CITY OF SANDERSVILLE, GEORGIA

FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

City of Sandersville, Georgia
Annual Financial Report
For The Year Ended December 31, 2015

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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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the budgetary comparison information on page 51 and pension plan information on page 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated June 30, 2016 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, 2016
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, 2015. 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 $29,529,202 (net position) for the fiscal year reported.

- Total net position is comprised of the following:

  (1) Net investment in capital assets, of $15,916,838 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 $1,956,940 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net position of $11,655,424 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 $1,306,487 this year. This compares to the prior year ending fund balance of $1,396,818 showing a decrease of $90,331 during the current year. Unassigned fund balance of -$16,775 at December 31, 2015 shows a $520,554 decrease from the prior year.

- At the end of the current fiscal year, unassigned fund balance for the general fund was $13,243 or .28% of total General Fund expenditures, as compared to 10.7% at December 31, 2014.

- 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 13 & 14 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 15 - 18 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 19 – 22 of this report.

Notes to the Basic Financial Statements

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

Required Supplementary Information

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

Supplementary Information

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

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

Financial Analysis of the City as a Whole

The City's net position at fiscal year-end is $31,654,655 as compared to $32,115,401 at December 31, 2014. The following table provides a summary of the City's net position:

Summary of Net Position

	Governmental Activities		Business-type Activities		Total		Percentage
	2015	2014	2015	2014	2015	2014	of Total
Assets:							
Current assets	$ 1,616,077	$ 1,489,577	$ 14,017,232	$ 16,257,450	$ 15,633,309	$ 17,747,027	45%
Capital assets	8,928,536	8,831,092	10,040,886	9,981,295	18,969,422	18,812,387	55%
Deferred outflows	174,712	-	-	-	174,912	-	1%
Total assets	10,719,325	10,320,669	24,058,118	26,238,745	34,777,643	36,559,414	100%
Liabilities:							
Current liabilities	307,078	90,416	623,453	1,500,284	930,531	1,590,700	18%
Long-term liabilities	1,427,664	-	2,796,498	3,119,445	4,224,162	3,119,445	80%
Deferred inflows	93,548	-	-	-	93,548	-	2%
Total liabilities	1,828,290	90,416	3,419,951	4,619,729	5,248,241	4,710,145	100%
Net position:							
Net investment in capital assets	8,928,536	8,831,092	6,988,302	6,611,162	15,916,838	15,442,254	54%
Restricted	1,323,262	893,049	633,678	700,599	1,956,940	1,593,648	7%
Unrestricted	(1,360,763)	506,112	13,016,188	14,307,255	11,655,424	14,813,367	39%
Total net position	$ 8,891,035	$ 10,230,253	$ 20,638,168	$ 21,619,016	$ 29,529,202	$ 31,849,269	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 5.3 to 1 as compared to 16.5 to 1 at December 31, 2014. The current ratio for business-type activities is 22.5 to 1 as compared to 10.8 to 1 at December 31, 2014.

The City adopted GASB 68 during 2015 which required the City to record its net position liability on the Statement of Net Position. As a result of this, the City recorded a $1,431,765 reduction to net position to adjust the net pension liability as of January 1, 2015. Before this adjustment net position of the City decreased by $888,302 or 2.7%.

Note that approximately 100.4% 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 33.9% of its net position on capital. Capital assets in the business-type activities provide utility services, but they also generate revenues for this fund. 53.9% of the City's total net position is included in capital assets. The following is a summary of changes in net position:

Summary of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program:						
Charges for services & fines	$ 365,085	$ 507,977	$ 14,515,832	$ 13,995,354	$ 14,880,917	$ 14,503,331
Operating grants	294,869	696,935	-	263,351	294,869	960,286
Capital grants	563,524	777,011	-	-	563,524	777,011
General:						
Taxes	4,137,380	3,744,112	-	-	4,137,380	3,744,112
Other	20,543	94,512	99,595	151,175	120,138	245,687
Total revenues	5,381,401	5,820,547	14,615,427	14,409,880	19,996,828	20,230,427
Program Expenses:						
General government	1,091,819	1,373,286	-	-	1,091,819	1,373,286
Judicial	115,162	-	-	-	115,162	-
Public safety	2,464,643	2,491,477	-	-	2,464,643	2,491,477
Public works	1,216,257	1,347,167	-	-	1,216,257	1,347,167
Health and welfare	35,150	173,114	-	-	35,150	173,114
Culture and recreation	48,352	81,628	-	-	48,352	81,628
Housing and devel.	402,853	296,964	-	-	402,853	296,964
Interest	-	-	-	-	-	-
Water and sewer	-	-	1,759,603	1,821,094	1,759,603	1,821,094
Electrical	-	-	12,781,926	11,365,885	12,781,926	11,365,885
Telecommunications	-	-	177,243	175,806	177,243	175,806
Solid waste	-	-	792,122	907,374	792,122	907,374
Total expenses	5,374,236	5,763,636	15,510,894	14,270,159	20,885,130	20,033,795
Revenues over (under) expenses	7,165	56,911	(895,467)	139,721	(888,302)	196,632
Transfers in (out)	85,382	(42,202)	(85,382)	42,202	-	-
Net changes in net position	92,547	14,709	(980,849)	181,923	(888,302)	196,632
Beginning net position	10,230,253	10,215,544	21,619,016	21,437,093	31,849,269	31,652,637
Prior period adjustment	(1,431,765)	-	-	-	(1,431,765)	-
Net position, beginning as restated	8,798,488	10,215,544	21,619,016	21,437,093	30,417,504	31,652,637
Ending net position	$ 8,891,035	$ 10,230,253	$ 20,638,167	$ 21,619,016	$ 29,529,202	$ 31,849,269

GOVERNMENTAL REVENUES

The City is heavily reliant on property taxes and sales taxes to support governmental operations and capital. Property taxes provided 20.9% of the City's total governmental revenues as compared to 16.1% in fiscal year 2014. Sales taxes make up 15.5% of the City's total governmental revenues as compared to 15.8% in fiscal year 2014.

