SPLOST	2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 239,603	$ 312,860	$ 935,860	$ 489,168	$ 1,977,491
Receivables:					
Accounts	61,189	-	-	-	61,189
Taxes	81,435	-	103,983	21,088	206,506
Intergovernmental	-	-	-	32,937	32,937
Interfund	102,209	-	34,709	-	136,918
Inventories	51,294	-	-	-	51,294
Total Assets	$ 535,730	$ 312,860	$ 1,074,552	$ 543,193	$ 2,466,335
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 4,796	$ 7,964	$ 4,193	$ 11,156	$ 28,109
Accrued expenditures	2,439	-	-	-	2,439
Interfund payable	797	46,987	-	20,608	68,392
Unearned revenue	29,054	-	-	68,548	97,602
Total Liabilities	37,086	54,951	4,193	100,312	196,542
Deferred Inflows of Resources - Property Taxes	2,301	-	-	-	2,301
Total Liabilities and Deferred Inflows of Resources	39,387	54,951	4,193	100,312	198,843
Fund Balances					
Nonspendable	51,294	-	-	-	51,294
Restricted	-	257,909	1,070,359	442,881	1,771,149
Unassigned	445,049			-	445,049
Total Fund Balances	496,343	257,909	1,070,359	442,881	2,267,492
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 535,730	$ 312,860	$ 1,074,552	$ 543,193	$ 2,466,335

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
December 31, 2013

Total Governmental Fund Balances		$ 2,267,492
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.		
Cost of capital assets	$ 11,710,343	
Less accumulated depreciation	(3,764,592)	7,945,751
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.		2,301
Net Position of Governmental Aetivities		$ 10,215,544

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2013

	General	2005 SPLOST	2009 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 3,513,561	$ -	$ 437,264	$ 175,863	$ 4,126,688
Licenses and permits	116,409	-	-	-	116,409
Intergovernmental	283,157	-	30,000	117,496	430,653
Charges for services	63,602	-	-	7,529	71,131
Fines and forfeitures	100,277	-	-	-	100,277
Investment earnings	-	-	-	38	38
Miscellaneous	15,317	-	-	-	15,317
Total Revenues	4,092,323	-	467,264	300,926	4,860,513
Expenditures					
Current:					
General government	801,139	-	150,300	-	951,439
Judicial	113,227	-	-	-	113,227
Public safety	2,090,631	-	-	4,477	2,095,108
Public works	1,009,312	2,018	6,005	103,097	1,120,432
Health and welfare	35,150	-	-	35,151	70,301
Culture and recreation	46,527	-	-	-	46,527
Housing and development	302,677	-	29,524	11,400	343,601
Capital Outlay	-	175,648	202,082	-	377,730
Debt Service:					
Interest	2,885	-	-	-	2,885
Total Expenditures	4,401,548	177,666	387,911	154,125	5,121,250
Excess (Deficiency) of Revenues Over (Under) Expenditures	(309,225)	(177,666)	79,353	146,801	(260,737)
Other Financing Sources (Uses)					
Proceeds from the dispositon of capital assets	100,661	-	-	-	100,661
Transfers in	166,766	-	-	22,637	189,403
Transfers (out)	(22,637)	-	-	(16,766)	(39,403)
Total Other Financing Sources (Uses)	244,790	-	-	5,871	250,661
Net Change in Fund Balances	(64,435)	(177,666)	79,353	152,672	(10,076)
Fund Balances Beginning of Year	560,778	435,575	991,006	290,209	2,277,568
Fund Balances End of Year	$ 496,343	$ 257,909	$ 1,070,359	$ 442,881	$ 2,267,492

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2013

Net Changes In Fund Balances - Total Governmental Funds		$ (10,076)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded the capitalized capital utlay in the current period.		
Depreciation expense	$ (477,006)	
Capital outlay	281,707	(195,299)
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement less book value of traded-in asset capitalized.		(77,320)
Capital assets received as contributions on the government-wide statement of activities but not reported on the governmental fund type operating statement.		886,926
Property tax revenues in the government-wide statement of activities do not provide current financial resources are not reported as revenues in the governmental fund operating statement.		
Liability @ 12/31/12	$ (3,914)	
Liability @ 12/31/13	2,301	(1,613)
Change In Net Position of Governmental Activities		$ 602,618

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 2,789,796	$ 1,118,917	$ 288,660	$ -	$ 4,197,373
Investments	682,033	10,054,182	-	-	10,736,215
Receivables					
Accounts	147,657	729,632	23,409	62,365	963,063
Interfund	119,977	154,422	797	-	275,196
Inventory	73,645	531,419	13,617	-	618,681
Total Current Assets	3,813,108	12,588,572	326,483	62,365	16,790,528
Noncurrent Assets					
Capital assets					
Nondepreciable	214,580	53,621	-	-	268,201
Depreciable, net	7,340,780	1,434,017	402,688	75,295	9,252,780
Total Noncurrent Assets	7,555,360	1,487,638	402,688	75,295	9,520,981
Total Assets	11,368,468	14,076,210	729,171	137,660	26,311,509
Liabilities					
Current Liabilities					
Accounts payable	125	758,155	-	-	758,280
Accrued expenses payable	374	36,519	77	21	36,991
Customer deposits	-	263,113	100	-	263,213
Interfund payable	-	119,977	148,873	74,872	343,722
GEFA loans payable	219,732	-	-	-	219,732
Total Current Liabilities	220,231	1,177,764	149,050	74,893	1,621,938
Long-Term Liabilities (net of current portion)					
GEFA loans payable	3,252,478	-	-	-	3,252,478
Total Liabilities	3,472,709	1,177,764	149,050	74,893	4,874,416
Net Position					
Net investent in capital assets	4,083,150	1,487,638	402,688	75,295	6,048,771
Unrestricted	3,812,609	11,410,808	177,433	(12,528)	15,388,322
Total Net Position	$ 7,895,759	$ 12,898,446	$ 580,121	$ 62,767	$ 21,437,093

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Operating Revenues					
Charges for services	$ 1,717,475	$ 9,903,179	$ 147,025	$ 766,558	$ 12,534,237
Miscellaneous	38,475	53,550	20,642	-	112,667
Total Operating Revenues	1,755,950	9,956,729	167,667	766,558	12,646,904
Operating Expenses					
Personal services - salaries	367,244	439,972	46,192	55,341	908,749
Personal services - benefits	156,703	152,043	18,358	23,462	350,566
Electricity purchased	-	9,418,632	-	-	9,418,632
Franchise fees	-	351,262	7,071	-	358,333
Purchased services	328,193	250,477	70,794	764,377	1,413,841
Materials and supplies	179,040	45,255	27,922	18,232	270,449
Miscellaneous	15,850	23,413	274	528	40,065
Depreciation	502,004	157,962	61,972	13,506	735,444
Total Operating Expenses	1,549,034	10,839,016	232,583	875,446	13,496,079
Operating Income (Loss)	206,916	(882,287)	(64,916)	(108,888)	(849,175)
Non-Operating Revenues (Expenses)					
Interest expense	(142,657)	(373)	-	-	(143,030)
Investment earnings	883	(23,535)	-	-	(22,652)
Total Non-Operating Revenues (Expenses)	(141,774)	(23,908)	-	-	(165,682)
Income (Loss) Before Contributions and Transfers In (Out)	65,142	(906,195)	(64,916)	(108,888)	(1,014,857)
Contributions	89,755	9,720	-	-	99,475
Transfers In	5,148	-	-	-	5,148
Transfers Out	(150,000)	(5,148)	-	-	(155,148)
Change in Net Position	10,045	(901,623)	(64,916)	(108,888)	(1,065,382)
Net Position Beginning of Year	7,885,714	13,800,069	645,037	171,655	22,502,475
Net Position End of Year	$ 7,895,759	$ 12,898,446	$ 580,121	$ 62,767	$ 21,437,093

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Cash Flows from Operating Activities					
Cash received from customers	$ 1,730,932	$ 9,924,734	$ 165,022	$ 770,390	$ 12,591,078
Cash payments for personal services	(523,947)	(592,015)	(64,550)	(78,803)	(1,259,315)
Cash payments for goods and services	(525,452)	(9,994,040)	(107,084)	(783,116)	(11,409,692)
Net Cash Provided by (Used in) Operating Activities	681,533	(661,321)	(6,612)	(91,529)	(77,929)
Cash Flows from Noncapital Financing Activities					
Transfers in	5,148	-	-	-	5,148
Decrease (increase) in interfund receivable	-	(5,305)	-	-	(5,305)
Interfund payable	-	-	(5,305)	69,323	64,018
Transfers out	(150,000)	(5,148)	-	-	(155,148)
Net Cash Provided by (Used in) Noncapital Financing Activities	(144,852)	(10,453)	(5,305)	69,323	(91,287)
Cash Flows from Capital and Related Financing Activities					
Capital grants	89,755	9,720	-	-	99,475
Principal paid on GEFA notes	(211,110)	-	-	-	(211,110)
Interest paid on notes and leases	(142,657)	(373)	-	-	(143,030)
Payments for capital acquisitions	(113,594)	(129,067)	-	-	(242,661)
Net Cash (Used in) Capital and Related Financing Activities	(377,606)	(119,720)	-	-	(497,326)
Cash Flows from Investing Activities					
Net purchase of investments	-	444,363	-	-	444,363
Investment earnings	883	(23,535)	-	-	(22,652)
Net Cash Provided by (Used in) Investing Activities	883	420,828	-	-	421,711
Net Increase (Decrease) in Cash and Cash Equivalents	159,958	(370,666)	(11,917)	(22,206)	(244,831)
Cash and Cash Equivalents Beginning of Year	3,311,871	5,482,105	300,577	22,206	9,116,759
Cash and Cash Equivalents End of Year	$ 3,471,829	$ 5,111,439	$ 288,660	$ -	$ 8,871,928
Cash and Cash Equivalents	$ 2,789,796	$ 1,118,917	$ 288,660	$ -	$ 4,197,373
Restricted Cash	682,033	3,992,522	-	-	4,674,555
Total	$ 3,471,829	$ 5,111,439	$ 288,660	$ -	$ 8,871,928

