CITY OF SANDERSVILLE, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S 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, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2014, 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 expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The 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 June 30, 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.

June 30, 2015
Sandersville, Georgia

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, 2014. 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 $31,849,269 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $15,442,254 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 $1,593,648 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $14,813,367 represents 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 $1,396,818 this year. This compares to the prior year ending fund balance of $2,267,492 showing a decrease of $870,674 during the current year. Unassigned fund balance of $503,769 at December 31, 2014 shows a $58,720 increase from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $503,769 or 10.7% of total General Fund expenditures, as compared to 10.1% at December 31, 2013.

- Overall, the City continues to maintain a strong financial position.

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 $31,849,269 as compared to $31,652,637 at Deeember 31, 2013. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Percentage
	2014	2013	2014	2013	2014	2013	of Total
Assets:							
Current assets	$ 1,489,577	$ 2,397,943	$ 16,257,450	$ 16,446,806	$ 17,747,027	$ 18,844,749	49%
Capital assets	8,831,092	7,945,751	9,981,295	9,520,981	18,812,387	17,466,732	51%
Other noncurrent assets	-	-	-	-	-	-	
Total assets	10,320,669	10,343,694	26,238,745	25,967,787	36,559,414	36,311,481	100%
Liabilities:							
Current liabilities	90,416	128,150	1,500,284	1,278,216	1,590,700	1,406,366	34%
Long-term liabilities	-	-	3,119,445	3,252,478	3,119,445	3,252,478	66%
Total liabilities	90,416	128,150	4,619,729	4,530,694	4,710,145	4,658,844	100%
Net position:							
Net investment in capital assets	8,831,092	7,945,751	6,611,162	6,048,771	15,442,254	13,994,522	48%
Restricted	893,049	1,771,149	700,599	-	1,593,648	1,771,149	5%
Unrestrieted	506,112	498,644	14,307,255	15,388,322	14,813,367	15,886,966	47%
Total net position	$ 10,230,253	$ 10,215,544	$ 21,619,016	$ 21,437,093	$ 31,849,269	$ 31,652,637	100%

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 16.5 to 1 as compared to 18.7 to 1 at December 31, 2013. The current ratio for business-type activities is 10.8 to 1 as compared to 12.9% to 1 at December 31, 2013.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased $14,709 or .14% for governmental activities, and $181,923 or .84% for business-type activities. The City's overall financial position improved during fiscal year 2014.

Note that approximately 86.3% of the governmental activities' net position is tied up in capital. The City uses these capital assets to provide services to its citizens. However, in business type activities, the City has spent approximately 46.2% of it's net position on capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. 59.1% 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 Aetivities		Business-type Aetivities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program:						
Charges for services & fines	$ 507,977	$ 287,817	$ 13,995,354	$ 12,534,237	14,503,331	$ 12,822,054
Operating grants	696,935	313,157	263,351	-	960,286	313,157
Capital grants	777,011	1,004,422	-	99,475	777,011	1,103,897
General:						
Taxes	3,744,112	4,125,075	-	-	3,744,112	4,125,075
Other	94,512	38,696	151,175	90,015	245,687	128,711
Total revenues	5,820,547	5,769,167	14,409,880	12,723,727	20,230,427	18,492,894
Program Expenses:						
General government	1,373,286	1,061,301	-	-	1,373,286	1,061,301
Judicial	-	115,245	-	-	-	115,245
Public safety	2,491,477	2,291,325	-	-	2,491,477	2,291,325
Public works	1,347,167	1,380,443	-	-	1,347,167	1,380,443
Health and welfare/	173,114	70,301	-	-	173,114	70,301
Culture and recreation	81,628	49,427	-	-	81,628	49,427
Housing and devel.	296,964	345,622	-	-	296,964	345,622
Interest	-	2,885	-	-	-	2,885
Water and sewer	-	-	1,821,094	1,691,691	1,821,094	1,691,691
Electrical	-	-	11,365,885	10,839,389	11,365,885	10,839,389
Telecommunications	-	-	175,806	232,583	175,806	232,583
Solid waste	-	-	907,374	875,446	907,374	875,446
Total expenses	5,763,636	5,316,549	14,270,159	13,639,109	20,033,795	18,955,658
Revenues over (under) expenses	56,911	452,618	139,721	(915,382)	196,632	(462,764)
Transfers in (out)	(42,202)	150,000	42,202	(150,000)	-	-
Net changes in net position	14,709	602,618	181,923	(1,065,382)	196,632	(462,764)
Beginning net position	10,215,544	9,612,926	21,437,093	22,502,475	31,652,637	32,115,401
Ending net position	$ 10,230,253	$ 10,215,544	$ 21,619,016	$ 21,437,093	$ 31,849,269	$ 31,652,637

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 16.1% of the City's total governmental revenues as compared to 19.7% in fiscal year 2013. Sales taxes make up 15.8% of the City's total governmental revenues as compared to 24.6% in fiscal year 2013.

Capital grant type revenue for the public works function ($624,568) is included the following:

- T-SPLOST - $245,585
- TE-Grant - $159,626
- CDBG - $219,357

User charges and fines revenue source totaled $507,977 and operating grants totaled $696,935. Note that program revenues cover 34.4% of governmental operating expenses. If the capital grant revenue referenced above were excluded from program revenue, program revenues would only cover 20.9% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 79.10% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up 66.6% of the total governmental activities expenses as compared to 69.1% in fiscal year 2013. General government totals over $1.3 million and the housing and development costs the City were $296,964.

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	$ 1,373,286	23.8%	$ 1,190,458	31.5%
Judicial	-	0.0%	-	0.0%
Public safety	2,491,477	43.2%	2,157,580	57.1%
Public works	1,347,167	23.4%	191,149	5.1%
Health and welfare	173,114	3.0%	165,514	4.4%
Culture and recreation	81,628	1.4%	81,628	2.2%
Housing and development	296,964	5.1%	(4,616)	-0.1%
Interest	-	0.0%	-	0.0%
Total	$ 5,763,636	100.0%	$ 3,781,713	100.0%

The public safety totals 57.1% of the net cost of services and public works totals 5.1% of these costs.

BUSINESS-TYPE ACTIVITIES

Overall Analysis – For all enterprise funds, total operating revenues increased $1,348,450 or 10.7%. Operating expenses increased $640,041 or 4.7%. In total, the operating loss decreased $708,409. The total decrease in the operating loss relates to increases in charges for services in each fund.

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

	Amount
Electric	$ (435,984)
Water and sewer	334,137
Telecom	23,969
Solid waste	(62,888)

The following includes an analysis of the fiscal year 2014 financial activities for each utility.

Electric Utility – The operating loss of $435,984 in fiscal year 2014 compares to operating loss of $882,887 in fiscal year 2013. This decrease in operating loss relates partially to the increase in charges for service of $935,503 or 9.5%.

The fiscal year 2014 operating revenues increased $973,172 over fiscal year 2013. Operating expenses decreased $526,869 or 4.9%. The cost of power purchased increased $270,443 over the prior year and purchased services decreased $218,059.

Water and Sewerage System Utility – The operating income of $334,137 in fiscal year 2014 is an increase of 61.5% over the operating income of $206,916 in fiscal year 2013. The fiscal year 2014 operating revenues increased $265,242 or 15.1% from fiscal year 2013. Operating expenses increased $138,021 or 8.91%. Purchased services decreased $201,359 from the prior year or 61.4% resulting from repairs of wells. Capital contributions totaled $99,001. The transfer out of $155,648 to the general fund is intended to cover the administration costs provided by the general fund.

Telecom - The operating income of $23,969 in fiscal year 2014 increased from an operating loss of $64,916 in fiscal year 2013 by $88,885, or 136.9%. The fiscal year 2014 operating revenues increased $32,108 or 19.2% from fiscal year 2013. Operating expenses deereased $56,777, or 24.4%. Purchased services decreased from $70,794 in fiscal year 2013 to $33,372 in fiscal year 2014 for a 52.9% decrease.

Solid Waste - The operating loss of $62,888 in fiscal year 2014 compares to an operating loss of $108,888 in fiscal year 2013. The fiscal year 2014 operating revenues increased $77,928 or 10.2% from fiscal year 2013. Operating expenses increased $31,928 or 3.7%. Purchased services decreased $76,111 or 9.9% due to a deerease in the cost of garbage pick-up after awarding a bid to a new 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 $1,396,818 as compared to the 2013 fiscal year amount of $2,267,492. Of this year-end total, $503,769 is unassigned indicating availability for continuing City service requirements. Fund balance includes $399,511 restricted for capital outlay, $7,088 restricted for or public safety, $343,675 restricted for economic development and $75,685 restricted for transportation improvements. Fund balance includes assets not available for spending of $67,090, which is tied up in inventory. The total ending fund balances of governmental funds show a decrease of $870,674, 38.4% 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 increased $74,516, or 15% in fiscal year 2014. In fiscal year 2013, the fund balance decreased $64,435.

Total revenues increased $536,115 or 13.1% from that of fiscal year 2013.

Local option sales taxes decreased $1,162 or 0.13% due to the lack of growth in the economy and state laws impacting sales tax collections. Charges for services were up from $63,602 to $64,236.

Fines increased $33,550 or 33.5%. Much of this increase relates to the implementation of new software for the issuance of citations.

Total expenditures increased $317,374 or 7.2% from fiscal year 2013.

The general government function increased $38,108 or 4.8% from fiscal year 2013.

The expenditures for most other functions were approximately equal to the fiscal year 2013 amount.

The general fund's ending unassigned fund balance increased $58,720 or 13.2% from the December 31, 2013 balance. This balance is considered adequate, representing the equivalent of 10.7% of annual expenditures, as compared to 10.1% 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 construction project
- A sidewalk improvement project
- Public safety equipment purchase
- The purchase of AMR equipment for the electric department

In fiscal year 2014, this fund did not recognize any revenues. The 2013 ending fund balance of $257,909 was expended in 2014 to close out the 2005 SPLOST Fund.

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 and 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 2014, this fund reported total revenues of $291,586 all from SPLOST taxes received from the County. The ending fund balance totals $448,587.

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 2014, the City Council did amend the general fund budget. The revenue budget was amended upward by $267,088. This was due to the receipt of $300,481 in emergency grant funds from FEMA and GEMA for the February 2014 ice storm.

The City recognized $96,268 less than anticipated total revenues, primarily due to increased motor vehicle taxes of $57,873. Total tax revenue was $30,734 more than the budget. In total, the City realized 102.1% of the estimated revenues.

The expenditure budget was amended upward $401,295 or 8.3%. This was related to the February 2014 ice storm expenditures.

On the expenditure side, the general government function was under spent by $9,884 with administration making all efforts to minimize spending. In total, the public safety budget was underspent by $11,301, primarily in the police and animal control departments. The street department budget was underspent by $40,835.