Capital grant type revenue for the public works function in the amount of $563,524 is included the following:

- T-SPLOST - $68,815
- TE-Grant - $140,374
- CDBG 2012- $312,712
- CHIP 2013 - $41,623

User charges and fines revenue source totaled $365,085 and operating grants totaled $294,869. Note that program revenues cover 22.8% of governmental operating expenses. If the capital grant revenue referenced above were excluded from program

revenue, program revenues would only cover 12.3% of governmental operating expenses. This means that the government's taxpayers and the City's other general governmental revenues fund 87.7% of the governmental activities.

GOVERNMENTAL FUNCTIONAL EXPENSES

The public safety and the public works functions make up 68.5% of the total governmental activities expenses as compared to 66.6% in fiscal year 2014. General government totals $1,091,819 and the housing and development costs were $402,853.

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 illustrates 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	$ 1,091,819	20.3%	$ (898,295)	21.6%
Judicial	115,162	2.1%	(115,162)	2.8%
Public safety	2,464,643	45.9%	(2,168,718)	52.2%
Public works	1,216,257	22.6%	(650,333)	15.7%
Health and welfare	35,150	0.7%	(31,150)	0.8%
Culture and recreation	48,352	0.9%	(48,352)	1.2%
Housing and development	402,853	7.4%	(238,748)	5.8%
Interest	-	0.0%	-	0.0%
Total	$ 5,374,236	100.0%	$ (4,150,758)	100.0%

The public safety totals 52.2% of the net cost of services and public works totals 15.7% of these costs.

BUSINESS-TYPE ACTIVITIES

Overall Analysis – For all enterprise funds, total operating revenues increased $520,478 or 3.7%. Operating expenses increased $1,240,735 or 8.7%. In total, the operating loss increased $1,006,814. The total increase in the operating loss relates to increases in electricity purchased in the electric fund that increased from $9,689,076 in 2014 to $11,142,207 in 2015.

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

	Amount
Electric	$ (1,162,087)
Water and sewer	191,339
Telecom	3,241
Solid waste	101,459

The following includes an analysis of the fiscal year 2015 financial activities for each utility.

Electric Utility – The operating loss of $1,162,087 in fiscal year 2015 compares to operating loss of $435,984 in fiscal year 2014. This increase in operating loss relates to an increase in the expense to purchase electricity which increased by 15% in 2015.

The fiscal year 2015 operating revenues increased $689,938 or 6.3% over fiscal year 2014. Operating expenses also increased $1,416,041 or 12.5%. The cost of power purchased increased $1,453,131 over the prior year.

Water and Sewerage System Utility – The operating income of $191,339 in fiscal year 2015 is a decrease of 42.7% from the operating income of $334,137 in fiscal year 2014. Fiscal year 2015 operating revenues decreased $195,542 or 9.7% from fiscal year 2014. Operating expenses decreased $52,744 or 3.1%. Purchased services decreased $164,854 from the prior year or 37.4% resulting from repairs of wells. The transfer out of $150,000 to the general fund is intended to cover the administration costs provided by the general fund.

Telecom - The operating income of $3,241 in fiscal year 2015 decreased from the operating income of $23,969 in fiscal year 2014 by $20,728, or 86.5%. The fiscal year 2015 operating revenues decreased $19,291 or 9.7% from fiscal year 2014. Operating expenses increased $1,437, or .8%. Purchased services increased from $44,340 in fiscal year 2014 to $51,605 in fiscal year 2015 for an increase of 16.4%.

Solid Waste - The fiscal year 2015 operating income of $101,459 increased by 261.3% over the decrease of $62,888 in fiscal year 2014. The fiscal year 2015 operating revenues increased $45,373 or 5.4% from fiscal year 2014. Operating expenses decreased $118,974 or 13.1%. Purchased services decreased $129,200 or 16.2%.

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 $1,306,487 as compared to the 2014 fiscal year amount of $1,396,818. Of this year-end total, -$16,775 is unassigned indicating availability for continuing City service requirements. Fund balance includes $460,875 restricted for capital outlay, $4,996 restricted for public safety, $200,000 restricted for industrial development, $310,033 restricted for housing and development, and $302,979 restricted for transportation improvements. Fund balance includes assets not available for spending of $44,379, which is tied up in inventory. The total ending fund balances of governmental funds show a decrease of $90,331, or 6.5% over the prior year.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased $313,237, or 54.9% in fiscal year 2015. In fiscal year 2014, the fund balance increased $74,516.

Total revenues decreased $421,475 or 9.1% from that of fiscal year 2014.

Local option sales taxes decreased $88,150 or 9.6% due to the lack of growth in the economy and state laws affecting sales tax collections. Charges for services were down from $64,236 to $59,366.

Fines decreased $10,619 or 7.9%. Much of this increase relates to the implementation of new software for the issuance of citations.

Total expenditures decreased $8,722 or .2% from fiscal year 2014.

The general government function increased $53,312 or 6.4% from fiscal year 2014.

The expenditures for most other functions were approximately equal to the fiscal year 2014 amount.

The general fund's ending unassigned fund balance decreased $490,526 or 97.4% from the December 31, 2014 balance. This balance is considered inadequate, representing the equivalent of .3% of annual expenditures, as compared to 10.7% last year.

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
- Fire station improvements
- The purchase of public safety vehicles and equipment
- Animal Control Kennel improvements
- Non-reflective Street Signs
- Automated Meter Reading Equipment for the Electric Department
- The purchase of public works vehicles and equipment

In fiscal year 2015, no revenues were reported in this fund due to the expiration of 2009 SPLOST tax collections in 2014. $428,067 was expended from this fund in fiscal year 2015 leaving an ending fund balance of $20,520.

2013 SPLOST Fund - This fund accounts for the cost of capital improvement projects in the City that are financed with the 2013 Special Purpose Local Option Sales Tax revenues including:

- The purchase of public safety vehicles and equipment

In fiscal year 2015, this fund reported $415,822 in revenues and $84,495 in expenditures leaving a fund balance of $440,355.

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 2015, the City Council did amend the general fund budget. The revenue budget was amended downward by $192,682. This was primarily due to eliminating rent revenue from the Board of Regents in the amount of $145,688 as a result of an agreement with the Development Authority of Washington County.