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2013

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ 206,916	$ (882,287)	$ (64,916)	$ (108,888)	$ (849,175)
Adjustments					
Depreciation	502,004	157,962	61,972	13,506	735,444
(Increase) Decrease In Assets					
Accounts receivable	(25,018)	(1,942)	(545)	3,832	(23,673)
Inventory	(2,868)	8,592	(370)	-	5,354
Increase (Decrease) In Liabilities					
Accounts payable	125	85,893	(730)	-	85,288
Accrued expenses	374	514	77	21	986
Sales tax payable	-	(573)	-	-	(573)
Customer deposits payable	-	(29,480)	(2,100)	-	(31,580)
Net Cash Provided by (Used In) Operating Activities	$ 681,533	$ (661,321)	$ (6,612)	$ (91,529)	$ (77,929)

See accompanying notes to the basic financial statements

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The City of Sandersville, Georgia (the "City") was incorporated in 1890. The City operates under a council-mayor form of government and provides the following services: public safety, highways and streets, culture and recreation, public improvements, sanitation, and general and administrative services. In addition, the City operates a public utility (water and wastewater, electric, solid waste and telecom).

Note 1 - Summary of Significant Accounting Policies

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

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

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

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

The following separate entity is the discretely presented component unit of the City.

The City of Sandersville Downtown Development Authority (Development Authority) – The Development Authority is a public body, corporate and politic, and was created upon the adoption and approval of the Development Authorities Law of the State of Georgia. More specifically, the Development Authority was created by a resolution of the City Council of Sandersville on April 12, 2001, to promote the development of the downtown area of the City. The Mayor and City Council appoint all members of the Development Authority and one member of the City Council also serves as a member. A separately issued financial report is available for the Development Authority and is available at 141 West Haynes Street, Sandersville, Georgia, 31082.

1-B. Basis of Presentation

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

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. The primary government and the component units are presented separately within these financial statements with the focus on the primary government. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and the City's general revenues, from business-type activities, generally financed in whole or in part with charges to external customers.

The statement of net position presents the financial position of the governmental and business-type activities of the City at year-end.

Note 1 - Summary of Significant Accounting Policies (Continued)

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted.*

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental and proprietary funds.

The seven major individual funds, the general fund, the 2005 and 2009 SPLOST fund, the water and sewerage system fund, the electrical fund, the telecom fund and the solid waste fund are reported in separate columns.

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

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

The General Fund – The general fund should be used to account for and report all financial resources not accounted for and reported in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of State of Georgia.

2005 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2005 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including the replacement of the City Hall Roof, a cemetery fence construction project, a sidewalk improvement project, public safety equipment purchase and, the purchase of AMR equipment for the electric department.

2009 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2005 Special Purpose Local Option Sales Tax (SPLOST) revenues (i.e., the City's share) including a Fire training complex construction project, the purchase of public safety vehicles and equipment, a road and drainage improvement project, improvements to City water towers, a SCADA system for the Water Department, and the purchase of public works vehicles and equipment.

Note 1 - Summary of Significant Accounting Policies (Continued)

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows. The City's four proprietary funds are classified as major enterprise funds,

The Water and Sewerage System Fund –This fund is used for the operation of the City's water and sewerage system which renders services to the residents and businesses located within the City.

The Electrical Fund –This fund is used for the operation of the City's electrical system which renders services to the residents and businesses located within the City.

The Telecom Fund –This fund is used for the operation of the City's non-voice telecommunications including internet access for the residents and businesses located within the City.

The Solid Waste Fund –This fund is used for the operation of the City's solid waste collection and disposal services for the residents and businesses located within the City.

1-C. Measurement Focus

Government-wide Financial Statements - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses.

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

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

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. The proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows of resources, and in the presentation of expenses versus expenditures.

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within sixty days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, investment earnings and federal and state grants.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities, and Fund Equity

1-E-1 Cash, Cash Equivalents, and Investments

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

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or Government agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

1-E-2 Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable. Unbilled utility charges are accrued as receivables and revenue at December 31, 2013.

1-E-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/interfund payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-4. Consumable Inventories

On the government-wide financial statements and in the enterprise fund financial, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed.

1-E-5 Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the government fund financial statements. Capital assets utilized by the enterprise fund are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise fund's statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of fifteen hundred dollars within an estimated life of two years or more. The City began capitalizing its infrastructure in December 2002. The City capitalizing their infrastructure retroactively to 1980. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by enterprise funds is capitalized.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

Asset Class	Estimated Lives
Buildings and improvements	30-40 Years
Infrastructure	40-50 Years
Land improvements	8-20 Years
Machinery and equipment	5-25 Years

1-E-6 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the these funds Capital leases are recognized as a liability in the governmental fund financial statements when due.

1-E-7 Fund Equity

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. By motion, the City Council has authorized the City Manager to assign fund balances.

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

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City's policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the City's policy to consider restricted fund balance to have been used before using any of the components of unrestrieted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

Net position - Net position represent the difference between assets and liabilities. Net position invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. This net asset amount also is adjusted by any bond issuance deferral amounts. Net position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net position is reported as unrestricted.

1-E-8. Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts, are deferred and amortized over the life of the using the effective interest method.

Note 1 - Summary of Significant Accounting Policies (Continued)

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the refuuding debt (new debt) and the refunded debt (the old debt).

1-E-9 Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services. Operating expenses are necessary costs incurred to provide the water and sewerage services. All other revenues and expenses are classified as nonoperating and include interest expense, operating grants, gains and the losses on the disposition of capital assets and earnings or losses on investments.

1-E-10 Contributions of Capital

Contributions of capital reported in proprietary fund financial statements and the government-wide financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-11 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-12 Estimates

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

1-E-13 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

1-E-14 Implementation of New GASB Standards

In calendar year 2013, the City implemented the following GASB Statement:

Statement No. 65, *Items Previously Reported as Assets and Liabilities* clarifies the use of deferred inflows of resources to ensure consistency in financial reporting. This statement also requires certain items which were previously reported as liabilities to be reported as deferred inflows of resources. As a result of implementing this statement, the City changed the classification of certain liabilities to deferred inflows of resources.

Note 2 – Stewardship, Compliance, and Accountability

2-A. Budgetary Information – The City adopts an annual operating budget for the general fund, each special revenue and all enterprise funds. The City also adopts a project length budget for all capital projects funds.

All budgets are adopted on a basis consistent with GAAP, except the SPLOST capital projects fund, which is adopted on a project length basis, rather than an annual basis.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level within each individual fund. The City Manager may transfer appropriations between line items within a department. Any change in total to a fund or departmental appropriation within a fund requires approval of the Mayor and City Council, as a budget amendment. The 2013 budget was amended.

All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures over Appropriations

The following departments had expenditures in excess of departmental appropriations:

General fund:

Economic development and assistance	$17,854
Debt service	85

Confiseated assets fund:

Public safety	$ 4,477

Note 3 - Detailed Notes on All Funds

3-A. Deposits

Custodial Credit Risk – Deposits – The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered.

The City's bank balances of deposits as of December 31, 2013, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in eombined aggregate totaling not less than 110 pereent of the public funds held.

Investments – The fair value of investments of the City is as follows at December 31, 2013:

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool whieh follows Standard and Poor's eriteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner eonsistent with Rule 2a-7 of the Investment Company Act of 1940 and is eonsidered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objeetives are safety of capital, investment income, liquidity and diversifieation while maintaining prineipal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines partieipant's shares sold and redeemed based on a $1.00 per share value. The fair value of the City's position in the pool is the same as the value of pool shares ($1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Georgia Office of the State Treasurer.

Funds ineluded in this Pool are not required to be eollateralized.

Note 3 - Detailed Notes on All Funds (Continued)

The fair value of the City's position in the pool approximates the value of the City's pool shares. Credit risk, value, and interest risk at December 31, 2013 are as follows:

Credit Risk	Value	Interest Risk
AAAf rated	$ 4,693,994	43 day WAM

The City classifies its investments in Georgia Fund I as cash and cash equivalents.

3-B. Receivables

Receivables at December 31, 2013, consisted of taxes, accounts (billings for user charges), and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility. At December 31, 2013, allowances for uncollectibles were reported as follows:

General fund (fines)	$ 843,687
Water and sewerage fund (charges for services)	127
Electrical fund (charges for services)	395

3-C. Property Taxes

The City Council levied property taxes on November 6, 2012. Property taxes attach as an enforceable lien on property as of April 1, 2013. Property taxes were billed on January 10, 2013 and were payable on March 31, 2013.