In total, the City expended 98 % 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, 2014, was $8,831,092 and $9,981,295 respectively. This increase in net investment was 11.1% for governmental activities and a 4.8% 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 Activities		Business Activities		Total	
	2014	2013	2014	2013	2014	2013
Non-depreciable assets:						
Land	$ 960,416	$ 960,416	$ 222,257	$ 222,257	$ 1,182,673	$ 1,182,673
Construction in progress	1,023,426	165,175	12,861	45,944	1,036,287	211,119
Total non-depreciable assets:	1,983,842	1,125,591	235,118	268,201	2,218,960	1,393,792
Depreciable assets:						
Buildings	4,134,873	3,992,875	459,109	459,109	4,593,982	4,451,984
Equipment	4,821,643	4,488,527	4,451,979	3,937,994	9,273,622	8,426,521
Software	233,278	222,920	-	-	233,278	222,920
Infrastructure	1,880,430	1,880,430	22,531,388	22,465,849	24,411,818	24,346,279
Total depreciable assets	11,070,224	10,584,752	27,442,476	26,862,952	38,512,700	37,447,704
Less accumulated depreciation	4,222,974	3,764,592	17,696,299	17,610,172	21,919,273	21,374,764
Book value - depreciable assets	6,847,250	6,820,160	9,746,177	9,252,780	16,593,427	16,072,940
Percentage depreciated	38%	36%	64%	66%	57%	57%
Book value - all assets	$ 8,831,092	$ 7,945,751	$ 9,981,295	$ 9,520,981	$ 18,812,387	$ 17,466,732

At December 31, 2014, the depreciable capital assets for governmental activities were 38% depreciated. This compares to 36% at the December 31, 2013 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, 64% of the asset values were depreciated at December 31, 2014, which compares to 66% at December 31, 2013.

Long-term Debt

At the end of this fiscal year, the City reported $3,252,484 of outstanding GEFA loans. During the year, the City retired $219,727 or 6.3% of the beginning outstanding business-type activities debt. The following are the changes in the GEFA loans during 2014.

	Outstanding 01/01/2014	Additions	Reductions	Outstanding 12/31/2014
Business-Type Activities				
GEFA loan - 2002-L223WQ	$ 75,684	$ -	$ 4,316	$ 71,368
GEFA loan - D2W00-023	526,662	-	36,139	490,523
GEFA loan - 2002-L22WS	1,764,923	-	135,137	1,629,786
GEFA loan - 2010-L06WJ	1,104,942	-	44,135	1,060,807
Total Business-Type Activities	$ 3,472,211	$ -	$ 219,727	$ 3,252,484

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 2008 recession were the major contributing factors to the city's prolonged double-digit unemployment rate, which decreased from a high of 15.4% in 2010 to 10.25% at the beginning of 2014 and is now reported at 6.8%. During the recession, Trojan Battery, along with other area industries, reduced or stopped production altogether, as a result of the economic downturn. As the improvement in the local labor market indicates with the steady decrease in the unemployment rate, there have been marked improvements in the overall economy in the past year. Trojan Battery has returned to their Sandersville plant and is expanding their operations to produce a new product line, which will require higher skilled labor and offer increased salary levels. Duraline, another local industry, has also expanded their production line and continues to be a valuable asset to our community.

Sandersville, 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 improved significantly from 2009 with $920,396 received in 2014. The gross property tax digest for the City of Sandersville which has declined three of the previous four years, declined again in 2014 from $238,791,959 in 2013 to $234,415,986. 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 4.518 mills in 2014. 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 $1,063,692 in 2014. Insurance premium taxes decreased from $340,643 in 2009 to $294,536 in 2012, but increased in 2014 to $318,862, still $21,781 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, $882,287 in 2013, and $435,984 in 2014. 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.

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. Georgia HB 386 eliminated sales tax and ad valorem tax on vehicles and replaced it with a one-time title tax and, also eliminated sales tax on energy used in manufacturing, agriculture and mining. Beginning July 1, 2015 Georgia HB 170, the Transportation Funding Act of 2015, will restrict local governments from collecting local sales taxes on the sale of motor fuels above $3.00 per gallon. While lower prices at the gas pump are good for the economy and the individual households now, these lower prices translate into lower sales tax collections. The restrictions of HB 170 may not affect LOST and SPLOST collections now, but they will certainly affect those revenues as gas prices rise in the future.

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. This 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.

With the support of tax revenue for equipment and training, our police department has now attained 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) funded the scheduled replacement of police vehicles and conversions and the continued construction of a fire-training complex. The 2005 SPLOST funded the purchase a fire ladder truck and the replacement of the roof at City Hall. The 2005 SPLOST funds were also 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 provided 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 SPLOST projects in fiscal year 2014 included the purchase of a small track hoe in street construction and the purchase of a knuckle boom truck for solid waste collection. The Water & Sewer Fund expended SPLOST funds to retrofit water meters to radio read during fiscal year 2014. Funds were also expended in fiseal year 2014 and appropriated in fiscal years 2015 and 2016 from the 2005 SPLOST Fund and in the Electric Fund 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 year 2014, 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 $ $245,585 were expended in this fund in fiscal year 2014 to resurface city streets and fund an ongoing repaving/ resurfacing and milling program.

Fiscal year 2014 was a particularly challenging year for the City of Sandersville. In February, 2014 the City, like much of the rest of the State, experienced a horrific ice storm resulting in a cost in excess of $650,000 in damages. Of this amount, $563,833 and $48,726 has been recovered from FEMA and GEMA, respectively. In April, the City experienced significant rainfall during the planned replacement of the roof on City Hall resulting in a flooded building and requiring relocation of City services to another location until repairs were made. In May, a key staff person, the City's finance director, lost her battle
with cancer. Also during 2014, the City converted to a new financial software program. Each year, the City strives to not only address the unexpected daily operational challenges, but also the continued 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, 31082 or call 478-552-2525.

City of Sandersville, Georgia
Statement of Net Position
December 31, 2014

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 1,094,225	$ 3,486,712	$ 4,580,937	$ 13,484
Investments	-	10,887,390	10,887,390	-
Receivables:				
Accounts	104,204	1,183,645	1,287,849	-
Taxes	20,077	-	20,077	-
Intergovernmental	148,207	54,878	203,085	-
Interfund	55,774	(55,774)	-	-
Inventories	67,090	700,599	767,689	-
Total Current Assets	1,489,577	16,257,450	17,747,027	13,484
Noncurrent Assets				
Capital assets (Note 3D)				
Nondepreciable	1,983,842	235,118	2,218,960	-
Depreciable, net	6,847,250	9,746,177	16,593,427	-
Total Noncurrent Assets	8,831,092	9,981,295	18,812,387	-
Total Assets	10,320,669	26,238,745	36,559,414	13,484
Liabilities				
Current Liabilities				
Accounts payable	21,601	852,311	873,912	-
Accrued expenses	-	106,641	106,641	-
Customer deposits	-	290,644	290,644	-
Unearned revenue	68,815	-	68,815	-
GEFA loans payable	-	250,669	250,669	
Total Current Liabilities	90,416	1,500,265	1,590,681	-
Long-term Liabilities:(net of current portion)(Note 3G)				
GEFA loans payable	-	3,119,465	3,119,465	-
Total Liabilities	90,416	4,619,730	4,710,146	-
Net Position				
Net investment in capital assets (Note 3I)	8,831,092	6,611,161	15,442,253	-
Restricted for inventory	67,090	700,599	767,689	
Restricted for housing and economic development	185,571	-	185,571	-
Restricted for capital outlay	557,615	-	557,615	-
Restricted for public safety	7,088	-	7,088	-
Restricted for transportation	75,685	-	75,685	-
Unrestricted	506,112	14,307,256	14,813,368	13,484
Total Position	$ 10,230,253	$ 21,619,016	$ 31,849,269	$ 13,484

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Activities
For the Year Ended December 31, 2014

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	$ 1,125,326	$ 177,063	$ 11,957	$ -	$ (936,306)	$ -	$ (936,306)	$ -
Judicial	125,884	-	-	-	(125,884)	-	(125,884)	-
Public safety	2,365,593	192,600	129,340	-	(2,043,653)	-	(2,043,653)	-
Public works	1,620,722	7,600	310,459	1,000,979	(301,684)	-	(301,684)	-
Health and welfare	186,295	-	-	-	(186,295)	-	(186,295)	-
Culture and recreation	48,188	-	-	-	(48,188)	-	(48,188)	-
Housing and development	291,628	-	151,925	-	(139,703)	-	(139,703)	-
Interest	-	-	-	-	-	-	-	-
Total Governmental Activities	5,763,636	377,263	603,681	1,000,979	(3,781,713)	-	(3,781,713)	-
Business-type Activities:								
Water and sewerage	1,821,094	2,021,192	31,695	-	-	231,793	231,793	-
Electrical	11,365,885	10,929,901	88,830	-	-	(347,154)	(347,154)	-
Telecom	175,806	199,775	-	-	-	23,969	23,969	-
Solid waste	907,374	844,486	142,826	-	-	79,938	79,938	-
Total Business-type Activities:	14,270,159	13,995,354	263,351	-	-	(11,454)	(11,454)	-
Total - Primary Government	$ 20,033,795	$ 14,372,617	$ 867,032	$ 1,000,979	$ (3,781,713)	(11,454)	(3,793,167)	-
Component Unit								
Downtown Development Authority	$ 9,967	$ -	$ 6,000	$ -	$ -	-	-	(3,967)
General Revenues								
Property taxes levied for general government purposes					1,116,003	-	1,116,003	-
Sales tax					920,396	-	920,396	-
Transportation sales tax					152,902	-	152,902	-
Insurance premium tax					318,862	-	318,862	-
Franchise tax					1,063,692	-	1,063,692	-
Alcohol tax					136,264	-	136,264	-
Hotel/motel tax					35,993	-	35,993	-
Gain on disposition of capital assets					-	-	-	-
Investment earnings (loss)					56	85,251	85,307	20
Miscellaneous					94,456	65,924	160,380	-
Total General Revenues					3,838,624	151,175	3,989,799	20
Transfers					(42,202)	42,202	-	-
Total General Revenues and Transfers					3,796,422	193,377	3,989,799	20
Change in Net Position					14,709	181,923	196,632	(3,947)
Net Position Beginning of Year					10,215,544	21,437,093	31,652,637	17,431
Net Position End of Year					$ 10,230,253	$ 21,619,016	$ 31,849,269	$ 13,484

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Balance Sheet
Governmental Funds
December 31, 2014