The City recognized $24,750 less than anticipated total revenues, primarily due to receiving sales tax collections of $42,754 less than anticipated. Total selective tax revenue was $61,802 below the budget.

The expenditure budget was amended upward $209,659 or 4.6%. This was primarily related to increases in personal services expenses in public safety.

On the expenditure side, the general government function was under spent by $6,688 with administration making all efforts to minimize spending. In total, the public safety budget was overspent by $17,593, primarily in the fire department which was overspent by $12,722.

In total, the City expended 98.7 % 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, 2015, was $8,928,563 and $10,040,886 respectively. The increase in capital assets was 1.10% for governmental activities and .60% 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	
	2015	2014	2015	2014	2015	2014
Non-depreciable assets:						
Land	$ 960,416	$ 960,416	$ 222,257	$ 222,257	$ 1,182,673	$ 1,182,673
Construction in progress	413,260	1,023,426	276,524	12,861	689,784	1,036,287
Total non-depreciable assets:	1,373,676	1,983,842	498,781	235,118	1,872,457	2,218,960
Depreciable assets:						
Buildings	4,230,774	4,134,873	472,360	459,109	4,703,134	4,593,982
Equipment	5,023,856	4,821,643	4,318,186	4,451,979	9,342,042	9,273,622
Software	240,410	233,278	-	-	240,410	233,278
Infrastructure	2,790,678	1,880,430	22,758,244	22,531,388	25,548,922	24,411,818
Total depreciable assets	12,285,718	11,070,224	27,548,790	27,442,476	39,834,508	38,512,700
Less accumulated depreciation	4,730,858	4,222,974	18,006,685	17,696,299	22,737,543	21,919,273
Book value - depreciable assets	7,554,860	6,847,250	9,542,105	9,746,177	17,096,965	16,593,427
Percentage depreciated	39%	38%	65%	64%	57%	57%
Book value - all assets	$ 8,928,536	$ 8,831,092	$ 10,040,886	$ 9,981,295	$ 18,969,422	$ 18,812,387

At December 31, 2015, the depreciable capital assets for governmental activities were 39% depreciated. This compares to 38% at the December 31, 2014. 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, 65% of the asset values were depreciated at December 31, 2015, which compares to 64% at December 31, 2014.

Long-term Debt

At the end of this fiscal year, the City reported $2,956,898 of outstanding GEFA loans. During the year, the City retired $295,586 or 9.1% of the outstanding GEFA debt. The following are the changes in the GEFA loans during 2015.

	Outstanding 01/01/2015	Additions	Reductions	Outstanding 12/31/2015
Business-Type Activities				
GEFA loan - 2002-L223WQ	$ 71,368	$ -	$ 71,368	$ -
GEFA loan - D2W00-023	490,523	-	37,236	453,287
GEFA loan - 2002-L22WS	1,629,786	-	141,134	1,488,652
GEFA loan - 2010-L06WJ	1,060,807	-	45,848	1,014,959
Total Business-Type Activities	$ 3,252,484	$ -	$ 295,586	$ 2,956,898

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

Economic Conditions Affecting the City

Sandersville, like many other cities, experienced the impact of the economic recession in 2008 with declining general fund revenues particularly in Local Option Sales Tax (LOST), which decreased 33% from $1,286,080 in 2008 to $862,637 in 2009. LOST revenues have not returned to the 2008 level collections but did improved somewhat reaching $920,396 in 2014. However, these taxes declined again in 2015 by $88,150 to $832,246 primarily as a result of the elimination of sales tax on energy used in manufacturing as required by Georgia HB 386. The gross property tax digest for the City of Sandersville which has declined four of the previous five years, declined again in 2015 from $234,415,986 in 2014 to $223,676,339 in 2015. 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 four of these five years increasing the rate from three mills in 2010 to 4.828 mills in 2015. 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, $1,063,692 in 2014 and $1,094,092 in 2015; however insurance premium taxes which had decreased from $340,643 in 2009 to $294,536 in 2012, has increased in 2015 to $340,652 back close to 2009 collections.

A decline in the industrial base in Sandersville resulted in a decline in the reliance on the City's utility services, particularly electricity. The financial condition of the Water/ Sewer Fund, Telecom Fund and Solid Waste Collection Fund has experience marked improvements in recent years and are all self-supporting. However, we continue to remain 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, $435,984 in 2014 and $1,162,087 in 2015. This is somewhat due to the increase in the cost to purchase power resulting from increased market pressures and the City's excess power capacity, but is primarily due to the payment of a contract obligation to purchase 15MW of Project One Power Sales Contract and to make premium payments associated with this contract. In fiscal year 2015, the City's obligation for Project 1 and for the premium payments were $6,550,221 and $374,180 respectively.

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. This legislation also eliminated sales tax on energy used in manufacturing, agriculture and mining. In July 2015, the Transportation Funding Act of 2015 (Georgia HB 170) began restricting 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.

In March 2013, the voters of Washington County approved a referendum to continue the collection of the 1% sales tax, which provides the necessary revenue for capital projects, many of which could not be funded without these SPLOST funds. The

2013 SPLOST will provide the City with an estimated $2.1 million in funding for these capital projects for FY 2016 - FY 2021. 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 continued support of tax revenue for equipment and training our Police and Fire Departments will maintain State Certification and a Class 3 ISO rating, both of which have reduced our risk and prepared us to better serve and protect the citizens of our City. In FY 2016, the 2013 Special Purpose Local Option Sales Tax (SPLOST) will fund the scheduled replacement of police vehicles and conversions in the amount of $53,720, the purchase of body cameras in the amount of $39,442, fire hose equipment for $10,105 and improvements to the Sandersville Fire Station and to the Fire Training Facility in the amounts of $21,528 and $21,534 respectively. The Water/ Sewer Fund and 2013 SPLOST Fund will complete the program to retrofit water meters and electric meters to radio read in the amount of $182,333 and fund routine equipment replacements in the amount of $364,000. Capital projects in the Electric Fund for FY 2016 also include $110,000 for underground services for the East Haynes Street Streetscape project which is part of the City's Downtown Master Plan.