(This page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2013, was as follows:

	Reclassified Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 960,416	$ -	$ -	$ 960,416
Construction in progress	148,261	16,914	-	165,175
Total capital assets not being depreciated	1,108,677	16,914	-	1,125,591
Other capital assets:				
Buildings	3,105,949	886,926	-	3,992,875
Equipment	4,984,394	142,406	638,273	4,488,527
Software	100,533	122,387	-	222,920
Infrastructure	1,880,430	-	-	1,880,430
Total other capital assets	10,071,306	1,151,719	638,273	10,584,752
Total capital assets	11,179,983	1,168,633	638,273	11,710,343
Accumulated depreciation:				
Buildings	1,113,475	94,010	-	1,207,485
Equipment	2,454,585	309,415	560,953	2,203,047
Software	10,053	26,226	-	36,279
Infrastructure	270,426	47,355	-	317,781
Total accumulated depreciation	3,848,539	477,006	560,953	3,764,592
Governmental activities capital assets, net	$ 7,331,444	$ 691,627	$ 77,320	$ 7,945,751

Governmental activities depreciation expense:	
General government	$ 109,862
Public safety	196,217
Public works	166,006
Culture and recreation	2,900
Housing and development	2,021
Total governmental activities depreciation expense	$ 477,006

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2013, was as follows:

	Balance 1/1/2013	Additions	Deductions	Balance 12/31/2013
Business type acrtivities:				
Nondepreciable capital assets				
Land	$ 222,257	$ -	$ -	$ 222,257
Construction in progress	34,289	19,089	7,434	45,944
Total nondepreciable capital assets	256,546	19,089	7,434	268,201
Other capital assets:				
Buildings	459,109	-	-	459,109
Machinery and equipment	4,253,948	147,868	463,822	3,937,994
Infrastructure	22,374,515	91,334	-	22,465,849
Total other eapital assets	27,087,572	239,202	463,822	26,862,952
Total capital assets	27,344,118	258,291	471,256	27,131,153
Accumulated depreciation:				
Buildings	282,133	9,522	-	291,655
Machinery and equipment	3,275,289	147,320	459,031	2,963,578
Infrastructure	13,776,334	578,605	-	14,354,939
Total accumulated depreciation	17,333,756	735,447	459,031	17,610,172
Water and sewerage fund capital assets, net	$ 10,010,362	$ (477,156)	$ 12,225	$ 9,520,981

3-E. Interfund Balances

Interfund Receivables/Payables – The following are interfund balances between funds:

	Payable from:						
Receivable to:	General	2005 SPLOST	Non-major Governm.	Electrical	Tele-commun.	Solid Waste	Total
General	$ -	$ 12,278	$ 20,608	$ -	$ -	$ 69,323	$ 102,209
2009 SPLOST	-	34,709	-	-	-	-	
Water and sewer	-	-	-	119,977	-	-	34,709
Electrical	-	-	-	-	148,873	5,549	154,422
Telcommunications	797	-	-	-	-	-	797
Total	$ 797	$ 46,987	$ 20,608	$ 119,977	$ 148,873	$ 74,872	$ 292,137

Interfund balances at December 31, 2013, consisted of interfund loans between funds for cash flow purposes and for other budgeted purposes.

Note 3 - Detailed Notes on All Funds (Continued)

Interfund Transfers – Interfund transfers for the year ended December 31, 2013, consisted of the following:

	Transfers from:				
Transfers to:	General	Nonmajor Governmental	Water & Swer	Elctrical	Total
General	$ -	$ 16,766	$ 150,000	$ -	$ 166,766
Nonmajor Governmental	22,637	-	-	-	22,637
Water and sewer	-	-	-	5,148	5,148
Total	$ 22,637	$ 16,766	$ 150,000	$ 5,148	$ 194,551

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations and to return money to the fund from which it was originally provided once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Long-term Debt

At December 31, 2013, the City has four loans outstanding with the Georgia Environmental Finance Authority (GEFA).

GEFA Loan – 2002 L23WQ – In February 2007, the City borrowed $100,381 at an interest rate of 4.36% for water distribution system upgrades. Monthly principal and interest payments are $628 with a final maturity date of March 1, 2027.

Annual debt service requirements to amortize this loan as of December 31, 2013 follow:

Fiscal Year	Principal	Interest	Total
2014	$ 4,316	$ 3,214	$ 7,530
2015	4,508	3,022	7,530
2016	4,708	2,822	7,530
2017	4,919	2,611	7,530
2018	5,137	2,393	7,530
2019-2023	26,520	11,130	37,650
2024-2027	25,576	1,693	27,269
Total	$ 75,684	$ 26,885	$ 102,569

GEFA Loan — DW00023 – In October 2006, the City borrowed $758,724 at an interest rate of 3% for water distribution system upgrades. Quarterly principal and interest payments are $12,884 with a final maturity date of January 1, 2026.

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this loan as of December 31, 2013 follow:

Year	Principal	Interest	Total
2014	$ 36,139	$ 15,396	$ 51,535
2015	37,235	14,299	51,534
2016	38,365	13,170	51,535
2017	39,530	12,006	51,536
2018	40,728	10,806	51,534
2019-2023	222,944	34,730	257,674
2024-2026	111,721	4,231	115,952
Total	$ 526,662	$ 104,638	$ 631,300

GEFA Loan — 2002-L22WS - In February 2006, the City borrowed $2,650,913 at an interest rate of 4.35% for water distribution system upgrades. Monthly principal and interest payments are $17,436 with a final maturity date of July 1, 2024.

Annual debt service requirements to amortize this loan as of December 31, 2013 follow:

Year	Principal	Interest	Total
2014	$ 135,137	$ 74,096	$ 209,233
2015	141,134	68,099	209,233
2016	147,375	61,858	209,233
2017	153,951	55,282	209,233
2018	160,770	48,463	209,233
2019-2023	917,403	128,762	1,046,165
2024	109,153	1,466	110,619
Total	$ 1,764,923	$ 438,026	$ 2,202,949

GEFA Loan — 2010L06WJ – In November 2011, the City borrowed $1,195,000 at an interest rate of 3.81% for water distribution system upgrades. Monthly principal and interest payments are $7,122 with a final maturity date of November 1, 204.

Annual debt service requirements to amortize this loan as of December 31, 2013 follow:

Year	Principal	Interest	Total
2014	$ 44,136	$ 41,333	$ 85,469
2015	45,847	39,622	85,469
2016	47,625	37,844	85,469
2017	49,471	35,997	85,468
2018	51,389	34,079	85,468
2019-2023	288,426	138,914	427,340
2024-2028	348,847	78,493	427,340
2029-2031	229,201	12,957	242,158
Total	$ 1,104,942	$ 419,239	$ 1,524,181

Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's long-term obligations consisted of the following for the year ended December 31, 2013:

	Outstanding 1/1/2013	Additions	Reductions	Outstanding 12/31/2013	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - 2002-L223WQ	$ 79,816	$ -	$ 4,132	$ 75,684	$ 4,326	$ 71,358
GEFA loan - D2W00-0223	561,737	-	35,075	526,662	36,139	490,523
GEFA loan - 2002-L22WS	1,894,337	-	129,414	1,764,923	135,137	1,629,786
GEFA loan - 2010-L06WJJ	1,147,430	-	42,488	1,104,942	44,136	1,060,806
Total Business-Type Activities	$ 3,683,320	$ -	$ 211,109	$ 3,472,211	$ 219,738	$ 3,252,473

The City's GEFA loans payable ere being repaid from the City's water and sewerage fund.

3-G. Pension

Plan Description - The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), a defined benefit plan, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The plan, adopted by a City Council Ordinance, established the benefit provisions and has the authority to amend these provisions through City ordinance. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. That report may be obtained by writing to:

Georgia Municipal Employees Benefit System
201 Pryor Street SW
Atlanta, Georgia 30303-3606
404/688-0472

All full-time City employees (i.e., 30 hours per week) with one year of service are eligible to participate in the plan with benefits vesting after 5 years of service. The plans provide either:

- Normal retirement benefit, whereas the employee retires at age 65 with five years of service
- Early retirement benefit, whereas the employee may retire at age 55 or older with ten years of service

Employees who retire at or after age sixty-five with five years of credited service or after age fifty-five with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of their average monthly earnings as defined in the plan for each year of credit service. The system also provides death and disability benefits.

Note 3 - Detailed Notes on All Funds (Continued)

Membership in the plan is as follows:

Non-vested active members	22
Fully vested active members	61
Retirees and beneficiaries currently receiving benefits	57
Terminated plan members entitled to but not currently receiving benefits	23
Total membership	163

Funding Policy – The obligations to contribute for both the City and its employees are established by the City council through ordinance. City employees are not required to contribute to GMEBS. The City is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 10.49% of annual covered payroll.

Annual Pension Cost - For 2013, the City's annual pension cost of $310,475 for GMEBS was equal to the City's required and actual contributions.

Schedule of Employer Contributions

Year Ended November 30,	Annual Pension Cost	Annual Pension Contribution	Percentage Contributed	Net Pension Obligation
2011	$ 355,471	$ 355,471	100%	$ -
2012	330,742	330,742	100%	-
2013	310,475	310,475	100%	-

Plan Funded Status – The City's funding status based upon the most recent actuarial valuation follows:

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
7/1/2013	$ 4,643,341	$ 5,647,508	82.2%	$ 1,004,167	$ 2,909,241	34.5%

The required schedule of funding progress immediately following the notes to the basic financial statements present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Note 3 - Detailed Notes on All Funds (Continued)

Actuarial Valuation Information – The City's actuarial valuation information is as follows:

Current Valuation Date	July 1, 2013
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Pay (Closed)
Remaining Amortization Period	Varies for the Bases with a Net Effect Amortization Period of Ten Years
Asset Valuation Method	See Note Below
Actuarial Assumptions:	
Investment Rate of Return	7.75%
Projected Salary Increases	3.5%, plus age and service based merit increases
Cost of Living Adjustments	0.00%
Actuarial Value of Assets	See Note Below

Note: Sum of the actuarial value at the beginning of the year and the cash flow during the year plus the assumed investment return, with various adjustments.