	General	2005 SPLOST	2009 SPLOST	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	$ (42,197)	$ -	$ 618,420	$ 38,304	$ 479,698	$ 1,094,225
Receivables:						
Accounts	104,204	-	-	-	-	104,204
Taxes	-	-	-	-	20,077	20,077
Intergovernmental	76,265	-	-	71,942	-	148,207
Interfund	375,194	-	-	-	-	375,194
Inventories	67,090	-	-	-	-	67,090
Total Assets	$ 580,556	$ -	$ 618,420	$ 110,246	$ 499,775	$ 1,808,997
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	$ 6,557	$ -	$ 15,044	$ -	$ -	$ 21,601
Accrued expenditures	-	-	-	-	-	-
Interfund payable	797	-	154,789	1,218	162,616	319,420
Unearned revenue	-	-	-	-	68,815	68,815
Total Liabilities	7,354	-	169,833	1,218	231,431	409,836
Deferred Inflows of Resources - Property Taxes	2,343	-	-	-	-	2,343
Total Liabilities and Deferred Inflows of Resources	9,697	-	169,833	1,218	231,431	412,179
Fund Balances						
Nonspendable	67,090	-	-	-	-	67,090
Restricted	-	-	448,587	109,028	268,344	825,959
Unassigned	503,769	-	-	-	-	503,769
Total Fund Balances	570,859	-	448,587	109,028	268,344	1,396,818
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 580,556	$ -	$ 618,420	$ 110,246	$ 499,775	$ 1,808,997

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, 2014

Total Governmental Fund Balances			$ 1,396,818
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	$ 13,054,065		
Less accumulated depreciation	(4,222,973)		8,831,092
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			2,343
Net Position of Governmental Activities			$ 10,230,253

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, 2014

	General	2005 SPLOST	2009 SPLOST	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	$ 3,555,175	$ -	$ -	$ -	$ 188,895	$ 3,744,070
Licenses and permits	177,063	-	-	-	-	177,063
Intergovernmental	603,681	-	291,586	109,028	600,365	1,604,660
Charges for services	64,236	-	-	-	2,137	66,373
Fines and forfeitures	133,827	-	-	-	-	133,827
Investment earnings	-	-	-	-	56	56
Miscellaneous	94,456	-	-	-	-	94,456
Total Revenues	4,628,438	-	291,586	109,028	791,453	5,820,505
Expenditures						
Current:						
General government	839,247	-	150,300	-	-	989,547
Judicial	125,884	-	-	-	-	125,884
Public safety	2,185,867	-	-	-	142	2,186,009
Public works	1,210,177	-	4,480	-	245,585	1,460,242
Health and welfare	35,150	-	-	-	151,145	186,295
Culture and recreation	45,897	-	-	-	-	45,897
Housing and development	276,700	-	350	-	13,762	290,812
Capital Outlay	-	394,896	621,241	-	540,356	1,556,493
Debt Service:						
Interest	-	-	-	-	-	-
Total Expenditures	4,718,922	394,896	776,371	-	950,990	6,841,179
Excess (Deficiency) of Revenues Over (Under) Expenditures	(90,484)	(394,896)	(484,785)	109,028	(159,537)	(1,020,674)
Other Financing Sources (Uses)						
Proceeds from the disposition of capital assets	-	-	-	-	-	-
Transfers in	165,000	136,987	-	-	-	301,987
Transfers (out)	-	-	(136,987)	-	(15,000)	(151,987)
Total Other Financing Sources (Uses)	165,000	136,987	(136,987)	-	(15,000)	150,000
Net Change in Fund Balances	74,516	(257,909)	(621,772)	109,028	(174,537)	(870,674)
Fund Balances Beginning of Year	496,343	257,909	1,070,359	-	442,881	2,267,492
Fund Balances End of Year	$ 570,859	$ -	$ 448,587	$ 109,028	$ 268,344	$ 1,396,818

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, 2014

Net Changes In Fund Balances - Total Governmental Funds		$ (870,674)
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 outlay in the current period.		
Depreciation expense	$ (491,382)	
Capital outlay	1,376,723	885,341
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.		-
Capital assets received as contributions on the government-wide statement of activities but not reported on the governmental fund type operating statement.		-
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 @ 12/31/13	$ (2,301)	
Liability @ 12/31/14	2,343	42
Change In Net Position of Governmental Activities		$ 14,709

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Eleetrical	Telecom	Solid Waste	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 2,282,250	$ 844,001	$ 360,461	$ -	$ 3,486,712
Investments	682,945	10,204,445	-	-	10,887,390
Receivables					
Accounts	147,555	906,890	26,993	102,207	1,183,645
Interfund	119,977	154,422	797	-	275,196
Due from FEMA	11,295	-	-	43,583	54,878
Inventory	138,128	552,524	9,947	-	700,599
Total Current Assets	3,382,150	12,662,282	398,198	145,790	16,588,420
Noncurrent Assets					
Capital assets					
Nondepreciable	181,497	53,621	-	-	235,118
Depreciable, net	7,774,004	1,438,358	357,130	176,685	9,746,177
Total Noncurrent Assets	7,955,501	1,491,979	357,130	176,685	9,981,295
Total Assets	11,337,651	14,154,261	755,328	322,475	26,569,715
Liabilities					
Current Liabilities					
Aecounts payable	7,703	842,293	2,315	-	852,311
Accrued expenses payable	-	106,641	-	-	106,641
Current portion of notes payable	228,705	-	-	21,964	250,669
Customer deposits	5,648	284,946	50	-	290,644
Interfund payable	-	119,977	-	62,120	182,097
Total Current Liabilities	242,056	1,353,857	2,365	84,084	1,682,362
Long-Term Liabilities (net of current portion)					
Due to electrical fund	-	-	148,873	-	148,873
Notes payable	3,023,779	-	-	95,686	3,119,465
Total Liabilities	3,265,835	1,353,857	151,238	179,770	4,950,700
Net Position					
Net investment in capital assets	4,703,017	1,491,979	357,130	59,035	6,611,161
Restricted	138,128	552,524	9,947	-	700,599
Unrestricted	3,230,672	10,755,901	237,013	83,670	14,307,256
Total Net Position	$ 8,071,817	$ 12,800,404	$ 604,090	$ 142,705	$ 21,619,016

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 December 31, 2014

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Operating Revenues					
Charges for services	$ 1,991,328	$ 10,838,682	$ 182,369	$ 840,597	$ 13,852,976
Miscellaneous	29,864	91,219	17,406	3,889	142,378
Total Operating Revenues	2,021,192	10,929,901	199,775	844,486	13,995,354
Operating Expenses					
Personal services - salaries	416,424	448,849	48,581	45,519	959,373
Personal services - benefits	155,744	135,891	17,639	20,377	329,651
Electricity purchased	-	9,689,076	-	-	9,689,076
Franchise fees	-	436,502	8,261	-	444,763
Purchased services	440,330	391,233	44,340	799,194	1,675,097
Materials and supplies	169,613	71,166	6,483	15,743	263,005
Miscellaneous	12,060	46,854	3,949	7,482	70,345
Depreciation	492,884	146,314	46,553	19,059	704,810
Total Operating Expenses	1,687,055	11,365,885	175,806	907,374	14,136,120
Operating Income (Loss)	334,137	(435,984)	23,969	(62,888)	(140,766)
Non-Operating Revenues (Expenses)					
Interest expense	(134,039)	-	-	-	(134,039)
Change in fair market value of investments	-	65,924	-	-	65,924
Federal Grant	31,695	88,830	-	142,826	263,351
Investment earnings	912	84,339	-	-	85,251
Total Non-Operating Revenues (Expenses)	(101,432)	239,093	-	142,826	280,487
Income (Loss) Before Contributions and Transfers In (Out)	232,705	(196,891)	23,969	79,938	139,721
Contributions	99,001	93,201	-	-	192,202
Transfers In	-	-	-	-	-
Transfers Out	(155,648)	5,648	-	-	(150,000)
Change in Net Position	176,058	(98,042)	23,969	79,938	181,923
Net Position Beginning of Year	7,895,759	12,898,446	580,121	62,767	21,437,093
Net Position End of Year	$ 8,071,817	$ 12,800,404	$ 604,090	$ 142,705	$ 21,619,016

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Cash Flows from Operating Activities					
Cash received from customers	$ 2,021,294	$ 10,752,643	$ 196,191	$ 804,644	$ 13,774,772
Cash payments for personal services	(572,168)	(584,740)	(66,220)	(65,896)	(1,289,024)
Cash payments for goods and services	(667,932)	(10,471,757)	(58,170)	(822,439)	(12,020,298)
Net Cash Provided by (Used in) Operating Activit	781,194	(303,854)	71,801	(83,691)	465,450
Cash Flows from Noncapital Financing Activities					
Operating grants received	20,400	88,830	-	99,243	208,473
Transfers in	-	5,648	-	-	5,648
Decrease (increase) in interfund receivable	-	-	-	-	-
Interfund payable	-	-	-	(12,752)	(12,752)
Transfers out	(155,648)	-	-	-	(155,648)
Net Cash Provided by (Used in) Noncapital Financing Activities	(135,248)	94,478	-	86,491	45,721
Cash Flows from Capital and Related Financing Activities					
Capital grants	-	-	-	-	-
Principal paid on GEFA notes	(219,727)	-	-	-	(219,727)
Interest paid on notes and leases	(134,039)	-	-	-	(134,039)
Payments for capital acquisitions	(799,726)	(65,540)	-	(2,800)	(868,066)
Net Cash (Used in) Capital and Related Financing Activities	(1,153,492)	(65,540)	-	(2,800)	(1,221,832)
Cash Flows from Investing Activities					
Net purchase of investments	-	(18,415)	-	-	(18,415)
Interest and dividend income	-	84,339	-	-	84,339
Investment earnings	912	(60,561)	-	-	(59,649)
Net Cash Provided by (Used in) Investing Activiti	912	5,363	-	-	6,275
Net Increase (Decrease) in Cash and Cash Equivalents	(506,634)	(269,553)	71,801	-	(704,386)
Cash and Cash Equivalents Beginning of Year	3,471,829	5,130,878	288,660	-	8,891,367
Cash and Cash Equivalents End of Year	$ 2,965,195	$ 4,861,325	$ 360,461	$ -	$ 8,186,981
Cash and Cash Equivalents	$ 2,282,250	$ 4,861,325	$ 360,461	$ -	$ 7,504,036
Restricted Cash	682,945	-	-	-	682,945
Total	$ 2,965,195	$ 4,861,325	$ 360,461	$ -	$ 8,186,981

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	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)	$ 334,137	$ (435,984)	$ 23,969	$ (62,888)	$ (140,766)
Adjustments					
Depreciation	492,884	146,314	46,553	19,059	704,810
Loss on sale of capital assets	5,702	8,086	-	-	13,788
(Increase) Decrease in Assets					
Accounts receivable	102	(177,258)	(3,584)	(39,841)	(220,581)
Inventory	(64,483)	(21,105)	3,670	-	(81,918)
Increase (Decrease) in Liabilities					
Accounts payable	7,578	84,138	1,243	-	92,959
Accrued expenses	(374)	(723)	-	(21)	(1,118)
Sales tax payable	-	70,845	-	-	70,845
Customer deposits payable	5,648	21,833	(50)	-	27,431
Net Cash Provided by (Used in) Operating Activities	$ 781,194	$ (303,854)	$ 71,801	$ (83,691)	$ 465,450

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.

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

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 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 2009 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, and the purchase of public works vehicles and equipment.

2013 SPLOST Fund - This fund accounts for the cost of certain improvements to the following projects in the City that are financed with the 2013 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, 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 restrieted 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 refunding 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 2014 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:	
Housing and economic development	449

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, 2014, 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 combined aggregate totaling not less than 110 percent of the public funds held.