Our City leadership has been proactive in financing major upgrades to infrastructure that provide quality water and sewer resources and improved transportation throughout the City. In FY 2014, the City submitted an application to the USDA for funding to retire and consolidate current water and sewer debt and to finance an additional $12.1 million for new water and sewer expansions and upgrades. In FY 2016, $1,271,850 in USDA funds will be used to upgrade the Wastewater Treatment Plant, with $1,760,000 to rehab the South Water Treatment Plant and an additional $1,111,700 to fund a sewer system upgrade to the MLK, Carver, and Beck Boulevard sewer system that will also serve the new Jail. The remaining $7,964,485

will fund the extension of water and sewer services to unserved areas inside and adjacent to the City, creating new revenue sources.

In 2012, the voters of Sandersville, 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 FY 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. In FY 2016 LMIG and TSPLOST funds in the amount of $462,412 will help fund a Downtown Master Plan to include a park, green space, parking and street rehabilitation all of which will improve the quality of life for our citizens and visitors while promoting economic development in downtown Sandersville.

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, 2015

	Primary Government			Downtown Development Authority Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets and Deferred Outlfows of Resources				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 1,241,565	$ 1,411,171	$ 2,652,736	$ 6,686
Cash in Georgia Fund I	-	4,708,416	4,708,416	
Investments	-	6,011,669	6,011,669	-
Receivables:				
Accounts	87,552	1,240,206	1,327,758	-
Taxes	5,840	-	5,840	-
Intergovernmental	151,849	11,295	163,144	-
Interfund	30,104	797	30,901	-
Inventories	44,379	633,678	678,057	-
Prepaid expenses	54,788	-	54,788	
Total Current Assets	1,616,077	14,017,232	15,633,309	6,686
Noncurrent Assets				
Capital assets (Note 3D)				
Nondepreciable	1,373,676	498,781	1,872,457	-
Depreciable, net	7,554,860	9,542,105	17,096,965	-
Total Noncurrent Assets	8,928,536	10,040,886	18,969,422	-
Deferred Outflows of Resources				
Differences between expected and actual experience	174,712	-	174,712	-
Total Assets and Deferred Outflows of Resources	10,719,325	24,058,118	34,777,443	6,686
Liabilities and Deferred Inflows of Resources				
Current Liabilities				
Accounts payable	7,824	48,868	56,692	-
Accrued expenses	-	35,187	35,187	-
Customer deposits	-	283,312	283,312	-
Interfund payable	30,901	-	30,901	
Unearned revenue	268,353	-	268,353	-
GEFA loans payable	-	256,086	256,086	
Total Current Liabilities	307,078	623,453	930,531	-
Long-term Liabilities				
GEFA loans payable	-	2,796,498	2,796,498	-
Net pension liability	1,427,664	-	1,427,664	-
Total Long-term Liabilities	1,427,664	2,796,498	4,224,162	-
Deferred Inflows of Resources				
Pension changes of assumptions	12,132	-	12,132	-
Difference between projected and actual pension earnings	81,416	-	81,416	-
Total Deferred Inflows of Resources	93,548	-	93,548	
Total Liabilities and Deferred Inflows of Resources	1,828,290	3,419,951	5,248,241	-
Net Position				
Net investment in capital assets (Note 3I)	8,928,536	6,988,302	15,916,838	-
Restricted for inventory	44,379	633,678	678,057	
Restricted for housing and development	310,033	-	310,033	-
Restricted for industrial development	200,000	-	200,000	
Restricted for capital outlay	460,875	-	460,875	-
Restricted for public safety	4,996	-	4,996	-
Restricted for transportation	302,979	-	302,979	-
Unrestricted	(1,360,763)	13,016,187	11,655,424	6,686
Total Net Position	$ 8,891,035	$ 20,638,167	$ 29,529,202	$ 6,686

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Activities
For the Year Ended December 31, 2015

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	$ 1,091,819	$ 181,829	$ 11,695	$ -	$ (898,295)	$ -	$ (898,295)	$ -
Judicial	115,162	-	-	-	(115,162)	-	(115,162)	-
Public safety	2,464,643	180,856	115,069	-	(2,168,718)	-	(2,168,718)	-
Public works	1,216,257	2,400	-	563,524	(650,333)	-	(650,333)	-
Health and welfare	35,150	-	4,000	-	(31,150)	-	(31,150)	-
Culture and recreation	48,352	-	-	-	(48,352)	-	(48,352)	-
Housing and development	402,853	-	164,105	-	(238,748)	-	(238,748)	-
Interest	-	-	-	-	-	-	-	-
Total Governmental Activities	5,374,236	365,085	294,869	563,524	(4,150,758)	-	(4,150,758)	-
Business-type Activities:								
Water and sewerage	1,759,603	1,825,650	-	-	-	66,047	66,047	-
Electrical	12,781,926	11,619,839	-	-	-	(1,162,087)	(1,162,087)	-
Telecom	177,243	180,484	-	-	-	3,241	3,241	-
Solid waste	792,122	889,859	-	-	-	97,737	97,737	-
Total Business-type Activities:	15,510,894	14,515,832	-	-	-	(995,062)	(995,062)	-
Total - Primary Government	$ 20,885,130	$ 14,880,917	$ 294,869	$ 563,524	$ (4,150,758)	(995,062)	(5,145,820)	-
Component Unit								
Downtown Development Authority	$ 12,812	$ -	$ 6,000	$ -	$ -	-	-	(6,812)
		General Revenues						
		Property taxes levied for general government purposes			1,125,725	-	1,125,725	-
		Sales tax			1,248,068	-	1,248,068	-
		Transportation sales tax			158,479	-	158,479	-
		Insurance premium tax			340,652	-	340,652	-
		Franchise tax			1,094,092	-	1,094,092	-
		Alcohol tax			136,043	-	136,043	-
		Hotel/motel tax			34,321	-	34,321	-
		Gain on disposition of capital assets			-	-	-	-
		Investment earnings (loss)			39	83,167	83,206	14
		Miscellaneous			20,504	16,428	36,932	-
		Total General Revenues			4,157,923	99,595	4,257,518	14
		Transfers			85,382	(85,382)	-	-
		Total General Revenues and Transfers			4,243,305	14,213	4,257,518	14
		Change in Net Position			92,547	(980,849)	(888,302)	(6,798)
		Net Position Beginning of Year			10,230,253	21,619,016	31,849,269	13,484
		Prior Period Adjustment			(1,431,765)	-	(1,431,765)	-
		Net Position, Beginning as Restated			8,798,488	21,619,016	30,417,504	13,484
		Net Position End of Year			$ 8,891,035	$ 20,638,167	$ 29,529,202	$ 6,686