3-I. Fund Equity

- ***Nonspendable*** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:	
Inventories	$ 51,294

- ***Restricted*** – The following fund balances are legally restricted to specified purposes:

Nonmajor Governmntal Funds:	
Economic Developoment	$ 336,773
Public safety	5,093
Housing and development	101,015
Total	$ 442,881
Major Capital Projects Funds:	
Capital projects - 2005 SPLOST	$ 257,909
Capital projects - 2009 SPLOST	1,070,359
Total	$ 1,328,268

- ***Unassigned*** – The following fund balances include the general fund unassigned amount:

Unassigned	$ 445,049

Note 3 - Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2013 are as follows:

Net investment in capital assets:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 11,710,343	$ 27,131,153
Less accumulated depreciation	3,764,592	17,610,172
Book value	7,945,751	9,520,981
Less capital related debt	-	3,472,210
Net investment in capital assets	$ 7,945,751	$ 6,048,771

Note 4 - Other Notes

4-A. Risk Management

Both the City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance. The City manages its risk of potential loss from injuries to employees by participating in the Workers' Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. There have been no significant reductions in insurance coverage during the current year.

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

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

Settled claims in the last three years have not exceeded coverage. The City also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

4-B. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

Note 4 - Other Notes (Continued)

The City was a defendant in several lawsuits at December 31, 2013. In the opinion of City management, the outcome of these contingencies will not have a material effect on the financial position of the City.

4-C. Joint Ventures

Under Georgia law, the City, in conjunction with other municipalities and counties in the middle Georgia area, is a member of the Central Savannah River Area Regional Development Center (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

Central Savannah River Area Regional Development Center
2123 Wrightsboro Road
P.O. Box 2800
Augusta, GA 30914-2800

4-D. Hotel/Motel Taxes

The City levies a 3% lodging tax. A summary of the transactions in the hotel/motel tax fund for the year ended December 31, 2013 follows:

Fund balance, Deeember 31, 2012	$ 326,346
Add hotel/motel taxes and misc.	36,827
Less:	
Expenditures	11,400
Transfers to general fund	15,000
Fund balance,December 31, 2013	$ 336,773

Expenditures of $11,400 (30%+ current year's receipts) were for promotion of tourism as required by OCGA 48-13-51. This complies with the expenditure requirements of OCGA 48-13-51.

4-E. Contract Commitment

The City has a commitment for contracts with the following organization.

Municipal Electric Authority of Georgia – The City has contracted for a period not to exceed 50 years, to purchase all of its electric power from the Municipal Electric Authority of Georgia (MEAG). MEAG agrees to provide the generating capacity necessary for reliable and economical power for the City's needs.

MEAG has issued bonds for the purpose of building generation, transmission, and telecommunications facilities. Each participant, such as the City, is contingently liable for their pro rata share of the bonds as a power purchase cost until they are retired. The City's contingent contractual obligation varies by individual MEAG project and totals approximately $63,238,567 at December 31, 2013. The contingent obligations are general obligations of the City and the City to which the City's full faith, credit and taxing powers are pledged.

Note 4 - Other Notes (Continued)

On April 12, 1999 the City adopted the provisions of a Municipal Competitive Trust agreement with MEAG. Under the agreement, MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers (the participating Cities). The Trust was created to provide a means of accumulating funds to mitigate the expected differential between market rates for power and the associated costs of generating that power after the anticipated deregulation of the electric industry. The Trust provides for three types of accounts that are held by the trustee in the uame of the City.

The flexible operating trust account includes funds that are available for withdrawal at the discretion of the City. This amount is included in investments and totals $6,906,476 at December 31, 2013. The two additional accounts created were the credit support operating trust account and the reserve funded debt trust account. The funds in the credit support operating trust account can only be used to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs.

The funds in the reserve funded debt trust account can only be used for charges related to MEAG's bond obligations. The balances in the credit support operating trust account and the reserve funded debt trust account at December 31, 2013 were $1,078 and $2,393,646. Due to the restrictions on the use of these two accounts, they are not presented on the comparative statement of net position.

Credits from the Municipal Competitive Trust for Power Supply Year 2013. In accordance with the First Amendment of the Municipal Competitive Trust, MEAG Power withdrew funds from the credit support operation account and the reserve funded debt account on behalf of the Participants for the purpose of lowering the annual generation charges for the period of January 1, 2009 through December 31, 2018. The annual amount for the City for 2013 was $731,391.

In accordance with the Second Amendment of the Municipal Competitive Trust, effective August 10, 2009, MEAG Power amended the restrictions and broadened the circumstances under which a Participant may withdraw funds from the New Generation Trust, which was established earlier in 2009 to provide for the future funding of the construction of new power generation facilities, including, but not limited to the Plant Vogtle expansion project. The voluntary funding of the New Generation Trust by Participants will improve the overall credit rating of MEAG Power in the municipal bond market, both now and in the future. The Generation Trust Account balance is $876,706.

City of Sandersville, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Varianee With Final Budget
Revennes				
Taxes	$ 3,614,252	$ 3,386,899	$ 3,513,561	$ 126,662
Licenses and pennits	106,775	106,775	116,409	9,634
Intergovernmental	299,268	303,351	283,157	(20,194)
Charges for services	57,745	58,600	63,602	5,002
Fines and forfeitures	178,200	109,200	100,277	(8,923)
Miscellaneous	1,500	2,125	15,317	13,192
Total Revennes	4,257,740	3,966,950	4,092,323	125,373
Expenditures				
Current:				
General government	801,522	846,585	801,139	45,446
Judicial	142,496	128,954	113,227	15,727
Public safety	2,145,668	2,186,613	2,090,631	95,982
Public works	1,078,330	1,090,716	1,009,312	81,404
Health and welfare	35,150	35,150	35,150	-
Culture and recreation	46,397	47,027	46,527	500
Housing and development	263,857	284,823	302,677	(17,854)
Debt Service:				
Interest and fiscal charges	2,800	2,800	2,885	(85)
Total Expenditures	4,516,220	4,622,668	4,401,548	221,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(258,480)	(655,718)	(309,225)	346,493
Other Financing Sources (Uses)				
Proceeds from the dispositon of capital assets	68,500	68,500	100,661	32,161
Transfers in	165,000	165,000	166,766	1,766
Transfers out	-	-	(22,637)	(22,637)
Total Other Financing Sources (Uses)	233,500	233,500	244,790	11,290
Net Change in Fund Balances	$ (24,980)	$ (422,218)	(64,435)	$ 357,783
Fund Balances Beginning of Year			560,778	
Fund Balances End of Year			$ 496,343	

City of Sandersville, Georgia
Retirement Plan
Required Supplementary Information
December 31, 2013

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (c) (b - a)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll [(b - a)(d)]
January 1, 2008	$ 3,769,249	$ 4,556,793	$ 787,544	82.7%	$ 2,640,057	29.8%
January 1, 2009	2,603,834	4,624,043	2,020,209	56.3%	2,854,980	70.8%
January 1, 2010	3,616,557	4,873,436	1,256,879	74.2%	2,756,160	45.6%
January 1, 2011	4,011,869	5,151,149	1,139,280	77.9%	2,879,144	39.6%
January 1, 2012	4,336,629	5,410,628	1,073,999	80.2%	2,969,345	36.2%
January 1, 2013	4,643,341	5,647,508	1,004,167	82.2%	2,909,241	34.5%

See notes to the basic financial statements for actuarial assumptions used in the above calculations.

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Equity in pooled cash and investments	$ 334,908	$ 154,260	$ 489,168
Receivables:			
Sales taxes	-	14,130	14,130
Hotel/motel taxes	6,958	-	6,958
Intergovernmental	-	32,937	32,937
Total Assets	$ 341,866	$ 201,327	$ 543,193
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ -	$ 11,156	$ 11,156
Interfund payable	-	20,608	20,608
Unearned revenue	-	68,548	68,548
Total Liabilities	-	100,312	100,312
Fund Balances			
Restricted	341,866	101,015	442,881
Total Fund Balances	341,866	101,015	442,881
Total Liabilities and Fund Balances	$ 341,866	$ 201,327	$ 543,193

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds - By Fund Type

For the Year Ended December 31, 2013

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Hotel/motel taxes	$ 36,789	$ -	$ 36,789
Sales taxes	-	139,074	139,074
Intergovernmental	-	117,496	117,496
Fines and forfeitures	7,529	-	7,529
Investment earnings	38	-	38
Total Revenues	44,356	256,570	300,926
Expenditures			
Current:			
Public safety	4,477	-	4,477
Public works	-	103,097	103,097
Health and welfare	-	35,151	35,151
Housing and development	11,400	-	11,400
Total Expenditures	15,877	138,248	154,125
Excess of Revenues Over Expenditures	28,479	118,322	146,801
Other Financing Sources (Uses)			
Transfers in	15,826	6,811	22,637
Transfers (out)	(15,000)	(1,766)	(16,766)
Total Other Financing Sources (Uses)	826	5,045	5,871
Net Change in Fund Balanees	29,305	123,367	152,672
Fund Balances (Deficits) Beginning of Year	312,561	(22,352)	290,209
Fund Balances End of Year	$ 341,866	$ 101,015	$ 442,881

City of Sandersville, Georgia
General Fund
Comparative Balance Sheet
December 31, 2013 and 2012

	2013	2012
Assets		
Cash and cash equivalents	$ 239,603	$ 342,343
Receivables (net, where applicable):		
Property taxes	2,301	2,452
Sales taxes	79,134	97,022
Accounts	61,189	112,700
Interfund	102,209	52,270
Inventories	51,294	58,125
Total Assets	$ 535,730	$ 664,912
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 4,796	$ 684
Accrued expenditures	2,439	344
Unearned revenue	29,054	96,629
Interfund payable	797	2,563
Total Liabilities	37,086	100,220
Deferred Inflows of Resources - Property Taxes	2,301	3,914
Total Liabilities and Deferred Inflows of Resources	39,387	104,134
Fund Balances		
Nonspendable	51,294	58,125
Unassigned	445,049	502,653
Total Fund Balances	496,343	560,778
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 535,730	$ 664,912