Investments – The fair value of investments of the City is as follows at December 31, 2014:

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($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 participant'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 included in this Pool are not required to be collateralized.

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, 2014 are as follows:

Credit Risk	Value	Interest Risk
AAAf rated	$ 4,700,269	43 day WAM

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

3-B. Receivables

Receivables at December 31, 2014, 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, 2014, allowances for uncollectibles were reported as follows:

General fund (fines)	$ 916,709
Water and sewerage fund (charges for services)	64,250
Electrical fund (charges for services)	446,564
Solid Waste (charges for services)	33,494
Telecom (charges for services)	253,230

3-C. Property Taxes

The City Council levied property taxes on October 7, 2013. Property taxes attach as an enforceable lien on property as of April 1, 2014. Property taxes were billed on January 10, 2014 and were payable on March 31, 2014.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for governmental activities for the year ended December 31, 2014, was as follows:

	Beginning Balance 1/1/2014	Additions	Deductions	Ending Balance 12/31/2014
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 960,416	$ -	$ -	$ 960,416
Construction in progress	165,175	985,329	(127,078)	1,023,426
Total capital assets not being depreciated	1,125,591	985,329	(127,078)	1,983,842
Other capital assets:				
Buildings	3,992,875	141,998	-	4,134,873
Equipment	4,488,527	558,318	(225,202)	4,821,643
Software	222,920	10,358	-	233,278
Infrastructure	1,880,430	-	-	1,880,430
Total other capital assets	10,584,752	710,674	(225,202)	11,070,224
Total capital assets	11,710,343	1,696,003	(352,280)	13,054,066
Accumulated depreciation:				
Buildings	1,207,485	107,812	-	1,315,297
Equipment	2,203,047	302,833	(33,000)	2,472,880
Software	36,279	33,382	-	69,661
Infrastructure	317,781	47,355	-	365,136
Total accumulated depreciation	3,764,592	491,382	(33,000)	4,222,974
Governmental activities capital assets, net	$ 7,945,751	$ 1,204,621	$ (319,280)	$ 8,831,092

Governmental activities depreciation expense:

General government	$ 134,256
Public safety	193,539
Public works	160,480
Culture and recreation	2,291
Housing and development	816
Total governmental activities depreciation expense	$ 491,382

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset aetivity for business-type activities for the year ended December 31, 2014, was as follows:

	Beginning Balance 1/1/2014	Additions	Deductions	Ending Balance 12/31/2014
Business type acrtivities:				
Nondepreciable capital assets				
Land	$ 222,257	$ -	$ -	$ 222,257
Construction in progress	45,944	6,861	(39,944)	12,861
Total nondepreciable capital assets	268,201	6,861	(39,944)	235,118
Other capital assets:				
Buildings	459,109	-	-	459,109
Machinery and equipment	3,937,994	1,101,417	(587,432)	4,451,979
Infrastrueture	22,465,849	65,539	-	22,531,388
Total other capital assets	26,862,952	1,166,956	(587,432)	27,442,476
Total capital assets	27,131,153	1,173,817	(627,376)	27,677,594
Accumulated depreciation:				
Buildings	291,655	9,521	-	301,176
Machinery and equipment	2,963,578	199,564	(618,681)	2,544,461
Infrastructure	14,354,939	495,723	-	14,850,662
Total accumulated depreciation	17,610,172	704,808	(618,681)	17,696,299
Business-type activities capital assets, net	$ 9,520,981	$ 469,009	$ (8,695)	$ 9,981,295

3-E. Interfund Balances

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

	Payable from:							
Receivable to:	General	SPLOST 2009	SPLOST 2013	Non-major Govetm.	Electrical	Tele-commun.	Solid Waste	Total
Gcneral	$ -	$ 154,789	$ 1,218	$ 162,616	$ -	$ -	$ 56,571	$ 375,194
2009 SPLOST	-	-	-	-	-	-	-	-
Water and sewer	-	-	-	-	119,977	-	-	119,977
Electrical	-	-	-	-	-	148,873	5,549	154,422
Telecommunications	797	-	-	-	-	-	-	797
Total	$ 797	$ 154,789	$ 1,218	$ 162,616	$ 119,977	$ 148,873	$ 62,120	$ 650,390

Interfund balances at December 31, 2014, 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, 2014, consisted of the following:

Transfers to:	General	SPLOST 2009	Nonmajor Governmental	Water & Swer	Elctrical	Total
General	$ -	$ -	$ 15,000	$ 150,000	$ -	$ 165,000
SPLOST 2005	-	136,987	-	-	-	136,987
Nonmajor Governmental	-	-	-	-	-	-
Water and sewer	-	-	-	-	5,648	5,648
Total	$ -	$ 136,987	$ 15,000	$ 150,000	$ 5,648	$ 307,635

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 unrestrieted 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, 2014, 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, 2014 follow:

Fiscal Year	Prineipal	Interest	Total
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	$ 71,368	$ 23,671	$ 95,039

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, 2014 follow:

Year	Principal	Interest	Total
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	$ 490,523	$ 89,242	$ 579,765

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, 2014 follow:

Year	Principal	Interest	Total
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	$ 1,629,786	$ 363,930	$ 1,993,716

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, 2014 follow:

Year	Principal	Interest	Total
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	$ 1,060,806	$ 377,906	$ 1,438,712

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, 2014:

	Outstanding 01/01/2014	Additions	Reductions	Outstanding 12/31/2013	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - 2002-L223WQ	$ 75,684	$ -	$ 4,316	$ 71,368	$ 4,508	$ 66,860
GEFA loan - D2W00-023	526,662	-	36,139	490,523	37,235	453,288
GEFA loan - 2002-L22WS	1,764,923	-	135,137	1,629,786	141,115	1,488,671
GEFA loan - 2010-L06WJ	1,104,942	-	44,135	1,060,807	45,847	1,014,960
Total Business-Type Activities	$ 3,472,211	$ -	$ 219,727	$ 3,252,484	$ 228,705	$ 3,023,779

The City's GEFA loans payable are 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:

Retired participants and beneficiaries	57
Vested former participants	23
Active employees	77
Aetive elected officials	3
Total membership	160

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 10.20% of annual covered payroll.

Annual Pension Cost - For 2014, the City's annual pension cost of $303,927 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%	-
2014	303,927	303,927	100%	-

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

07/01/2013	$ 4,643,341	$ 5,647,508	82.2%	$ 1,004,167	$ 2,909,241	34.5%
07/01/2014	$ 5,007,855	$ 5,870,160	85.3%	$ 862,305	$ 2,928,145	29.4%

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, 2014
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	$ 67,090

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

Nonmajor Governmental Funds:	
Capital projects	$ (158,104)
Public safety	7,088
Transportation	75,685
Economic Developoment	343,675
Total	$ 268,344
Major Capital Projects Funds:	
Capital projects - 2009 SPLOST	$ 448,587
Capital projects - 2014 SPLOST	109,028
Total	$ 557,615

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

Unassigned	$ 503,769

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, 2014 are as follows:

Net investment in capital assets:	Governmental Activities	Type Activities
Cost of capital assets	$ 13,054,066	$ 27,677,594
Less accumulated depreciation	4,222,974	17,696,299
Book value	8,831,092	9,981,295
Less capital related debt	-	3,252,484
Net investment in capital assets	$ 8,831,092	$ 6,728,811

Note 4 - Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 preseribed 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, 2014. 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, 2014 follows:

Fund balance, December 31, 2013	$ 336,773
Add hotel/motel taxes and misc.	36,049
Less:	
Expenditures	13,762
Transfers to general fund	15,000
Fund balance,December 31, 2014	$ 344,060

Expenditures of $13,762 (38% of 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 $60,260,539 at December 31, 2014. 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 name 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 $6,187,121 at December 31, 2014. 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, 2014 were $1,089 and $1,614,030, respectively. 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 2014. 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 2014 was $809,695.

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 $803,174.

4-F. Defined Contribution Plan

The City has a defined contribution pension plan for all full-time employees, including elected officials, the Municipal Court Judge and the City Solicitor. Employees are eligible to participate in the plan immediately upon employment. Covered employees may contribute up to 25% of their base salary and the City matches 50% of the employee's contribution up to 3%. The City's contributions for each employee (and the interest allocated to the employee's account) immediately vest upon entry into the plan. Employee contributions to the plan were $66,686 and the City contributed $32,259 for the current fiscal year.

The City's defined contribution plan, City of Sandersville Defined Contribution Plan, was authorized by the City Council by passage of an ordinance and is administered by the City. The City Council originally established the contribution requirements, and it has the authority to amend contribution requirements if it deems appropriate. The City makes deposits into a money purchase pension trust fund which is managed by MetLife, an investment management company.

City of Sandersville, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 3,644,042	$ 3,524,441	$ 3,555,175	$ 30,734
Licenses and permits	138,800	169,634	177,063	7,429
Intergovernmental	280,950	596,724	603,681	6,957
Charges for services	59,480	59,480	64,236	4,756
Fines and forfeitures	132,000	132,000	133,827	1,827
Miscellaneous	9,810	49,891	94,456	44,565
Total Revenues	4,265,082	4,532,170	4,628,438	96,268
Expenditures				
Current:				
General government	807,196	849,131	839,247	9,884
Municipal Court	112,793	153,285	125,884	27,401
Public safety	2,092,071	2,197,168	2,185,867	11,301
Public works	1,077,542	1,257,517	1,210,177	47,340
Health and welfare	35,150	35,150	35,150	-
Culture and recreation	46,897	46,897	45,897	1,000
Housing and development	242,455	276,251	276,700	(449)
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,414,104	4,815,399	4,718,922	96,477
Excess (Deficiency) of Revenues Over (Under) Expenditures	(149,022)	(283,229)	(90,484)	192,745
Other Financing Sources (Uses)				
Proceeds from the disposition of capital assets	-	-	-	-
Transfers in	165,000	264,224	165,000	(99,224)
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	165,000	264,224	165,000	(99,224)
Net Change in Fund Balances	$ 15,978	$ (19,005)	74,516	$ 93,521
Fund Balances Beginning of Year			496,343	
Fund Balances End of Year			$ 570,859	

City of Sandersville, Georgia
Retirement Plan
Required Supplementary Information
December 31, 2014

Schedule of Fnnding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Acerued 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%
January 1, 2014	5,007,855	5,870,160	862,305	85.3%	2,928,145	29.4%

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 345,371	$ 134,327	$ 479,698
Receivables:			
Sales taxes	-	14,300	14,300
Hotel/motel taxes	5,777	-	5,777
Intergovernmental	-	-	-
Total Assets	$ 351,148	$ 148,627	$ 499,775
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ -	$ -	$ -
Interfund payable	155,819	6,797	162,616
Unearned revenue	-	68,815	68,815
Total Liabilities	155,819	75,612	231,431
Fund Balances			
Restricted	195,329	73,015	268,344
Total Fund Balances	195,329	73,015	268,344
Total Liabilities and Fund Balances	$ 351,148	$ 148,627	$ 499,775