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Balance Sheet
Governmental Funds
December 31, 2015

	General	2009 SPLOST	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 172,691	$ 27,381	$ 375,569	$ 665,924	$ 1,241,565
Receivables:					
Accounts	87,552	-	-	-	87,552
Taxes	-	-	-	5,840	5,840
Intergovernmental	72,084	-	65,082	14,683	151,849
Interfund	30,104	-	-	-	30,104
Inventories	44,379	-	-	-	44,379
Prepaid expenses	54,788	-	-	-	54,788
Total Assets	$ 461,598	$ 27,381	$ 440,651	$ 686,447	$ 1,616,077
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 667	$ 6,861	$ 296	$ -	$ 7,824
Accrued expenditures	-	-	-	-	-
Interfund payable	797	-	-	30,104	30,901
Unearned revenue	-	-	-	68,353	68,353
Total Liabilities	1,464	6,861	296	98,457	107,078
Deferred Inflows of Resources					
- Unearned Donations	200,000	-	-	-	200,000
- Property Taxes	2,512	-	-	-	2,512
Total Liabilities and Deferred Inflows of Resources	203,976	6,861	296	98,457	309,590
Fund Balances					
Nonspendable	44,379	-	-	-	44,379
Restricted	200,000	20,520	440,355	618,008	1,278,883
Unassigned	13,243	-	-	(30,018)	(16,775)
Total Fund Balances	257,622	20,520	440,355	587,990	1,306,487
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 461,598	$ 27,381	$ 440,651	$ 686,447	$ 1,616,077

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, 2015

Total Governmental Fund Balances			$ 1,306,487
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	$	13,659,394	
Less accumulated depreciation		(4,730,858)	8,928,536
Some liabilities, including net pension obligations, are not due and payable in the current period and, therefore, are not reported in the funds:			
Net pension liability			(1,427,664)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:			
Deferred outflows of resources related to pensions	$	174,712	
Deferred inflows of resources related to pensions		(93,548)	81,164
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			2,512
Net Position of Governmental Activities			$ 8,891,035

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, 2015

	General	2009 SPLOST	2013 SPLOST	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 3,528,589	$ -	$ -	$ 192,800	$ 3,721,389
Licenses and permits	180,430	-	-	-	180,430
Intergovernmental	294,869	-	415,822	563,524	1,274,215
Charges for services	59,366	-	-	2,081	61,447
Fines and forfeitures	123,208	-	-	-	123,208
Investment earnings	-	-	-	39	39
Miscellaneous	20,501	-	-	-	20,501
Total Revenues	4,206,963	-	415,822	758,444	5,381,229
Expenditures					
Current:					
General government	892,559	25,050	-	-	917,609
Judicial	115,162	-	-	-	115,162
Public safety	2,296,540	-	-	4,173	2,300,713
Public works	1,093,069	-	-	-	1,093,069
Health and welfare	35,150	-	-	-	35,150
Culture and recreation	50,914	-	-	-	50,914
Housing and development	226,806	-	-	176,009	402,815
Capital Outlay	-	403,017	84,495	218,616	706,128
Debt Service:					
Interest	-	-	-	-	-
Total Expenditures	4,710,200	428,067	84,495	398,798	5,621,560
Excess (Deficiency) of Revenues Over (Under) Expenditures	(503,237)	(428,067)	331,327	359,646	(240,331)
Other Financing Sources (Uses)					
Proceeds from the disposition of capital assets	-	-	-	-	-
Transfers in	190,000	-	-	-	190,000
Transfers (out)	-	-	-	(40,000)	(40,000)
Total Other Financing Sources (Uses)	190,000	-	-	(40,000)	150,000
Net Change in Fund Balances	(313,237)	(428,067)	331,327	319,646	(90,331)
Fund Balances Beginning of Year	570,859	448,587	109,028	268,344	1,396,818
Fund Balances End of Year	$ 257,622	$ 20,520	$ 440,355	$ 587,990	$ 1,306,487

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, 2015

Net Changes In Fund Balances - Total Governmental Funds		$ (90,331)
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	$ (507,884)	
Capital outlay	663,328	155,444
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.		(58,000)
Capital assets received as contributions on the government-wide statement of activities but not reported on the governmental fund type operating statement.		-
Governmental funds report pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.		
Cost of benefits earned net of employee contributions		85,265
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 @ 12/31/14	$ (2,343)	
Liability @ 12/31/15	2,512	169
Change In Net Position of Governmental Activities		$ 92,547

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Net Position
Proprietary Funds
December 31, 2015