City of Sandersville, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2013 and 2012

	2013	2012
Revenues		
Taxes	$ 3,513,561	$ 3,464,804
Licenses and permits	116,409	150,116
Intergovernmental	283,157	174,196
Charges for serviees	63,602	6,030
Fines and forfeitures	100,277	160,717
Miscellaneous	15,317	249,693
Total Revenues	4,092,323	4,205,556
Expenditures		
Current:		
General government	801,139	940,691
Judicial	113,227	129,576
Public safety	2,090,631	2,146,732
Public works	1,009,312	939,974
Health and welfare	35,150	-
Culture and recreation	46,527	70,087
Housing and development	302,677	267,761
Debt Service:		
Interest and fiscal charges	2,885	-
Total Expenditures	4,401,548	4,494,821
Deficiency of Revenues (Under) Expenditures	(309,225)	(289,265)
Other Financing Sources (Uses)		
Proceeds from the dispositon of capital assets	100,661	-
Transfers in	166,766	568,050
Transfers out	(22,637)	-
Total Other Financiug Sources (Uses)	244,790	568,050
Net Change in Fund Balances	(64,435)	278,785
Fund Balances Beginning of Year	560,778	281,993
Fund Balances End of Year	$ 496,343	$ 560,778

City of Sandersville, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Real and personal property taxes				
General property tax - current	$ 931,382	$ 899,029	$ 895,115	$ (3,914)
General property tax - delinquent	3,000	3,000	7,969	4,969
Motor vehicle property tax - current	90,077	90,077	87,135	(2,942)
Motor vehicle title adv tax	-	-	80,504	80,504
Mobile home - personal property	4,288	4,288	3,805	(483)
Public utility taxes	26,850	26,850	31,812	4,962
Real estate transfer taxes	1,200	1,200	833	(367)
Intangible taxes	4,700	4,700	5,962	1,262
Other	1,555	1,555	10,169	8,614
Penalties and interest on taxes	15,000	15,000	14,325	(675)
Total real and personal property taxes	1,078,052	1,045,699	1,137,629	91,930
Selective taxes:				
Sales tax	1,025,000	921,558	921,558	-
Franchise tax	1,061,200	969,642	976,695	7,053
Alcholic beverage tax	130,000	130,000	129,206	(794)
Insurance premium tax	275,000	275,000	304,964	29,964
Financial institutions	45,000	45,000	43,509	(1,491)
Total seleetive taxes	2,536,200	2,341,200	2,375,932	34,732
Licenses and permits:				
Alcholic beverages	27,000	27,000	29,925	2,925
General business license	35,225	35,225	36,589	1,364
General business license - insurance	13,350	13,350	17,230	3,880
Building structure and equipment permit	25,000	25,000	25,753	753
Permits	5,800	5,800	4,380	(1,420)
Other	400	400	2,193	1,793
Business license penalties	-	-	339	339
Total licenses and permits:	106,775	106,775	116,409	9,634
Intergovernmental				
Department of Justice	-	-	1,958	1,958
GMA health grant	8,000	8,000	8,000	-
GMA safety liability grant	8,000	12,083	10,083	(2,000)
County reimbursement - public safety	40,620	40,620	21,703	(18,917)
County reinbursement - animal control	90,718	90,718	89,488	(1,230)
County development authority	146,160	146,160	146,160	-
Housing authority - paymts in lieu of taxes	5,770	5,770	5,765	(5)
Total intergovernmental	299,268	303,351	283,157	(20,194)
Fines and forfeitures:				
Court fines	178,200	109,200	100,277	(8,923)
Charges for services:				
Animal control	6,000	6,000	8,202	2,202
Public safety	45,745	46,600	46,600	-
Sale of cemetery lots	6,000	6,000	8,800	2,800
Total charges for services:	57,745	58,600	63,602	5,002
Miscellaneous:				
Miscellaneous	1,500	2,125	15,317	13,192
Total revenues	4,257,740	3,966,950	4,092,323	125,373
Other financing sources:				
Transfers in	165,000	165,000	166,766	1,766
Proceeds from the disposition of capital assets	68,500	68,500	100,661	32,161
Total revennes and other financing sources	$ 4,491,240	$ 4,200,450	$ 4,359,750	$ 159,300

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government				
Governing body:				
Personal services	$ 79,076	$ 80,576	$ 79,922	$ 654
Purchased services	51,000	52,344	51,800	544
Supplies	1,400	4,176	2,162	2,014
Miscellaneous	1,000	26,143	2,470	23,673
Total governing body	132,476	163,239	136,354	26,885
General administration				
Personal services	517,839	513,884	513,447	437
Purchased services	127,295	141,780	126,070	15,710
Supplies	13,200	13,470	10,985	2,485
Miscellaneous	2,000	5,500	8,374	(2,874)
Total general administration	660,334	674,634	658,876	15,758
General administration fees:				
Miscellaneous	8,712	8,712	5,909	2,803
Total general government	801,522	846,585	801,139	45,446
Municipal court				
Personal services	90,316	94,134	87,694	6,440
Purchased services	11,605	14,255	6,833	7,422
Supplies	425	825	867	(42)
Miscellaneous	40,150	19,740	17,833	1,907
Total municipal court	142,496	128,954	113,227	15,727
Public safety:				
Police:				
Personal services	1,133,127	1,123,102	1,102,509	20,593
Purchased services	100,178	134,758	104,556	30,202
Supplies	85,500	86,145	84,729	1,416
Miscellaneous	13,000	17,000	16,591	409
Capital outlay	-	-	2,304	(2,304)
Total police	1,331,805	1,361,005	1,310,689	50,316
Total carried forward	2,275,823	2,336,544	2,225,055	111,489

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 2,275,823	$ 2,336,544	$ 2,225,055	$ 111,489
Fire:				
Personal services	507,007	498,307	460,876	37,431
Purchased services	32,773	43,323	40,348	2,975
Supplies	22,300	24,975	23,296	1,679
Miscellaneous	5,000	7,250	6,995	255
Capital outlay	1,000	525	525	-
Total fire	568,080	574,380	532,040	42,340
Animal control:				
Personal services	118,387	118,387	117,112	1,275
Purchased services	15,761	17,966	13,505	4,461
Supplies	8,700	8,700	12,691	(3,991)
Miscellaneous	700	700	1,239	(539)
Capital outlay	500	500	-	500
Total animal control	144,048	146,253	144,547	1,706
EMA/E-911 Fee	101,735	104,975	103,355	1,620
Total public safety	2,145,668	2,186,613	2,090,631	95,982
Public works:				
Public works - operations:				
Personal services	136,347	137,030	134,234	2,796
Purchased services	8,823	7,535	6,380	1,155
Supplies	5,200	5,800	4,421	1,379
Miscellaneous	500	505	504	1
Total - public works - operations	150,870	150,870	145,539	5,331
Street department				
Personal services	514,839	513,161	477,159	36,002
Purchased services	88,306	83,809	66,779	17,030
Supplies	88,700	92,700	87,274	5,426
Miscellaneous	3,000	5,175	3,045	2,130
Total street department	694,845	694,845	634,257	60,588
Total carried forward	3,935,401	4,007,867	3,784,793	223,074

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total brought forward	$ 3,935,401	$ 4,007,867	$ 3,784,793	$ 223,074
Fleet maintenance				
Personal services	84,238	84,083	83,795	288
Purchased services	4,886	3,763	2,557	1,206
Supplies	8,600	9,878	7,883	1,995
Miscellaneous	500	500	500	-
Total fleet maintenance	98,224	98,224	94,735	3,489
Parks and Cemetery				
Personal services	96,862	107,822	105,065	2,757
Purchased services	17,875	18,477	12,902	5,575
Supplies	14,300	15,300	11,969	3,331
Capital outlay	4,854	4,854	3,600	1,254
Miscellaneous	500	324	1,245	(921)
Total parks and cemetery	134,391	146,777	134,781	11,996
Total public works	1,078,330	1,090,716	1,009,312	81,404
Health and welfare				
Payments for senior center	35,150	35,150	35,150	-
Culture and recreation				
Parks:				
Payments to DAR	1,710	1,710	1,710	-
Forestry and nursey:				
Payments to Tree City	500	1,130	630	500
Libraries:				
Payment to Rosa M. Tarbutton Library	44,187	44,187	44,187	-
Total culture and recreation	46,397	47,027	46,527	500
Total carried forward	4,249,563	4,335,045	4,095,986	239,059

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 4,249,563	$ 4,335,045	$ 4,095,986	$ 239,059
Housing and development:				
Planning and zoning				
Personal services	92,346	93,617	92,450	1,167
Purchased services	12,411	11,238	11,999	(761)
Supplies	5,100	4,937	4,463	474
Capital outlay	500	500	-	500
Miscellaneous	500	565	565	-
Total planning and zoning	110,857	110,857	109,477	1,380
Economic development and assistance				
UGA Archway	15,000	15,000	15,000	-
Historical society	15,000	15,000	15,000	-
Industrial park	-	631	868	(237)
Downtown development authority	6,000	6,000	6,000	-
Downtown tourism	-	-	22,937	(22,937)
Public facilities authority	53,000	53,000	49,060	3,940
Payment to WACO airport	19,000	38,750	38,750	-
Payment to WACO chamber of commerce	45,000	45,000	45,000	-
Sherman's trail promotion	-	585	585	-
Total economic development and assistance	153,000	173,966	193,200	(19,234)
Total housing and development	263,857	284,823	302,677	(17,854)
Debt Service:				
Interest and fiscal charges	2,800	2,800	2,885	(85)
Total Debt Service	2,800	2,800	2,885	(85)
Total Expenditures	4,516,220	4,622,668	4,401,548	221,120
Other financing Uses:				
Transfers out	-	-	22,637	(22,637)
Total Expenditures and Transfers	$ 4,516,220	$ 4,622,668	$ 4,424,185	$ 198,483