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, 2014

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Hotel/motel taxes	$ 35,993	$ -	$ 35,993
Sales taxes	-	152,902	152,902
Intergovernmental	159,626	440,739	600,365
Fines and forfeitures	2,137	-	2,137
Investment earnings	56	-	56
Total Revenues	197,812	593,641	791,453
Expenditures			
Current:			
Public safety	142	-	142
Public works	-	245,585	245,585
Health and welfare	-	151,145	151,145
Housing and development	13,762	-	13,762
Capital Outlay	315,445	224,911	540,356
Total Expenditures	329,349	621,641	950,990
Excess of Revenues Over Expenditures	(131,537)	(28,000)	(159,537)
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	(15,000)	-	(15,000)
Total Other Financing Sources (Uses)	(15,000)	-	(15,000)
Net Change in Fund Balances	(146,537)	(28,000)	(174,537)
Fund Balances (Deficits) Beginning of Year	341,866	101,015	442,881
Fund Balances End of Year	$ 195,329	$ 73,015	$ 268,344

City of Sandersville, Georgia
General Fund
Comparative Balance Sheet
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ (42,197)	$ 239,603
Receivables (net, where applicable):		
Property taxes	-	2,301
Sales taxes	-	79,134
Accounts	104,204	61,189
Interfund	375,194	102,209
Intergovernmental	76,265	-
Inventories	67,090	51,294
Total Assets	$ 580,556	$ 535,730
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 6,557	$ 4,796
Accrued expenditures	-	2,439
Unearned revenue	-	29,054
Interfund payable	797	797
Total Liabilities	7,354	37,086
Deferred Inflows of Resources - Property Taxes	2,343	2,301
Total Liabilities and Deferred Inflows of Resources	9,697	39,387
Fund Balances		
Nonspendable	67,090	51,294
Unassigned	503,769	445,049
Total Fund Balances	570,859	496,343
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 580,556	$ 535,730

City of Sandersville, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2014 and 2013

	2014	2013
Revenues		
Taxes	$ 3,555,175	$ 3,513,561
Licenses and permits	177,063	116,409
Intergovernmental	603,681	283,157
Charges for services	64,236	63,602
Fines and forfeitures	133,827	100,277
Miscellaneous	94,456	15,317
Total Revenues	4,628,438	4,092,323
Expenditures		
Current:		
General government	839,247	801,139
Municipal Court	125,884	113,227
Public safety	2,185,867	2,090,631
Public works	1,210,177	1,009,312
Health and welfare	35,150	35,150
Culture and recreation	45,897	46,527
Housing and development	276,700	302,677
Debt Service:		
Interest and fiscal charges	-	2,885
Total Expenditures	4,718,922	4,401,548
Deficieney of Revenues (Under) Expenditures	(90,484)	(309,225)
Other Financing Sources (Uses)		
Proceeds from the disposition of capital assets	-	100,661
Transfers in	165,000	166,766
Transfers out	-	(22,637)
Total Other Financing Sources (Uses)	165,000	244,790
Net Change in Fund Balances	74,516	(64,435)
Fund Balances Beginning of Year	496,343	560,778
Fund Balances End of Year	$ 570,859	$ 496,343

City of Sandersville, Georgia

Schedule of Revenues - Budget and Actual - General Fund

For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Real and personal property taxes				
General property tax - current	$ 930,000	$ 896,099	$ 905,296	$ 9,197
General property tax - delinquent	3,000	3,000	74	(2,926)
Motor vehicle property tax - current	96,000	59,175	59,178	3
Motor vehicle title adv tax	90,000	41,125	98,995	57,870
Mobile home - personal property	3,800	3,800	3,961	161
Public utility taxes	31,812	31,812	33,113	1,301
Real estate transfer taxes	1,000	1,000	1,621	621
Intangible taxes	4,200	4,200	3,992	(208)
Other	-	-	-	-
Penalties and interest on taxes	17,800	17,800	9,731	(8,069)
Total real and personal property taxes	1,177,612	1,058,011	1,115,961	57,950
Selective taxes:				
Sales tax	950,000	950,000	920,396	(29,604)
Franchise tax	1,111,430	1,111,430	1,063,692	(47,738)
Alcoholic beverage tax	130,000	130,000	136,264	6,264
Insurance premium tax	275,000	275,000	318,862	43,862
Total selcetive taxes	2,466,430	2,466,430	2,439,214	(27,216)
Licenses and permits:				
Alcoholic beverages	27,000	27,000	23,325	(3,675)
General business license	32,000	32,000	30,831	(1,169)
General business license - insurance	11,000	11,000	14,475	3,475
Financial institutions	44,000	44,000	43,892	(108)
Building structure and equipment permit	20,000	50,834	51,009	175
Permits	3,550	3,550	7,348	3,798
Other	700	700	5,667	4,967
Business license penalties	550	550	516	(34)
Total licenses and permits:	138,800	169,634	177,063	7,429
Intergovernmental				
Department of Justice	-	-	-	-
FEMA/GEMA emergency grant funds	-	300,481	310,459	9,978
GMA health grant	8,000	8,000	8,000	-
GMA safety liability grant	8,000	17,978	11,957	(6,021)
County reimbursement - public safety	21,703	21,703	21,856	153
County reimbursement - animal control	91,322	96,637	99,484	2,847
County development authority	146,160	146,160	146,160	-
Housing authority - payments in lieu of taxes	5,765	5,765	5,765	-
Total intergovernmental	280,950	596,724	603,681	6,957
Fines and forfeitures:				
Court fines	132,000	132,000	133,827	1,827
Charges for services:				
Animal control	6,100	6,100	7,846	1,746
Public safety	47,380	47,380	48,790	1,410
Sale of cemetery lots	6,000	6,000	7,600	1,600
Total charges for services:	59,480	59,480	64,236	4,756
Miscellaneous:				
Miscellaneous	9,810	49,891	94,456	44,565
Total revenues	4,265,082	4,532,170	4,628,438	96,268
Other financing sources:				
Transfers in	165,000	264,224	165,000	(99,224)
Proceeds from the disposition of capital assets	-	-	-	-
Total revenues and other financing sources	$ 4,430,082	$ 4,796,394	$ 4,793,438	$ (2,956)

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Varianee With Final Budget
General government				
Governing body:				
Personal services	$ 81,314	$ 81,314	$ 74,504	$ 6,810
Purchased services	52,234	52,234	48,264	3,970
Supplies	1,200	1,200	4,067	(2,867)
Miscellaneous	1,026	1,026	368	658
		-		
Total governing body	135,774	135,774	127,203	8,571
General administration				
Personal services	533,267	551,267	534,918	16,349
Purchased services	114,443	138,378	152,586	(14,208)
Supplies	13,200	13,200	14,630	(1,430)
Miscellaneous	1,000	1,000	3,998	(2,998)
Capital Outlays	800	800	-	800
Total general administration	662,710	704,645	706,132	(1,487)
General administration fees:				
Miscellaneous	8,712	8,712	5,912	2,800
Total general government	807,196	849,131	839,247	9,884
Municipal court				
Personal services	92,983	92,983	76,257	16,726
Purchased services	19,310	59,802	48,810	10,992
Supplies	400	400	353	47
Miscellaneous	100	100	464	(364)
Total municipal court	112,793	153,285	125,884	27,401
Public safety:				
Police:				
Personal services	1,129,673	1,164,673	1,147,833	16,840
Purchased services	93,452	132,872	144,390	(11,518)
Supplies	83,000	86,386	83,761	2,625
Miscellaneous	2,129	2,129	6,765	(4,636)
Capital outlay	2,400	10,398	7,998	2,400
Total police	1,310,654	1,396,458	1,390,747	5,711
Total carried forward	2,230,643	2,398,874	2,355,878	42,996

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 2,230,643	$ 2,398,874	$ 2,355,878	$ 42,996
Fire:				
Personal services	473,914	485,914	471,798	14,116
Purchased services	30,808	30,808	43,769	(12,961)
Supplies	22,800	24,778	23,373	1,405
Miscellaneous	6,100	6,100	3,940	2,160
Capital outlay	1,000	1,000	5,957	(4,957)
Total fire	534,622	548,600	548,837	(237)
Animal control:				
Personal services	119,836	119,836	118,986	850
Purchased services	12,884	18,199	13,578	4,621
Supplies	8,400	8,400	8,744	(344)
Miscellaneous	700	700	-	700
Capital outlay	-	-	-	-
Total animal control	141,820	147,135	141,308	5,827
EMA/E-911 Fee	104,975	104,975	104,975	-
Total public safety	2,092,071	2,197,168	2,185,867	11,301
Public works:				
Public works - operations:				
Personal services	138,217	138,217	134,501	3,716
Purchased services	9,102	9,102	10,600	(1,498)
Supplies	6,000	6,000	4,297	1,703
Miscellaneous	500	500	613	(113)
Total - public works - operations	153,819	153,819	150,011	3,808
Street department				
Personal services	508,064	508,064	493,238	14,826
Purchased services	45,480	215,887	229,115	(13,228)
Supplies	78,300	78,300	60,083	18,217
Miscellaneous	2,718	2,718	3,910	(1,192)
Street repairs	35,000	35,000	12,788	22,212
Total street department	669,562	839,969	799,134	40,835
Total carried forward	3,835,441	4,193,372	4,100,143	93,229

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total brought forward	$ 3,835,441	$ 4,193,372	$ 4,100,143	$ 93,229
Fleet maintenance				
Personal services	86,011	86,011	84,799	1,212
Purchased services	4,344	7,294	5,478	1,816
Supplies	6,600	6,600	7,656	(1,056)
Miscellaneous	500	500	509	(9)
Capital Outlays	-	-	1,999	(1,999)
Total fleet maintenance	97,455	100,405	100,441	(36)
Parks and Cemetery				
Personal services	127,309	127,309	124,074	3,235
Purchased services	16,197	22,815	21,671	1,144
Supplies	12,700	12,700	13,829	(1,129)
Capital outlay	-	-	-	-
Miscellaneous	500	500	1,017	(517)
Total parks and cemetery	156,706	163,324	160,591	2,733
Total public works	1,077,542	1,257,517	1,210,177	47,340
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 nursery:				
Payments to Tree City	1,000	1,000	-	1,000
Libraries:				
Payment to Rosa M. Tarbutton Library	44,187	44,187	44,187	-
Total culture and recreation	46,897	46,897	45,897	1,000
Total carried forward	4,171,649	4,539,148	4,442,222	96,926