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Assets					
Current Assets					
Cash and cash equivalents	$ 935,715	$ 1,300	$ 405,534	$ 68,622	$ 1,411,171
Cash in Georgia Fund I	684,129	4,024,287	-	-	4,708,416
Investments	-	6,011,669	-	-	6,011,669
Receivables					
Accounts	176,272	925,413	28,915	109,606	1,240,206
Interfund	1,227,286	154,422	797	-	1,382,505
Due from FEMA	11,295	-	-	-	11,295
Inventory	145,718	479,500	8,460	-	633,678
Total Current Assets	3,180,415	11,596,591	443,706	178,228	15,398,940
Noncurrent Assets					
Capital assets					
Nondepreciable	209,516	289,265	-	-	498,781
Depreciable, net	7,568,685	1,459,895	312,548	200,977	9,542,105
Total Noncurrent Assets	7,778,201	1,749,160	312,548	200,977	10,040,886
Total Assets	10,958,616	13,345,751	756,254	379,205	25,439,826
Liabilities					
Current Liabilities					
Accounts payable	6,622	42,246	-	-	48,868
Accrued expenses payable	-	35,187	-	-	35,187
Current portion of notes payable	233,365	-	-	22,721	256,086
Customer deposits	6,048	277,214	50	-	283,312
Interfund payable	-	1,227,286	148,873	5,549	1,381,708
Total Current Liabilities	246,035	1,581,933	148,923	28,270	2,005,161
Long-Term Liabilities (net of current portion)					
Due to electrical fund	-	-	-	-	-
Notes payable	2,723,533	-	-	72,965	2,796,498
Total Liabilities	2,969,568	1,581,933	148,923	101,235	4,801,659
Net Position					
Net investment in capital assets	4,821,303	1,749,160	312,548	105,291	6,988,302
Restricted	145,718	479,500	8,460	-	633,678
Unrestricted	3,022,027	9,535,158	286,323	172,679	13,016,187
Total Net Position	$ 7,989,048	$ 11,763,818	$ 607,331	$ 277,970	$ 20,638,167

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, 2015

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Operating Revenues					
Charges for services	$ 1,823,488	$ 11,520,332	$ 163,726	$ 889,859	$ 14,397,405
Miscellaneous	2,162	99,507	16,758	-	118,427
Total Operating Revenues	1,825,650	11,619,839	180,484	889,859	14,515,832
Operating Expenses					
Personal services - salaries	485,263	472,068	51,107	50,666	1,059,104
Personal services - benefits	174,238	142,212	18,877	19,664	354,991
Electricity purchased	-	11,142,207	-	-	11,142,207
Franchise fees	-	455,335	8,135	-	463,470
Purchased services	275,476	331,878	51,605	669,994	1,328,953
Materials and supplies	172,405	58,850	3,932	8,869	244,056
Miscellaneous	10,094	34,832	-	12,719	57,645
Depreciation	516,835	144,544	43,587	26,488	731,454
Total Operating Expenses	1,634,311	12,781,926	177,243	788,400	15,381,880
Operating Income (Loss)	191,339	(1,162,087)	3,241	101,459	(866,048)
Non-Operating Revenues (Expenses)					
Interest expense	(125,292)	-	-	(3,722)	(129,014)
Change in fair market value of investments	-	16,428	-	-	16,428
Federal Grant	-	-	-	-	-
Investment earnings	1,184	81,983	-	-	83,167
Total Non-Operating Revenues (Expenses)	(124,108)	98,411	-	(3,722)	(29,419)
Income (Loss) Before Contributions and Transfers In (Out)	67,231	(1,063,676)	3,241	97,737	(895,467)
Contributions	-	27,090	-	37,528	64,618
Transfers In	-	-	-	-	-
Transfers Out	(150,000)	-	-	-	(150,000)
Change in Net Position	(82,769)	(1,036,586)	3,241	135,265	(980,849)
Net Position Beginning of Year	8,071,817	12,800,404	604,090	142,705	21,619,016
Net Position End of Year	$ 7,989,048	$ 11,763,818	$ 607,331	$ 277,970	$ 20,638,167

See accompanying notes to the basic financial statements

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds				
	Water & Sewerage System	Electrical	Telecom	Solid Waste	Total
Cash Flows from Operating Activities					
Cash received from customers	$ 1,796,933	$ 11,601,315	$ 178,562	$ 882,460	$ 14,459,270
Cash payments for personal services	(659,498)	(614,280)	(69,984)	(70,330)	(1,414,092)
Cash payments for goods and services	(463,431)	(12,829,310)	(63,505)	(687,032)	(14,043,278)
Net Cash Provided by (Used in) Operating Activities	674,004	(1,842,275)	45,073	125,098	(998,100)
Cash Flows from Noncapital Financing Activities					
Operating grants received	-	-	-	39,033	39,033
Transfers in	-	-	-	-	-
Decrease (increase) in interfund receivable	(1,107,309)	-	-	-	(1,107,309)
Interfund payable	-	1,107,309	-	(56,571)	1,050,738
Transfers out	(150,000)	-	-	-	(150,000)
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,257,309)	1,107,309	-	(17,538)	(167,538)
Cash Flows from Capital and Related Financing Activities					
Capital grants	-	-	-	-	-
Principal paid on notes and leases	(295,585)	-	-	(21,964)	(317,549)
Interest paid on notes and leases	(125,292)	-	-	(3,722)	(129,014)
Payments for capital acquisitions	(342,353)	(374,635)	-	(13,252)	(730,240)
Net Cash (Used in) Capital and Related Financing Activities	(763,230)	(374,635)	-	(38,938)	(1,176,803)
Cash Flows from Investing Activities					
Net purchase of investments	-	191,880	-	-	191,880
Interest and dividend income	-	81,983			81,983
Investment earnings	1,184	-	-	-	1,184
Net Cash Provided by (Used in) Investing Activities	1,184	273,863	-	-	275,047
Net Increase (Decrease) in Cash and Cash Equivalents	(1,345,351)	(835,738)	45,073	68,622	(2,067,394)
Cash and Cash Equivalents Beginning of Year	2,965,195	4,861,325	360,461	-	8,186,981
Cash and Cash Equivalents End of Year	$ 1,619,844	$ 4,025,587	$ 405,534	$ 68,622	$ 6,119,587
Cash and Cash Equivalents	$ 935,715	$ 1,300	$ 405,534	$ 68,622	$ 1,411,171
Cash in Georgia Fund I	684,129	4,024,287	-	-	4,708,416
Total	$ 1,619,844	$ 4,025,587	$ 405,534	$ 68,622	$ 6,119,587