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2013

	Hotel-Motel Tax	Confiscated Assets	Total Nonmajor Special Revenue Funds
Assets			
Cash and cash equivalents	$ 329,815	$ 5,093	$ 334,908
Taxes receivable	6,958	-	6,958
Total Assets	$ 336,773	$ 5,093	$ 341,866
Fund Balances			
Restricted	$ 336,773	$ 5,093	$ 341,866

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2013

	Hotel-Motel Tax	Confiscated Assets	TE Grant	Total Nonmajor Special Revenue Funds
Revenues				
Taxes	$ 36,789	$ -	$ -	$ 36,789
Fines and forfeitures	-	7,529	-	7,529
Miscellaneous	38	-	-	38
Total Revenues	36,827	7,529	-	44,356
Expenditures				
Current:				
Public safety	-	4,477	-	4,477
Housing and development	11,400	-	-	11,400
Total Expenditures	11,400	4,477	-	15,877
Excess of Revenues Over Expenditures	25,427	3,052	-	28,479
Other Financing Sources (Uses)				
Transfers in	-	-	15,826	15,826
Transfers (out)	(15,000)	-	-	(15,000)
Net Change in Fund Balances	10,427	3,052	15,826	29,305
Fund Balances Beginning of Year	326,346	2,041	(15,826)	312,561
Fund Balances End of Year	$ 336,773	$ 5,093	$ -	$ 341,866

City of Sandersville, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2013 and 2012

	2013	2012
Assets		
Equity in pooled cash and investments	$ 329,815	$ 318,414
Hotel/motel taxes receivable	6,958	7,932
Total Assets	$ 336,773	$ 326,346
Fund Balances		
Restricted for housing and development	$ 336,773	$ 326,346

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Hotel/Motel Tax Fund
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 34,870	$ 34,870	$ 36,789	$ 1,919	$ 39,334
Miscellaneous	-	-	38	38	58
Total Revenues	34,870	34,870	36,827	1,957	39,392
Expenditures					
Current:					
Housing and development	13,610	13,610	11,400	2,210	11,840
Excess of Revenues Over Expenditures	21,260	21,260	25,427	4,167	27,552
Other Financing (Uses)					
Transfers out	(15,000)	(15,000)	(15,000)	-	(18,050)
Net Change in Fund Balances	$ 6,260	$ 6,260	10,427	$ 4,167	9,502
Fund Balances Beginning of Year			326,346		316,844
Fund Balances End of Year			$ 336,773		$ 326,346

City of Sandersville, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2013

	2013	2012
Assets		
Equity in pooled cash and investments	$ 5,093	$ 8,863
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 6,822
Fund Balances		
Restricted for public safety	5,093	2,041
Total Liabilities and Fund Balances	$ 5,093	$ 8,863

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

Confiscated Assets Fund

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Fines and forfeitures	$ 6,300	$ 13,122	$ 7,529	$ (5,593)	$ -
Miscellaneous	2,500	707	-	(707)	9,486
Total Revenues	8,800	13,829	7,529	(6,300)	9,486
Expenditures					
Current:					
Public Safety	-	-	4,477	(4,477)	1,498
Capital Outlay	-	-	-	-	13,091
Total Expenditures	-	-	4,477	(4,477)	14,589
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,800	13,829	3,052	(10,777)	(5,103)
Other Financing Uses					
Transfers Out	(8,800)	(8,800)	-	8,800	-
Net Change in Fund Balances	$ -	$ 5,029	3,052	$ (1,977)	(5,103)
Fund Balances Beginning of Year			2,041		7,144
Fund Balances End of Year			$ 5,093		$ 2,041

City of Sandersville, Georgia
Comparative Balance Sheet
TE Grant Fund
December 31, 2013 and 2012

	2013	2012
Liability		
Interfund payable	$ -	$ 15,826
Fund Balances		
Unassigned (deficit)	$ -	$ (15,826)

City of Sandersville, Georgia

Schedule of Revenues and Changes in Fund Balances - Budget and Actual

TE Grant Fund

For the Year Ended December 31, 2013

(With Comparative Actual Amounts for the Year Ended November 30, 2012)

	2013				2012
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Intergovernmental	$ 433,724	$ 433,724	$ -	$ (433,724)	$ -
Expenditures					
Capital Outlay	444,023	444,023	-	444,023	32,077
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,299)	(10,299)	-	10,299	(32,077)
Other Financing Sources					
Transfers in	10,299	10,299	15,826	5,527	-
Net Change in Fund Balances	$ -	$ -	15,826	$ 15,826	(32,077)
Fund Balances Beginning of Year			(15,826)		16,251
Fund Balances End of Year			$ -		$ (15,826)

City of Sandersville, Georgia
Comparative Balance Sheet
2005 SPLOST Fund
December 31, 2013 and 2012

	2013	2012
Assets		
Equity in pooled cash and investments	$ 312,860	$ 447,853
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 7,964	$ -
Interfund payable	46,987	12,278
Total Liabilities	54,951	12,278
Fund Balances		
Restricted for capital	257,909	435,575
Liabilities and Fund Balauces	$ 312,860	$ 447,853

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2005 SPLOST Fund
For the Fiscal Years Ended December 31, 2013 and 2012

	2013	2012
Expenditures		
Current:		
General government	$ -	$ 24,650
Public works	2,018	3,750
Capital Outlay	175,648	369,474
Total Expenditures	177,666	397,874
Fund Balances Beginning of Year	435,575	833,449
Fund Balances End of Year	$ 257,909	$ 435,575

City of Sandersville, Georgia
Comparative Balance Sheet
2009 SPLOST Fund
December 31, 2013 and 2012

	2013	2012
Assets		
Equity in pooled cash and investments	$ 935,860	$ 867,820
Receivables:		
Sales taxes	103,983	114,673
Intergovernmental	-	8,513
Interfund	34,709	-
Total Assets	$ 1,074,552	$ 991,006
Total Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 4,193	$ -
Fund Balances		
Restricted for capital	1,070,359	991,006
Total Liabilities and Fund Balances	$ 1,074,552	$ 991,006

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2009 SPLOST Fund
For the Fiscal Years Ended December 31, 2013 and 2012

	2013	2012
Revenues		
Sales taxes	$ 437,264	$ 508,773
Intergovernmental	30,000	-
Total Revenues	467,264	508,773
Expenditures		
Current:		
General government	150,300	116,536
Public works	6,005	
Housing and development	29,524	-
Capital Outlay	202,082	226,635
Total Expenditures	387,911	343,171
Exeess of Revnues Over Expenditures	79,353	165,602
Fund Balanees Beginning of Year	991,006	825,404
Fund Balances End of Year	$ 1,070,359	$ 991,006

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2013

	T-SPLOST Fund	CDBG 2012	CHIP 2009	Total Nonmajor Capital Projects Funds
Assets				
Equity in pooled cash and investments	$ 154,238	$ -	$ 22	$ 154,260
Receivables:				
Intergovernmental	-	32,937	-	32,937
Sales taxes	14,130	-	-	14,130
Total Assets	$ 168,368	$ 32,937	$ 22	$ 201,327
Liabilities				
Accounts payable	$ -	$ 11,156	$ -	$ 11,156
Interfund payable	-	20,608	-	20,608
Unearned revenue	68,548	-	-	68,548
Total Liabilities	68,548	31,764	-	100,312
Fund Balances				
Restricted for housing and development	99,820	1,173	22	101,015
Total Liabilities and Fund Balances	$ 168,368	$ 32,937	$ 22	$ 201,327

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2013

	T-SPLOST	CDBG 2012	CDBG 2009	CHIP 2009	Total Nonmajor Capital Projects Funds
Revenues:					
Sales taxes	$ 139,074	$ -	$ -	$ -	$ 139,074
Intergovernmental	63,843	32,937	-	20,716	117,496
Total Revenues	202,917	32,937	-	20,716	256,570
Expenditures					
Current:					
Public works	103,097	-	-	-	103,097
Health and welfare	-	31,740	-	3,411	35,151
Total Expenditures	103,097	31,740	-	3,411	138,248
Excess of Revenues Over Expenditures	99,820	1,197	-	17,305	118,322
Other Financing Sources (Uses)					
Transfers in	-	-	-	6,811	6,811
Transfers out	-	-	(1,766)	-	(1,766)
Total Other Financing Sources (Uses)	-	-	(1,766)	6,811	5,045
Net Change in Fund Balances	99,820	1,197	(1,766)	24,116	123,367
Fund Balances Beginning of Year	-	(24)	1,766	(24,094)	(22,352)
Fund Balances End of Year	$ 99,820	$ 1,173	$ -	$ 22	$ 101,015

City of Sandersville, Georgia
Comparative Balance Sheet
CDBG 2009 Fund
December 31, 2013 and 2012

	2013	2012
Assets		
Interfund receivable	$ -	$ 1,766
Fund Balances		
Restricted for capital outlay	$ -	$ 1,766