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	4,171,649	4,539,148	4,442,222	96,926
Housing and development:				
Planning and zoning				
Personal services	92,346	92,346	93,204	(858)
Purchased services	12,411	40,405	40,399	6
Supplies	5,100	5,100	4,917	183
Capital outlay	500	500	579	(79)
Miscellaneous	500	500	-	500
Total planning and zoning	110,857	138,851	139,099	(248)
Economic development and assistance				
UGA Archway	15,000	15,000	15,000	-
Historical society	15,000	15,000	15,000	-
Industrial park	-	-	-	-
Downtown development authority	6,000	6,000	6,000	-
Downtown tourism	-	-	-	-
Public facilities authority	46,598	52,400	52,601	(201)
Payment to WACO airport	19,000	19,000	19,000	-
Payment to WACO chamber of commerce	30,000	30,000	30,000	-
Sherman's trail promotion	-	-	-	-
Total economic development and assistance	131,598	137,400	137,601	(201)
Total housing and development	242,455	276,251	276,700	(449)
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	4,414,104	4,815,399	4,718,922	96,477
Other financing Uses:				
Transfers out	-	-	-	-
Total Expenditures and Transfers	$ 4,414,104	$ 4,815,399	$ 4,718,922	$ 96,477

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Hotel-Motel Tax	Confiscated Assets	TE Grant	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	$ 338,283	$ 7,088	$ -	$ 345,371
Taxes receivable	5,777	-	-	5,777
Total Assets	$ 344,060	$ 7,088	$ -	$ 351,148
Liabilities				
Interfund payables	-	-	155,819	155,819
Fund Balances				
Restricted	$ 344,060	$ 7,088	$ (155,819)	$ 195,329
Total Liabilities and Fund Balances	$ 344,060	$ 7,088	$ -	$ 351,148

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Hotel-Motel Tax	Confiscated Assets	TE Grant	Total Nonmajor Special Revenne Funds
Revenues				
Taxes	$ 35,993	$ -	$ -	$ 35,993
Fines and forfeitures	-	2,137	-	2,137
Intergovernmental	-	-	159,626	159,626
Miscellaneous	56	-	-	56
Total Revenues	36,049	2,137	159,626	197,812
Expenditures				
Current:				
Public safety	-	142	-	142
Housing and development	13,762	-	-	13,762
Capital Outlay	-	-	315,445	315,445
Total Expenditures	13,762	142	315,445	329,349
Exeess of Revenues Over Expenditures	22,287	1,995	(155,819)	(131,537)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(15,000)	-	-	(15,000)
Net Change in Fund Balances	7,287	1,995	(155,819)	(146,537)
Fund Balances Beginning of Year	336,773	5,093	-	341,866
Fund Balances End of Year	$ 344,060	$ 7,088	$ (155,819)	$ 195,329

City of Sandersville, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 338,283	$ 329,815
Hotel/motel taxes receivable	5,777	6,958
Total Assets	$ 344,060	$ 336,773
Fund Balances		
Restricted for housing and development	$ 344,060	$ 336,773

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, 2014

(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 33,900	$ 33,900	$ 35,993	$ 2,093	$ 36,789
Miscellaneous	-	-	56	56	38
Total Revenues	33,900	33,900	36,049	2,149	36,827
Expenditures					
Current:					
Housing and development	13,309	13,975	13,762	213	11,400
Excess of Revenues Over Expenditures	20,591	19,925	22,287	2,362	25,427
Other Financing (Uses)					
Transfers out	(15,000)	(15,000)	(15,000)	-	(15,000)
Net Change in Fund Balances	$ 5,591	$ 4,925	7,287	$ 2,362	10,427
Fund Balances Beginning of Year			336,773		326,346
Fund Balances End of Year			$ 344,060		$ 336,773

City of Sandersville, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2014

	2014	2013
Assets		
Cash and cash equivalents	$ 7,088	$ 5,093
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Fund Balances		
Restricted for public safety	7,088	5,093
Total Liabilities and Fund Balances	$ 7,088	$ 5,093

City of Sandersville, Georgia

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

Confiscated Assets Fund

For the Year Ended December 31, 2014

(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Fines and forfeitures	$ 500	$ 2,137	$ 2,137	$ -	$ 7,529
Miscellaneous	-	-	-	-	-
Total Revenues	500	2,137	2,137	-	7,529
Expenditures					
Current:					
Public Safety	-	142	142	-	4,477
Capital Outlay	-	-	-	-	-
Total Expenditures	-	142	142	-	4,477
Excess (Deficiency) of Revenues Over (Under) Expenditures	500	1,995	1,995	-	3,052
Other Financing Uses					
Transfers Out	-	-	-	-	-
Net Change in Fund Balances	$ 500	$ 1,995	1,995	$ -	3,052
Fund Balances Beginning of Year			5,093		2,041
Fund Balances End of Year			$ 7,088		$ 5,093

City of Sandersville, Georgia
Comparative Balance Sheet
TE Grant Fund
December 31, 2014 and 2013

	2014	2013
Liability		
Interfund payable	$ 155,819	$ -
Fund Balances		
Restricted for capital projects	$ (155,819)	$ -

City of Sandersville, Georgia

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

TE Grant Fund

For the Year Ended December 31, 2014

(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014				2013
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Intergovernmental	$ 433,724	$ 433,724	$ 159,626	$ (274,098)	$ -
Expenditures					
Capital Outlay	442,021	442,021	315,445	126,576	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,297)	(8,297)	(155,819)	(147,522)	-
Other Financing Sources					
Transfers in	8,297	8,297	-	(8,297)	15,826
Net Change in Fund Balances	$ -	$ -	(155,819)	$ (155,819)	15,826
Fund Balances Beginning of Year			-		(15,826)
Fund Balances End of Year			$ (155,819)		$ -

City of Sandersville, Georgia
Comparative Balance Sheet
2005 SPLOST Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ -	$ 312,860
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 7,964
Interfund payable	-	46,987
Total Liabilities	-	54,951
Fund Balances		
Restricted for capital	-	257,909
Liabilities and Fund Balances	$ -	$ 312,860

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2005 SPLOST Fund
For the Fiscal Years Ended December 31, 2014 and 2013

	2014	2013
Expenditures		
Current:		
General government	$ -	$ -
Public works	-	2,018
Capital Outlay	394,896	175,648
Total Expenditures	394,896	177,666
Other Financing Sources		
Transfers in	136,987	-
Net Change in Fund Balances	257,909	177,666
Fund Balances Beginning of Year	257,909	435,575
Fund Balanees End of Year	$ -	$ 257,909

City of Sandersville, Georgia
Comparative Balance Sheet
2009 SPLOST Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 618,420	$ 935,860
Receivables:		
Sales taxes	-	103,983
Intergovernmental	-	-
Interfund	-	34,709
Total Assets	$ 618,420	$ 1,074,552
Total Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 15,044	$ 4,193
Interfund payable	154,789	-
Total Liabilities	$ 169,833	$ 4,193
Fund Balances		
Restricted for capital	448,587	1,070,359
Total Liabilities and Fund Balances	$ 618,420	$ 1,074,552

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures
and Changes in Fund Balances
2009 SPLOST Fund
For the Fiscal Years Ended December 31, 2014 and 2013

	2014	2013
Revenues		
Sales taxes	$ -	$ 437,264
Intergovernmental	291,586	30,000
Total Revenues	291,586	467,264
Expenditures		
Current:		
General government	150,300	150,300
Public works	4,480	6,005
Housing and development	350	29,524
Capital Outlay	621,241	202,082
Total Expenditures	776,371	387,911
Excess of Revenues Over Expenditures	(484,785)	79,353
Other Financing Sources		
Transfers out	(136,987)	-
Net Change in Fund Balances	(621,772)	79,353
Fund Balances Beginning of Year	1,070,359	991,006
Fund Balances End of Year	$ 448,587	$ 1,070,359

City of Sandersville, Georgia
Comparative Balance Sheet
2013 SPLOST Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 38,304	$ -
Receivables:		
Intergovernmental	71,942	
Total Assets	$ 110,246	$ -
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	1,218	-
Total Liabilities	1,218	-
Fund Balances		
Restricted for capital	109,028	-
Liabilities and Fund Balances	$ 110,246	$ -

City of Sandersville, Georgia
Comparative Statement of Expenditures
and Changes in Fund Balances
2013 SPLOST Fund
For the Fiscal Years Ended December 31, 2014 and 2013

	2014	2013
Revenues		
Intergovernmental	$ 109,028	$ -
Expenditures		
Current:		
General government	$ -	$ -
Public works	-	-
Capital Outlay	-	-
Total Expenditures	-	-
Exeess (Deficieney) of Revenues Over (Under) Expenditures	109,028	-
Other Financing Sourees		
Transfers in	-	-
Net Change in Fund Balanees	109,028	-
Fund Balances Begiuning of Year	-	-
Fund Balances End of Year	$ 109,028	$ -

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	T-SPLOST Fund	CDBG 2012	CDBG CHIP 2009	CHIP 2014	Total Nonmajor Capital Projects Funds
Assets					
Cash and cash equivalents	$ 130,200	$ 4,105	$ 22	$ -	$ 134,327
Receivables:					
Intergovernmental	-	-	-	-	-
Sales taxes	14,300	-	-	-	14,300
Total Assets	$ 144,500	$ 4,105	$ 22	$ -	$ 148,627
Liabilities					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Interfund payable	-	5,518	894	385	6,797
Unearned revenue	68,815	-	-	-	68,815
Total Liabilities	68,815	5,518	894	385	75,612
Fund Balances					
Restricted for transportation	75,685	-	-	-	75,685
Restricted for housing and development	-	(1,413)	(872)	(385)	(2,670)
Total Liabilities and Fund Balances	$ 144,500	$ 4,105	$ 22	$ -	$ 148,627

City of Sandersville, Georgia

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Projects Funds

For the Year Ended December 31, 2014

	T-SPLOST	CDBG 2012	CDBG CHIP 2009	CHIP 2014	Total Nonmajor Capital Projects Funds
Revenues:					
Sales taxes	$ 152,902	$ -	$ -	$ -	$ 152,902
Intergovernmental	68,548	367,531	4,660	-	440,739
Total Revenues	221,450	367,531	4,660	-	593,641
Expenditures					
Current:					
Public works	245,585	-	-	-	245,585
Housing and development	-	150,760	-	385	151,145
Capital Outlay	-	219,357	5,554	-	224,911
Total Expenditures	245,585	370,117	5,554	385	621,641
Excess of Revenues Over Expenditures	(24,135)	(2,586)	(894)	(385)	(28,000)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-
Net Change in Fund Balances	(24,135)	(2,586)	(894)	(385)	(28,000)
Fund Balances Beginning of Year	99,820	1,173	22	-	101,015
Fund Balances End of Year	$ 75,685	$ (1,413)	$ (872)	$ (385)	$ 73,015

City of Sandersville, Georgia
Comparative Balance Sheet
T-SPLOST Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 130,200	$ 154,238
Intergovernmental receivable	14,300	14,130
Total Assets	$ 144,500	$ 168,368
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Unearned revenue	68,815	68,548
Total Liabilities	68,815	68,548
Fund Balances		
Restricted for transportation	75,685	99,820
Total Fund Balances	75,685	99,820
Total Liabilities and Fund Balances	$ 144,500	$ 168,368