City of Sandersville, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	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)	$ 191,339	$ (1,162,087)	$ 3,241	$ 101,459	$ (866,048)
Adjustments					
Depreciation	516,835	144,544	43,587	26,488	731,454
Loss on sale of capital assets	2,817	-	-	-	2,817
(Increase) Decrease in Assets					
Accounts receivable	(28,716)	(18,523)	(1,922)	(2,849)	(52,010)
Inventory	(7,590)	73,024	1,487	-	66,921
Increase (Decrease) in Liabilities					
Accounts payable	(1,081)	(800,047)	(1,320)	-	(802,448)
Accrued expenses	-	-	-	-	-
Sales tax payable	-	(71,454)	-	-	(71,454)
Customer deposits payable	400	(7,732)	-	-	(7,332)
Net Cash Provided by (Used in) Operating Activities	$ 674,004	$ (1,842,275)	$ 45,073	$ 125,098	$ (998,100)

See accompanying notes to the basic financial statements

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

Note 1 - Summary of Significant Accounting Policies

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

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

1-A. Reporting Entity

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

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

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

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

1-B. Basis of Presentation

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

The seven major individual funds, the general fund, the 2009 and 2013 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.
> >
> > ***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 the completion of a Fire training complex, Fire Station improvements, the purchase of public safety (police and fire) vehicles and equipment, building improvements for the City's Animal Control facility and the Public Works annex, the purchase of public works vehicles and equipment, and AMR (automated meter reading) equipment for the Electric Department.
> >
> > ***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 drainage improvements and completion of Fire Station Improvements.

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, 2015.

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 unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

Debt refunding gains and losses are reported as deferred inflows or outflows of resources on the statements of net position. These gains and losses are deferred and amortized over the shorter of the life of the 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.

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 2015 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:	
Police Department	$ 6,219
Fire Department	12,722
Street Department	1,489

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, 2015, 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, 2015:

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, 2015 are as follows:

Credit Risk	Value	Interest Risk
AAAf rated	$ 4,708,416	43 day WAM

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

3-B. Receivables

Receivables at December 31, 2015, 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, 2015, allowances for uncollectables were reported as follows:

General fund (fines)	$ 916,709
Water and sewerage fund (charges for services)	60,965
Electrical fund (charges for services)	470,179
Solid Waste (charges for services)	33,116
Telecom (charges for services)	252,213

3-C. Property Taxes

The City Council levied property taxes on September 2, 2014. Property taxes attach as an enforceable lien on property as of May 15, 2015. Property taxes were billed on January 5, 2015 and were payable on March 31, 2015.

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

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

	Beginning Balance 01/01/2015	Additions	Deductions	Ending Balance 12/31/2015
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 960,416	$ -	$ -	$ 960,416
Construction in progress	1,023,426	330,361	(940,527)	413,260
Total capital assets not being depreciated	1,983,842	330,361	(940,527)	1,373,676
Other capital assets:				
Buildings	4,134,873	95,901	-	4,230,774
Equipment	4,821,643	266,831	(64,618)	5,023,856
Software	233,278	7,132	-	240,410
Infrastructure	1,880,430	910,248	-	2,790,678
Total other capital assets	11,070,224	1,280,112	(64,618)	12,285,718
Total capital assets	13,054,066	1,610,473	(1,005,145)	13,659,394
Accumulated depreciation:				
Buildings	1,315,297	112,033	-	1,427,330
Equipment	2,472,880	302,334	-	2,775,214
Software	69,661	35,131	-	104,792
Infrastructure	365,136	58,386	-	423,522
Total accumulated depreciation	4,222,974	507,884	-	4,730,858
Governmental activities capital assets, net	$ 8,831,092	$ 1,102,589	$ (1,005,145)	$ 8,928,536

Governmental activities depreciation expense:

General government	$ 141,788
Public safety	198,036
Public works	166,321
Culture and recreation	1,701
Housing and development	38
Total governmental activities depreciation expense	$ 507,884

Note 3 - Detailed Notes on All Funds (Continued)

Capital asset activity for business-type activities for the year ended December 31, 2015, was as follows:

	Beginning Balance 01/01/2015	Additions	Deductions	Ending Balance 12/31/2015
Business type acrtivities:				
Nondepreciable capital assets				
Land	$ 222,257	$ -	$ -	$ 222,257
Construction in progress	12,861	263,663	-	276,524
Total nondepreciable capital assets	235,118	263,663	-	498,781
Other capital assets:				
Buildings	459,109	13,251	-	472,360
Machinery and equipment	4,451,979	290,092	(423,885)	4,318,186
Infrastructure	22,531,388	226,856	-	22,758,244
Total other capital assets	27,442,476	530,199	(423,885)	27,548,790
Total capital assets	27,677,594	793,862	(423,885)	28,047,571
Accumulated depreciation:				
Buildings	301,176	9,521	-	310,697
Machinery and equipment	2,544,461	193,104	(421,068)	2,316,497
Infrastructure	14,850,662	528,829	-	15,379,491
Total accumulated depreciation	17,696,299	731,454	(421,068)	18,006,685
Business-type activities capital assets, net	$ 9,981,295	$ 62,408	$ (2,817)	$ 10,040,886

3-E. Interfund Balances

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

	Payable from:						
Receivable to:	General	2005 SPLOST	Non-major Goverm.	Electrical	Tele-commun.	Solid Waste	Total
General	$ -	$ -	$ 30,104	$ -	$ -	$ -	$ 30,104
2009 SPLOST	-	-	-	-	-	-	-
Water and sewer	-	-	-	1,227,286	-	-	1,227,286
Electrical	-	-	-	-	148,873	5,549	154,422
Telcommunications	797	-	-	-	-	-	797
Total	$ 797	$ -	$ 30,104	$ 1,227,286	$ 148,873	$ 5,549	$ 1,412,609

Interfund balances at December 31, 2015, 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, 2015, consisted of the following:

	Transfers from:				
Transfers to:	General	Nonmajor Governmental	Water & Sewer	Electrical	Total
General	$ -	$ 40,000	$ 150,000	$ -	$ 190,000
Nonmajor Governmental	-	-	-	-	-
Water and sewer	-	-	-	-	-
Total	$ -	$ 40,000	$ 150,000	$ -	$ 190,000

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

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

3-F. Long-term Debt

At December 31, 2015, the City has three loans outstanding with the Georgia Environmental Finance Authority (GEFA).

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.