City of Sandersville, Georgia
Comparative Statement of Revenues and Changes in Fund Balances
CDBG 2009 Fund
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013	2012
Revenues:		
Intergovernmental revenue	$ -	$ 133,346
Investment earnings		-
Total Revenues	-	133,346
Expenditures		
Capital Outlay	-	131,647
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,699
Other Financing Usess		
Transfers out	(1,766)	-
Net Change in Fund Balances	(1,766)	1,699
Fund Balances Beginning of Year	1,766	67
Fund Balances End of Year	$ -	$ 1,766

City of Sandersville, Georgia
Comparative Balance Sheet
CDBG 2012 Fund
December 31, 2013 and 2012

	2013	2012
Assets		
Equity in pooled cash and investments	$ -	$ 26
Intergovernmental receivable	32,937	-
Total Assets	$ 32,937	$ 26
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 11,156	$ -
Interfund payable	20,608	50
Total Liabilities	31,764	50
Fund Balances		
Restricted for housing and development	1,173	-
Unassigned	-	(24)
Total Fund Balances	1,173	(24)
Total Liabilities and Fund Balances	$ 32,937	$ 26

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
CDBG 2012 Fund
For the Year Ended December 31, 2013
(With Comparative Actual Amounts for the Year Ended December 31, 2012)

	2013	2012
Revenues:		
Intergovernmental revenue	$ 32,937	$ -
Expenditures		
Health and welfare	31,740	24
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,197	(24)
Fund Balances Beginning of Year	(24)	-
Fund Balances End of Year	$ 1,173	$ (24)

City of Sandersville, Georgia
Comparative Balance Sheet
CHIPS 2009 Fund
December 31, 2013 and 2012

	2013	2012
Assets		
Equity in pooled cash and investments	$ 22	$ 22
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ 24,116
Fund Balances		
Restricted	22	-
Unassigned (deficit)	-	(24,094)
Total Fund Balances	22	(24,094)
Total Liabilities and Fund Balances	$ 22	$ 22

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2009 Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Revenues:		
Intergovernmental revenue	$ 20,716	$ 62,100
Expenditures		
Capital Outlay	3,411	86,285
Excess (Deficieney) of Revenues Over (Under) Expenditures	17,305	(24,185)
Other Financing Sources		
Transfer in	6,811	-
Net Change in Fund Balances	24,116	(24,185)
Fund Balances Beginning of Year	(24,094)	91
Fund Balances End of Year	$ 22	$ (24,094)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
November 30, 2013 and 2012

Assets	2013	2012
Current Assets:		
Cash and cash equivalents	$ 2,789,796	$ 2,630,720
Investments	682,033	681,151
Receivable:		
Accounts (net)	147,657	122,639
Interfund	119,977	119,977
Inventories	73,645	70,777
Total Current Assets	3,813,108	3,625,264
Noncurrent Assets:		
Unamortized bond issuance costs	-	12,231
Capital assets:		
Nondepreciable	214,580	202,925
Depreciable, net	7,340,780	7,728,614
Total Noncurrent Assets	7,555,360	7,943,770
Total Assets	11,368,468	11,569,034
Liabilities		
Current Liabilities:		
Accounts payable	125	-
Accrued expenses payable	374	-
GEFA loans payable	219,732	211,057
Total Current Liabilities	220,231	211,057
Long-term Liabilities (net of current portion):		
GEFA loans payable	3,252,478	3,472,263
Total Liabilities	3,472,709	3,683,320
Net Position		
Net investment in capital assets	4,083,150	4,248,219
Unrestricted	3,812,609	3,637,495
Total Net Position	$ 7,895,759	$ 7,885,714

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for services	$ 1,717,475	$ 1,702,436
Miscellaneous	38,475	51,785
Total Operating Revenues	1,755,950	1,754,221
Operating Expenses		
Personal services - salaries	367,244	377,832
Personal services - benefits	156,703	170,009
Purchased services	328,193	245,295
Materials and supplies	179,040	214,689
Miscellaneous	15,850	4,432
Depreciation	502,004	534,553
Total Operating Expenses	1,549,034	1,546,810
Operating Income	206,916	207,411
Non-Operating Revenues (Expenses)		
Investment earnings	883	1,034
Interest and fiscal charges	(142,657)	(150,997)
Total Non-Operating Revenues (Expenses)	(141,774)	(149,963)
Income Before Contributions and Transfers In (Out)	65,142	57,448
Contributions	89,755	44,201
Transfer In	5,148	-
Transfers Out	(150,000)	(150,000)
Change in Net Position	10,045	(48,351)
Net Position Beginning of Year	7,885,714	7,934,065
Net Position End of Year	$ 7,895,759	$ 7,885,714

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 1,730,932	$ 1,756,666
Cash payments to employees for services	(523,947)	(531,689)
Cash payments for goods and services	(525,452)	(485,647)
Net Cash Provided by (Used in) Operating Activities	681,533	739,330
Cash Flows from Noncapital Finaneing Activities		
Interfund receivable	-	(632)
Transfers in	5,148	-
Transfers out	(150,000)	(150,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	(144,852)	(150,632)
Cash Flows from Capital and Related Financing Activities		
Capital grants	89,755	-
Principal paid on GEFA notes	(211,110)	(202,769)
Interest paid on notes	(142,657)	(150,997)
Accquisition of capital assets	(113,594)	(32,089)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(377,606)	(385,855)
Cash Flows from Investing Activities		
Investment earnings	883	1,034
Net Increase (Decrease) in Cash and Cash Equivalents	159,958	203,877
Cash and Cash Equivalents Beginning of Year	3,311,871	3,107,994
Cash and Cash Equivalents End of Year	$ 3,471,829	$ 3,311,871
Reconciliation to Statement of Net Position		
Cash and cash equalivalents	$ 2,789,796	$ 2,630,720
Investments	682,033	681,151
Total Cash aud Cash Equivalents	$ 3,471,829	$ 3,311,871

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2013 and 2012

(continued)

	2013	2012
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 206,916	$ 207,411
Adjustments:		
Depreciation and amortization	502,004	535,476
(Increase) Decrease in Assets:		
Accounts receivable	(25,018)	2,445
Inventories	(2,868)	3,525
Increase (Decrease) in Liabilities:		
Accounts payable	125	(9,527)
Accrued expenses payable	374	-
Net Cash Provided by (Used in) Operating Activities	$ 681,533	$ 739,330

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Electrical Fund
December 31, 2013 and 2012

Assets	2013	2012
Current Assets:		
Cash and cash equivalents	$ 1,118,917	$ 1,475,336
Investments	10,054,182	10,493,353
Receivable:		
Accounts (net)	729,632	727,690
Interfund	154,422	159,727
Inventories	531,419	540,011
Total Current Assets	12,588,572	13,396,117
Noncurrent Assets:		
Capital assets:		
Nondepreciable	53,621	53,621
Depreciable, net	1,434,017	1,471,741
Total Noncurrent Assets	1,487,638	1,525,362
Total Assets	14,076,210	14,921,479
Liabilities		
Current Liabilities:		
Accounts payable	758,155	672,262
Accrued expenses payable	723	209
Sales tax payable	35,796	36,369
Interfund payable	119,977	119,977
Customer deposits payable	263,113	292,593
Total Current Liabilities	1,177,764	1,121,410
Net Position		
Investment in capital assets	1,487,638	1,525,362
Unrestricted	11,410,808	12,274,707
Total Net Position	$ 12,898,446	$ 13,800,069

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for services	$ 9,903,179	$ 9,852,035
Miscellaneous	53,550	81,549
Total Operating Revenues	9,956,729	9,933,584
Operating Expenses		
Personal serviees - salaries	439,972	432,336
Personal serviees - benefits	152,043	147,327
Electricity purehased	9,418,632	9,535,686
Purehased services	250,477	60,206
Franhise fee	351,262	395,063
Materials and supplies	45,255	52,039
Miseelloaneous	23,413	598,320
Depreciation	157,962	161,345
Total Operating Expenses	10,839,016	11,382,322
Operating (Loss)	(882,287)	(1,448,738)
Non-Operating Revenues (Expenses)		
Investment earnings (loss)	(23,535)	33,699
Interest and fiscal charges	(373)	-
Total Non-Operating Revenues (Expenses)	(23,908)	33,699
Income (Loss) Before Contributions and Transfers In (Out)	(906,195)	(1,415,039)
Contributions	9,720	172,076
Transfers Out	(5,148)	(481,807)
Change in Net Position	(901,623)	(1,724,770)
Net Position Beginning of Year	13,800,069	15,524,839
Net Position End of Year	$ 12,898,446	$ 13,800,069

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 9,924,734	$ 9,903,307
Cash payments to employees for services	(592,015)	(579,663)
Cash payments for goods and services	(9,994,040)	(10,625,571)
Net Cash Provided by (Used in) Operating Activities	(661,321)	(1,301,927)
Cash Flows from Noncapital Financing Activities		
Interfund receivable	(5,305)	(94,163)
Interfund payable	-	632
Transfers out	(5,148)	(481,807)
Net Cash Provided by (Used in) Noncapital Financing Activities	(10,453)	(575,338)
Cash Flows from Capital and Related Financing Activities		
Capital grants	9,720	-
Interest paid	(373)	-
Aecquisition of capital assets	(129,067)	(98,470)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(119,720)	(98,470)
Cash Flows from Investing Activities		
Investment earnings (loss)	(23,535)	307,846
Net (purchase) sale of investments	444,363	-
Cash Flows from Investing Activities	420,828	307,846
Net Increase (Decrease) in Cash and Cash Equivalents	(370,666)	(1,667,889)
Cash and Cash Equivalents Beginning of Year	5,482,105	7,149,994
Cash and Cash Equivalents End of Year	$ 5,111,439	$ 5,482,105
Reconciliation to Statement of Net Position		
Cash and cash equalivalents	$ 1,118,917	$ 1,475,336
Investment in Georgia Fund I	3,992,522	4,006,769
Total Cash and Cash Eqnivalents	$ 5,111,439	$ 5,482,105