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
T-SPLOST Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014	2013
Revenues:		
Sales Tax	$ 152,902	$ 139,074
Intergovernmental revenue	68,548	63,843
Total Revenues	221,450	202,917
Expenditures		
Public works	245,585	103,097
Capital Outlays	-	-
Total Expenditures	245,585	103,097
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,135)	99,820
Fund Balances Beginning of Year	99,820	-
Fund Balances End of Year	$ 75,685	$ 99,820

City of Sandersville, Georgia
Comparative Balance Sheet
CDBG 2012 Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 4,105	$ -
Intergovernmental receivable	-	32,937
Total Assets	$ 4,105	$ 32,937
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ 11,156
Interfund payable	5,518	20,608
Total Liabilities	5,518	31,764
Fund Balances		
Restricted for housing and development	-	1,173
Restricted for capital projects	(1,413)	-
Total Fund Balances	(1,413)	1,173
Total Liabilities and Fund Balances	$ 4,105	$ 32,937

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
CDBG 2012 Fund
For the Year Ended December 31, 2014
(With Comparative Actual Amounts for the Year Ended December 31, 2013)

	2014	2013
Revenues:		
Intergovernmental revenue	$ 367,531	$ 32,937
Expenditures		
Housing and development	150,760	31,740
Capital Outlays	219,357	-
Total Expenditures	370,117	31,740
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,586)	1,197
Fund Balances Beginniug of Year	1,173	(24)
Fund Balances End of Year	$ (1,413)	$ 1,173

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2009 Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ 22	$ 22
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 894	$ -
Fund Balances		
Restricted	(872)	22
Unassigned (deficit)	-	-
Total Fund Balanees	(872)	22
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, 2014 and 2013

	2014	2013
Revenues:		
Intergovernmental revenue	$ 4,660	$ 20,716
Expenditures		
Housing and Development	5,554	3,411
Excess (Deficiency) of Revenues Over (Under) Expenditures	(894)	17,305
Other Financing Sources		
Transfer in	-	6,811
Net Change in Fund Balances	(894)	24,116
Fund Balances Beginning of Year	22	(24,094)
Fund Balances End of Year	$ (872)	$ 22

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2014 Fund
December 31, 2014 and 2013

	2014	2013
Assets		
Cash and cash equivalents	$ -	$ -
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 385	$ -
Fund Balances		
Restrieted	(385)	-
Unassigned (deficit)	-	-
Total Fund Balances	(385)	-
Total Liabilities and Fund Balances	$ -	$ -

City of Sandersville, Georgia

Comparative Statement of Revenues, Expenditures and Changes in Fund Balances

CHIP 2014 Fund

For the Years Ended December 31, 2014 and 2013

	2014	2013
Revenues:		
Intergovernmental revenue	$ -	$ -
Expenditures:		
Housing and development	385	-
Excess (Deficieney) of Revenues Over (Under) Expenditures	(385)	-
Other Financing Sources		
Transfer in	-	-
Net Change in Fund Balances	(385)	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ (385)	$ -

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
December 31, 2014 and 2013

Assets	2014	2013
Current Assets:		
Cash and cash equivalents	$ 2,282,250	$ 2,789,796
Investments	682,945	682,033
Receivable:		
Accounts (net)	147,555	147,657
Interfund	119,977	119,977
Due from FEMA	11,295	-
Inventories	138,128	73,645
Total Current Assets	3,382,150	3,813,108
Noneurrent Assets:		
Unamortized bond issuance costs	-	-
Capital assets:		
Nondepreciable	181,497	214,580
Depreciable, net	7,774,004	7,340,780
Total Noneurrent Assets	7,955,501	7,555,360
Total Assets	11,337,651	11,368,468
Liabilities		
Current Liabilities:		
Accounts payable	7,703	125
Accrued expenses payable	-	374
GEFA loans payable	228,705	219,732
Customer deposits held	5,648	-
Total Curreut Liabilities	242,056	220,231
Long-term Liabilities (net of eurrent portion):		
GEFA loans payable	3,023,779	3,252,478
Total Liabilities	3,265,835	3,472,709
Net Positiou		
Net investment in capital assets	4,703,017	4,083,150
Restricted for inventory	138,128	-
Unrestricted	3,230,672	3,812,609
Total Net Position	$ 8,071,817	$ 7,895,759

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, 2014 and 2013

	2014	2013
Operating Revenues		
Charges for services	$ 1,991,328	$ 1,717,475
Miscellaneous	29,864	38,475
Total Operating Revenues	2,021,192	1,755,950
Operating Expenses		
Personal services - salaries	416,424	367,244
Personal services - benefits	155,744	156,703
Purchased services	440,330	328,193
Materials and supplies	169,613	179,040
Miscellaneous	12,060	15,850
Depreciation	492,884	502,004
Total Operating Expenses	1,687,055	1,549,034
Operating Income	334,137	206,916
Non-Operating Revenues (Expenses)		
Investment earnings	912	883
Federal Grant	31,695	-
Interest and fiscal charges	(134,039)	(142,657)
Total Non-Operating Revenues (Expenses)	(101,432)	(141,774)
Income Before Contributions and Transfers In (Out)	232,705	65,142
Contributions	99,001	89,755
Transfer In	-	5,148
Transfers Out	(155,648)	(150,000)
Change in Net Position	176,058	10,045
Net Position Beginning of Year	7,895,759	7,885,714
Net Position End of Year	$ 8,071,817	$ 7,895,759

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2014 and 2013

	2014	2013
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 2,021,294	$ 1,730,932
Cash payments to employees for services	(572,168)	(523,947)
Cash payments for goods and services	(667,932)	(525,452)
Net Cash Provided by (Used in) Operating Activities	781,194	681,533
Cash Flows from Noncapital Financing Activities		
Operating grants received	20,400	-
Interfund receivable	-	-
Transfers in	-	5,148
Transfers out	(155,648)	(150,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	(135,248)	(144,852)
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	89,755
Principal paid on GEFA notes	(219,727)	(211,110)
Interest paid on notes	(134,039)	(142,657)
Acquisition of capital assets	(799,726)	(113,594)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(1,153,492)	(377,606)
Cash Flows from Investing Activities		
Investment earnings	912	883
Net Increase (Decrease) in Cash and Cash Equivalents	(506,634)	159,958
Cash and Cash Equivalents Beginning of Year	3,471,829	3,311,871
Cash and Cash Equivalents End of Year	$ 2,965,195	$ 3,471,829
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 2,282,250	$ 2,789,796
Investments	682,945	682,033
Total Cash and Cash Equivalents	$ 2,965,195	$ 3,471,829

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2014 and 2013

(continued)

	2014	2013
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 334,137	$ 206,916
Adjustments:		
Depreciation and amortization	492,884	502,004
Loss on sale of capital assets	5,702	-
(Increase) Decrease in Assets:		
Accounts receivable	102	(25,018)
Inventories	(64,483)	(2,868)
Increase (Decrease) in Liabilities:		
Accounts payable	7,578	125
Accrued expenses payable	(374)	374
Customer deposits payable	5,648	-
Net Cash Provided by (Used in) Operating Activities	$ 781,194	$ 681,533

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Electrical Fund
December 31, 2014 and 2013

Assets	**2014**	**2013**
Current Assets:		
Cash and cash equivalents	$ 844,001	$ 1,118,917
Investments	10,204,445	10,054,182
Receivable:		
Accounts (net)	906,890	729,632
Interfund	154,422	154,422
Inventories	552,524	531,419
Total Current Assets	12,662,282	12,588,572
Noncurrent Assets:		
Capital assets:		
Nondepreciable	53,621	53,621
Deprcciable, net	1,438,358	1,434,017
Total Noncurrent Assets	1,491,979	1,487,638
Total Assets	14,154,261	14,076,210
Liabilities		
Current Liabilities:		
Aceounts payable	842,293	758,155
Accrued expenses payable	-	723
Sales tax payable	106,641	35,796
Interfund payable	119,977	119,977
Customer deposits payable	284,946	263,113
Total Current Liabilities	1,353,857	1,177,764
Net Position		
Investment in capital assets	1,491,979	1,487,638
Restrieted for inventory	552,524	-
Unrestricted	10,755,901	11,410,808
Total Net Position	$ 12,800,404	$ 12,898,446

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, 2014 and 2013

	2014	2013
Operating Revenues		
Charges for services	$ 10,838,682	$ 9,903,179
Miscellaneous	91,219	53,550
Total Operating Revenues	10,929,901	9,956,729
Operating Expenses		
Personal services - salaries	448,849	439,972
Personal services - benefits	135,891	152,043
Eleetricity purchased	9,689,076	9,418,632
Purchased services	391,233	250,477
Franchise fee	436,502	351,262
Materials and supplies	71,166	45,255
Miscellaneous	46,854	23,413
Depreeiation	146,314	157,962
Total Operating Expenses	11,365,885	10,839,016
Operating (Loss)	(435,984)	(882,287)
Non-Operating Revenues (Expenses)		
Investment earnings (loss)	84,339	(23,535)
Change in fair market value of investments	65,924	-
Interest and fiscal charges	-	(373)
Federal Grant	88,830	-
Total Non-Operating Revenues (Expenses)	239,093	(23,908)
Income (Loss) Before Contributions and Transfers In (Out)	(196,891)	(906,195)
Contributions	93,201	9,720
Trausfers In	5,648	(5,148)
Change in Net Position	(98,042)	(901,623)
Net Position Beginning of Year	12,898,446	13,800,069
Net Position End of Year	$ 12,800,404	$ 12,898,446

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2014 and 2013

	2014	2013
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 10,752,643	$ 9,924,734
Cash payments to employees for services	(584,740)	(592,015)
Cash payments for goods and services	(10,471,757)	(9,994,040)
Net Cash Provided by (Used in) Operating Activities	(303,854)	(661,321)
Cash Flows from Noncapital Financing Aetivities		
Operating grauts received	88,830	-
Interfund reeeivable	-	(5,305)
Interfund payable	-	-
Transfers in	5,648	(5,148)
Net Cash Provided by (Used in) Noncapital Financing Aetivities	94,478	(10,453)
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	9,720
Interest paid	-	(373)
Acquisition of capital assets	(65,540)	(129,067)
Net Cash Provided by (Used in) Capital and Related Finaneing Activities	(65,540)	(119,720)
Cash Flows from Investing Activities		
Investment earnings (loss)	(60,561)	(23,535)
Interest and dividend income	84,339	-
Net (purchase) sale of investnents	(I8,415)	463,802
Cash Flows from Investing Activities	5,363	440,267
Net Inerease (Decrease) in Cash and Cash Equivalents	(269,553)	(351,227)
Cash and Cash Equivalents Beginning of Year	5,130,878	5,482,105
Cash and Cash Equivalents End of Year	$ 4,861,325	$ 5,130,878
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 844,001	$ 1,118,917
Investment in Georgia Fund I	4,017,324	4,011,961
Total Cash and Cash Equivalents	$ 4,861,325	$ 5,130,878

-

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2014 and 2013

(continued)