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2013 and 2012

(continued)

	2013	2012
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ (882,287)	$ (1,448,738)
Adjustments:		
Depreciation	157,962	161,345
(Increase) Decrease in Assets:		
Accounts receivable	(1,942)	(30,277)
Inventories	8,592	11,397
Increase (Decrease) in Liabilities:		
Accounts payable	85,893	(6,526)
Accrued expenses payable	514	(4,393)
Sales tax payable	(573)	-
Customer deposits	(29,480)	15,265
Net Cash Provided by (Used in) Operating Activities	$ (661,321)	$ (1,301,927)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Telecom Fund
December 31, 2013 and 2012

Assets	2013	2012
Current Assets:		
Cash and cash equivalents	$ 288,660	$ 300,577
Receivable:		
Accounts (net)	23,409	22,864
Interfund	797	797
Inventory	13,617	13,247
Total Current Assets	326,483	337,485
Noncurrent Assets:		
Capital assets:		
Depreciable, net	402,688	464,660
Total Assets	729,171	802,145
Liabilities		
Current Liabilities:		
Accounts payable	-	730
Accrued expenses payable	77	-
Customer deposits payable	100	2,200
Interfund payable	148,873	154,178
Total Current Liabilities	149,050	157,108
Net Position		
Net investment in capital assets	402,688	464,660
Unrestricted	177,433	180,377
Total Net Position	$ 580,121	$ 645,037

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for services	$ 147,025	$ 170,344
Miseellaneous	20,642	26,520
Total Operating Revenues	167,667	196,864
Operating Expenses		
Personal services - salaries	46,192	45,732
Personal services - benefits	18,358	14,824
Franchise fee	7,071	72,974
Purchased services	70,794	70,580
Materials and supplies	27,922	81,766
Depreciation	61,972	63,121
Miscellaneous	274	250
Total Operating Expenses	232,583	349,247
Operating (Loss)	(64,916)	(152,383)
Transfers In	-	75,000
Change in Net Position	(64,916)	(77,383)
Net Position Beginning of Year	645,037	722,420
Net Position End of Year	$ 580,121	$ 645,037

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 165,022	$ 189,871
Cash payments to employees for services	(64,550)	(60,556)
Cash payments for goods and services	(107,084)	(227,395)
Net Cash Provided by (Used in) Operating Activities	(6,612)	(98,080)
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	(797)
Interfund payable	(5,305)	21,122
Transfers in	-	75,000
Net Cash Provided by (Used in) Noncapital Financing Activities	(5,305)	95,325
Cash Flows from Capital and Related Financing Activities		
Acequisition of capital assets	-	(50,690)
Net Increase (Decrease) in Cash and Cash Equivalents	(11,917)	(53,445)
Cash and Cash Equivalents Beginning of Year	300,577	354,022
Cash and Cash Equivalents End of Year	$ 288,660	$ 300,577
Reconciliation to Statement of Net Position		
Cash and cash equalivalents	$ 288,660	$ 300,577

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2013 and 2012

(continued)

	2013	2012
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ (64,916)	$ (152,383)
Adjustments:		
Depreciation	61,972	63,121
(Increase) Decrease in Assets:		
Accounts receivable	(545)	(6,993)
Inventories	(370)	(1,345)
Increase (Decrease) in Liabilities:		
Accounts payable	(730)	(480)
Accrued expenses payable	77	-
Customer deposits	(2,100)	-
Net Cash Provided by (Used in) Operating Activities	$ (6,612)	$ (98,080)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
December 31, 2013 and 2012

Assets	2013	2012
Current Assets:		
Cash and cash equivalents	$ -	$ 22,206
Accounts receivable (net)	62,365	66,197
Total Current Assets	62,365	88,403
Noncurrent Assets:		
Capital assets:		
Depreciable, net	75,295	88,801
Total Assets	137,660	177,204
Liabilities		
Current Liabilities:		
Accrued expenses payable	21	-
Interfund payable	74,872	5,549
Total Current Liabilities	74,893	5,549
Net Position		
Net investment in capital assets	75,295	88,801
Unrestricted	(12,528)	82,854
Total Net Position	$ 62,767	$ 171,655

City of Sandersville, Georgia
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Position
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Operating Revenues		
Charges for services	$ 766,558	$ 817,821
Operating Expenses		
Personal services - salaries	55,341	54,531
Personal services - benefits	23,462	24,297
Purchased services	764,377	700,826
Materials and supplies	18,232	19,900
Depreciation	13,506	13,594
Miscellaneous	528	10,945
Total Operating Expenses	875,446	824,093
Operating (Loss)	(108,888)	(6,272)
Transfers In	-	6,807
Change in Net Position	(108,888)	535
Net Position Beginning of Year	171,655	171,120
Net Position End of Year	$ 62,767	$ 171,655

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2013 and 2012

	2013	2012
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 770,390	$ 819,341
Cash payments to employees for services	(78,803)	(74,776)
Cash payments for goods and services	(783,116)	(802,207)
Net Cash Provided by (Used in) Operating Activities	(91,529)	(57,642)
Cash Flows from Noncapital Financing Activities		
Interfund payable	69,323	73,041
Transfers in	-	6,807
Net Cash Provided by (Used in) Noncapital Financing Activities	69,323	79,848
Net Increase (Deereasc) in Cash and Cash Equivalents	(22,206)	22,206
Cash and Cash Equivalents Beginning of Year	22,206	-
Cash and Cash Equivalents End of Year	$ -	$ 22,206
Reconciliation to Statement of Net Position		
Cash and cash equalivalents	$ -	$ 22,206

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2013 and 2012

(continued)

	2013	2012
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ (108,888)	$ (6,272)
Adjustments:		
Depreciation	13,506	13,594
(Increase) Decrease in Assets:		
Accounts receivable	3,832	1,519
Increase (Decrease) in Liabilities:		
Accounts payable	-	(66,483)
Accrued expenses payable	21	-
Net Cash Provided by (Used in) Operating Activities	$ (91,529)	$ (57,642)

CITY OF SANDERSVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL SALES TAX PROCEEDS
For the Year Ended December 31, 2013

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2005 Tax:						
Fire protection	$ 100,000	$ 500,000	$ 377,252	$ -	$ 377,252	75.45%
Capital outlays:						
Water and sewer system equipment and upgrades	-	850,000	421,760	28,809	450,569	53.01%
General and administration equipment	-	500,000	242,104	132,121	374,225	74.85%
Police department vehicles and equipment	-	650,000	448,124	4,999	453,123	69.71%
Street department equipment	-	450,000	268,974	-	268,974	59.77%
Electrical fund equipment	-	500,000	396,077	9,719	405,796	81.16%
Telecom fund equipment	-	50,000	17,280	-	17,280	34.56%
Solid Waste fund equipment	-	150,000	80,822	-	80,822	53.88%
Economic development	-	500,000	412,926	-	412,926	82.59%
Transportation improvements		800,000	662,671	2,018	664,689	83.09%
2009 Tax:						
Fire protection	100,000	100,000	50,766	8,940	59,706	59.71%
Transportation improvements	600,000	600,000	6,000	6,005	12,005	2.00%
Economic development	400,000	400,000	190,598	179,824	370,422	92.61%
Capital outlays:						
Street department equipment	300,000	500,000	250,234	91,990	342,224	68.44%
Water and sewer system equipment and upgrades	700,000	700,000	7,434	60,946	68,380	9.77%
General and administration equipment	150,000	150,000	23,012	-	23,012	15.34%
Police department vehicles and equipment	500,000	500,000	100,802	40,206	141,008	28.20%
Electrical fund equipment	250,000	250,000	-	-	-	-

WRIGHT & WRIGHT, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
130 NORTH HARRIS STREET • POST OFFICE BOX 1014
SANDERSVILLE, GEORGIA 31082
email: wwpc@wrightandwrightpc.com

CLYDE K. WRIGHT, CPA
BRIAN K. WRIGHT, CPA

TELEPHONE (478) 552-6146
FACSIMILE (478) 552-6158

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

To the Mayor and Council
City of Sandersville, Georgia

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund, the aggregate discretely presented component unit and the aggregate remaining fund information of the City of Sandersville, Georgia as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City of Sandersville's basic financial statements and have issued our report thereon dated May11, 2015.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sandersville Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 13-1.

City of Sandersville, Georgia's Response to Findings

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

Purpose of this Report

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

Wright & Wright, P. C.

May 11, 2015
Sandersville, Georgia

CITY OF SANDERSVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2013

13-1 Budgetary

Condition

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

Effect

Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendation

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

Views of Responsible Officials

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

CITY OF SANDERSVILLE
"The Kaolin City"

141 WEST HAYNES STREET
P.O. BOX 71
SANDERSVILLE, GEORGIA 31082
478-552-2525
FAX 478-552-6006
www.sandersville.net

May 11, 2015

Georgia Department of Audits & Accounts
270 Washington Street, S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Gentlemen:

The following constitutes our corrective action plan regarding the findings and recommendations in our audit report for the year ended December 31, 2013.

1. With respect to actual expenditures exceeding appropriations, we submit the following comments:

   The following general fund departments had excesses of actual expenditures over appropriations in the amount shown for the year ended December 31, 2013:

Housing and development	$ 17,854
Debt service	85
Confiscated assets fund	$ 4,477

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

Should you need any further explanation of these matters please contact us.

Sincerely,

James W. Andrews, Mayor