	2014	2013
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Aetivities		
Operating (Loss)	$ (435,984)	$ (882,287)
Adjustments:		
Depreciation	146,314	157,962
Loss on sale of capital assets	8,086	-
(Increase) Deerease in Assets:		
Accounts receivable	(177,258)	(1,942)
Inventories	(21,105)	8,592
Increase (Decrease) in Liabilities:		
Accounts payable	84,138	85,893
Accrued expenses payable	(723)	514
Sales tax payable	70,845	(573)
Customer deposits	21,833	(29,480)
Net Cash Provided by (Used iu) Operating Activities	$ (303,854)	$ (661,321)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Telecom Fund
December 31, 2014 and 2013

Assets	**2014**	**2013**
Current Assets:		
Cash and cash equivalents	$ 360,461	$ 288,660
Receivable:		
Accounts (net)	26,993	23,409
Interfund	797	797
Inventory	9,947	13,617
Total Current Assets	398,198	326,483
Noncurrent Assets:		
Capital assets:		
Depreciable, net	357,130	402,688
Total Assets	755,328	729,171
Liabilities		
Current Liabilities:		
Accounts payable	2,315	-
Accrued expenses payable	-	77
Customer deposits payable	50	100
Interfund payable	-	148,873
Total Current Liabilities	2,365	149,050
Long-term Liabilities (net of current portion):		
Due to electrical fund	148,873	-
Total Liabilities	151,238	149,050
Net Position		
Net investment in capital assets	357,130	402,688
Restricted for inventory	9,947	-
Unrestricted	237,013	177,433
Total Net Position	$ 604,090	$ 580,121

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, 2014 and 2013

	2014	2013
Operating Revenues		
Charges for services	$ 182,369	$ 147,025
Miscellaneous	17,406	20,642
Total Operating Revenues	199,775	167,667
Operating Expenses		
Personal services - salaries	48,581	46,192
Personal services - benefits	17,639	18,358
Franchise fee	8,261	7,071
Purchased services	44,340	70,794
Materials and supplies	6,483	27,922
Depreciation	46,553	61,972
Miscellaneous	3,949	274
Total Operating Expenses	175,806	232,583
Operating (Loss)	23,969	(64,916)
Transfers In	-	-
Change in Net Position	23,969	(64,916)
Net Position Beginning of Year	580,121	645,037
Net Position End of Year	$ 604,090	$ 580,121

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2014 and 2013

	2014	2013
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 196,191	$ 165,022
Cash payments to employees for serviees	(66,220)	(64,550)
Cash payments for goods and services	(58,170)	(107,084)
Net Cash Provided by (Used in) Operating Activities	71,801	(6,612)
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	-
Interfund payable	-	(5,305)
Transfers in	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	-	(5,305)
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	71,801	(11,917)
Cash and Cash Equivalents Beginning of Year	288,660	300,577
Cash and Cash Equivalents End of Year	$ 360,461	$ 288,660
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 360,461	$ 288,660

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2014 and 2013

(continued)

	2014	2013
Rcconciliation of Operating (Loss) to Net Cash Provided by (Uscd in) Operating Activities		
Operating (Loss)	$ 23,969	$ (64,916)
Adjustments:		
Depreciation	46,553	61,972
(Increase) Decrease in Assets:		
Accounts receivable	(3,584)	(545)
Invcntories	3,670	(370)
Increase (Decrease) in Liabilities:		
Aecounts payable	1,243	(730)
Accrued expenses payable	-	77
Customer deposits	(50)	(2,100)
Net Cash Provided by (Used in) Operating Activities	$ 71,801	$ (6,612)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
December 31, 2014 and 2013

Assets	**2014**	**2013**
Current Assets:		
Cash and eash equivalents	$ -	$ -
Due from FEMA	43,583	-
Accounts receivable (net)	102,207	62,365
Total Current Assets	145,790	62,365
Noncurrent Assets:		
Capital assets:		
Depreciable, net	176,685	75,295
Total Assets	322,475	137,660
Liabilities		
Current Liabilities:		
Accrued expenses payable	-	21
Current portion of notes payable	21,964	-
Interfund payable	62,120	74,872
Total Current Liabilities	84,084	74,893
Noncurrent Liabilities		
Notes Payable, net of current portion	95,686	-
Total Liabilities	179,770	-
Net Position		
Net investment in capital assets	59,035	75,295
Unrestricted	83,670	(12,528)
Total Net Position	$ 142,705	$ 62,767

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, 2014 and 2013

	2014	2013
Operating Revenues		
Charges for services	$ 840,597	$ 766,558
Miscellaneous	$ 3,889	$ -
Total Operating Revenues	844,486	766,558
Operating Expenses		
Personal services - salaries	45,519	55,341
Personal services - benefits	20,377	23,462
Purchased services	799,194	764,377
Materials and supplies	15,743	18,232
Depreciation	19,059	13,506
Miscellaneous	7,482	528
Total Operating Expenses	907,374	875,446
Operating (Loss)	(62,888)	(108,888)
Non-Operating Revenues		
Federal Grant	$ 142,826	$ -
Transfers In	-	-
Change in Net Position	79,938	(108,888)
Net Position Beginniug of Year	62,767	171,655
Net Position End of Year	$ 142,705	$ 62,767

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2014 and 2013

	2014	2013
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 804,644	$ 770,390
Cash payments to employees for services	(65,896)	(78,803)
Cash payments for goods and services	(822,439)	(783,116)
Net Cash Provided by (Used in) Operating Activities	(83,691)	(91,529)
Cash Flows from Noncapital Financing Activities		
Operating grants received	99,243	-
Interfund payable	(12,752)	69,323
Transfers in	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	86,491	69,323
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	(2,800)	-
Net Cash (Used in) Capital and Related Financing Activities	(2,800)	-
Net Increase (Decrease) in Cash and Cash Equivalents	-	(22,206)
Cash and Cash Equivalents Beginning of Year	-	22,206
Cash and Cash Equivalents End of Year	$ -	$ -
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ -	$ -

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2014 and 2013

(continued)

	2014	2013
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ (62,888)	$ (108,888)
Adjustments:		
Depreciation	19,059	13,506
(Increase) Decrease in Assets:		
Accounts receivable	(39,841)	3,832
Inerease (Deerease) iu Liabilities:		
Accounts payable	-	-
Accrued expenses payable	(21)	21
Net Cash Provided by (Used in) Operating Activities	$ (83,691)	$ (91,529)

CITY OF SANDERSVILLE, GEORGIA
SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL SALES TAX PROCEEDS
For the Year Ended December 31, 2014

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Years	Current Year	Total	
2005 Tax:						
Fire protection	$ 100,000	$ 520,119	$ 377,252	$ 142,867	$ 520,119	100.00%
Capital outlays:						
Water and sewer system equipment and upgrades	-	459,193	450,569	8,624	459,193	100.00%
General and administration equipment	-	510,433	374,225	136,208	510,433	100.00%
Police department vehicles and equipment	-	470,413	453,123	17,290	470,413	100.00%
Street department equipment	-	268,974	268,974	-	268,974	100.00%
Electrical fund equipment	-	495,703	405,796	89,907	495,703	100.00%
Telecom fund equipment	-	17,280	17,280	-	17,280	100.00%
Solid Waste fund equipment	-	80,822	80,822	-	80,822	100.00%
Economic development	-	412,926	412,926	-	412,926	100.00%
Transportation improvements		664,689	664,689	-	664,689	100.00%
2009 Tax:						
Fire protection	100,000	200,000	59,706	44,155	103,861	51.93%
Transportation improvements	600,000	600,000	12,005	303,176	315,181	52.30%
Economic development	400,000	700,000	370,422	150,300	520,722	74.39%
Capital outlays:						
Street department equipment	300,000	500,000	342,224	89,681	431,905	86.38%
Water and sewer system equipment and upgrades	700,000	700,000	68,380	6,860	75,240	10.75%
General and administration equipment	150,000	150,000	23,012	70,081	93,093	62.06%
Police department vehicles and equipment	500,000	500,000	141,008	108,824	249,832	49.97%
Electrical fund equipment	250,000	250,000	-	3,294	3,294	1.32%

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

To the Mayor and Council
City of 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, 2014, 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 June 30, 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 defeiencies 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 14-1.

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.

June 30, 2015
Sandersville, Georgia

CITY OF SANDERSVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

FINDINGS – FINANCIAL STATEMENT AUDIT

14-1 Budgetary

Condition

In the City's General Fund, actual expenditures exceeded budget appropriations in one 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.

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Mayor and Council
City of Sandersville, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Sandersville, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Sandersville, Georgia's major federal programs for the year ended December 31, 2014. The City of Sandersville, Georgia's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City of Sandersville, Georgia's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Sandersville, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City of Sandersville, Georgia complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the City of Sandersville, Georgia is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered the City of Sandersville, Georgia's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Sandersville, Georgia's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Wright & Wright, P.C.

June 30, 2015

Sandersville, Georgia

CITY OF SANDERSVILLE, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

Federal Grantor/Pass-through Grantor Program or Cluster Title	Federal CFDA Number	Pass-through Grant Number	Federal Expenditures
U.S. Department of Housing and Urban Development (HUD)			
Pass through from the Georgia Department of Community Affairs Community Development Block Grant	14.219		$ 372,192
U.S. Department of Homeland Security			
Disaster Grants-Public Assistance	97.036		520,250
Total Expenditures of Federal Awards			$ 892,442

CITY OF SANDERSVILLE, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended June 30, 2012

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the City of Sandersville, Georgia and is presented on the accrual basis of accounting. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this Schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

2. MEASUREMENT FOCUS

The determination of when an award is expended is based on when the activity related to the award occurred.

3. AMOUNT PROVIDED TO SUBRECIPENTS

Of the federal awards listed, the City had no major programs that provided amounts ot subrecipients.

CITY OF SANDERSVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2014

Section 1 – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:.....Unmodified
Internal control over financial reporting:
Material weakness(es) identified?.....No
Significant deficiency(ies) identified not considered to be material
Weaknesses?.....No

Noncompliance material to financial statements noted?.....No

Federal Awards

Internal control over major programs:
Material weakness(es) identified?.....No
Significant defieiency(ies) identified not considered to be material
Weaknesses?.....None reported

Type of auditor's report issued on compliance for major programs:.....Ummodified

Any audit findings disclosed that are required to be reported in accordance
With OMB Circular A-133, Section .510(a)?.....No

Identification of major programs:

Name of Federal Program or Cluster	CFDA#
Community Development Block Grants	14.219
Disaster Grants – Public Assistance	97.036

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

Auditee qualified as low-risk auditee?.....No

CITY OF SANDERSVILLE
"The Kaolin City"

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FAX 478-552-6006
www.sandersville.net

June 30, 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, 2014.

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, 2014:

Housing and development	$ 449

   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.

2. During December 31, 2014, the SPLOST Fund (2009) transferred $136,987 to SPLOST Fund (2005). This in violation of state law as SPLOST proceeds from different referendums should not be commingled. In the future, the Mayor and Council will more closely monitor the SPLOST proceeds and how they are spent.

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

Sincerely,

James W. Andrews, Mayor