Annual debt service requirements to amortize this loan as of December 31, 2015 follow:

Year	Principal	Interest	Total
2016	$ 38,365	$ 13,170	$ 51,535
2017	39,530	12,005	51,535
2018	40,728	10,806	51,534
2019	41,964	9,571	51,535
2020	43,237	8,298	51,535
2021-2025	236,676	20,996	257,672
2026	12,787	96	12,883
Total	$ 453,287	$ 74,942	$ 528,229

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, 2015 follow:

Year	Principal	Interest	Total
2016	$ 147,375	$ 61,858	$ 209,233
2017	153,951	55,282	209,233
2018	160,770	48,463	209,233
2019	167,904	41,329	209,233
2020	175,339	33,894	209,233
2021-2024	683,313	55,005	738,318
Total	$ 1,488,652	$ 295,831	$ 1,784,483

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, 2031.

Annual debt service requirements to amortize this loan as of December 31, 2015 follow:

Year	Principal	Interest	Total
2016	$ 47,625	$ 37,844	$ 85,469
2017	49,471	35,997	85,468
2018	51,389	34,079	85,468
2019	53,382	32,086	85,468
2020	55,451	30,017	85,468
2021-2025	311,225	116,115	427,340
2026-2030	376,422	50,918	427,340
2031	69,994	1,228	71,222
Total	$ 1,014,959	$ 338,284	$ 1,353,243

Georgia Municipal Association – In October 2014, the City borrowed $117,650 at an interest rate of 3.40% for the lease purchase of a 2014 Brush Hawg G-2224C Grapple Loader for the Solid Waste Fund. Payments are made in the amount of $6,422 quarterly with a final maturity date of October 13, 2019.

Annual debt service requirements to amortize this loan as of December 31, 2015 follow:

Year	Principal	Interest	Total
2016	$ 22,721	$ 2,965	$ 25,686
2017	23,503	2,183	25,686
2018	24,312	1,374	25,686
2019	25,150	536	25,686
Total	$ 95,686	$ 7,058	$ 102,744

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, 2015:

	Outstanding 01/01/2015	Additions	Reductions	Outstanding 12/31/2015	Amounts Due in One Year	Long-term Portion
Business-Type Activities						
GEFA loan - 2002-L23WQ	$ 71,368	$ -	$ 71,368	$ -	$ -	$ -
GEFA loan - DW00-023	490,523	-	37,236	453,287	38,365	414,922
GEFA loan - 2002-L22WS	1,629,786	-	141,134	1,488,652	147,375	1,341,277
GEFA loan - 2010-L06WJ	1,060,807	-	45,848	1,014,959	47,625	967,334
GMA loan - 9910003183	117,650	-	21,964	95,686	22,721	72,965
Total Business-Type Activities	$ 3,370,134	$ -	$ 317,550	$ 3,052,584	$ 256,086	$ 2,796,498

The City's GEFA loans payable are being repaid from the City's water and sewerage fund. The City's Georgia Municipal Association loan is being repaid from the solid waste 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	61
Vested former participants	23
Active employees	85
Active elected officials	3
Total membership	172

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 2015, the City's annual pension cost of $316,146 for GMEBS was equal to the City's required and actual contributions.

Schedule of Employer Contributions

Year Ended December 31,	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%	-
2015	316,146	316,146	100%	-

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

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL/(UAAL) (2)-(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
7/1/2014	$ 5,007,855	$ 5,870,160	85.3%	$ 862,305	$ 2,928,145	29.4%
7/1/2015	$ 5,403,354	$ 6,227,907	86.8%	$ 824,553	$ 3,239,785	25.5%

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

Note 3 - Detailed Notes on All Funds (Continued)

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

Current Valuation Date	July 1, 2015
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	3.25%, 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.

Changes in the Net Pension Liability

	Total Pension Liability (TPL) (a)	Fiduciary Net Position (FNP) (b)	Net Pension Liability (a) - (b)
Balances at March 31, 2014*	$ 6,581,688	$ 5,149,923	$ 1,431,765
Changes for the year:			
Service Cost	119,816	-	119,816
Interest	496,859	-	496,859
Differences between expected and actual experience	218,391	-	218,391
Contributions - employer	-	334,711	(334,711)
Contributions - employee	-	-	-
Net investment income	-	500,215	(500,215)
Benefit payments, including refunds of employee contributions	(341,205)	(341,205)	-
Administrative expense	-	(10,926)	10,926
Other	(15,167)	-	(15,167)
Net changes	478,694	482,795	(4,101)
Balances at March 31, 2015**	$ 7,060,382	$ 5,632,718	$ 1,427,664

* *Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2014 are used to measure TPL as of March 31, 2014. The balances as of March 31, 2014 constitute measurements of the NPL for the fiscal year ending December 31, 2014.*

***Entry Age Normal liabilities calculated using ages and service amounts as of July 1, 2015 are used to measure TPL as of March 31, 2014. The balances as of March 31, 2015 constitute measurements of the NPL for the fiscal year ending December 31, 2015.*

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

1% Decrease 6.75%	Current Discount Rate 7.75%	1% Increase 8.75%
$ 2,360,684	$ 1,427,664	$ 650,637

Pension Expense for the Year Ended December 31, 2015

Service cost	$ 119,816
Interest on TPL	496,859
Employee contribution	-
Administrative expenses	10,926
Expected return on assets	(398,444)
Expensed portion of current year period differences between expected and actual experience in TPL	43,679
Expensed portion of current year period assumption changes	(3,035)
Current year plan changes	-
Expensed portion of current year period differences between projected and actual investments earnings	(20,355)
Current year recognition of deferred inflows and outflows established in prior years	-
Total expense	$ 249,446

Deferred Outflows/Inflows of Resources related to Pensions

Differences between expected and actual experience	$ 174,712	$ -
Changes of assumptions	-	(12,132)
Net difference between projected and actual earnings on pension plan investments	-	(81,416)
Total	$ 174,712	$ (93,548)

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

Projected Recognition of Deferred Outflows/(Inflows)

	Year Established	Outstanding Balance at January 1, 2015	Amount Recognized During FYE December 31, 2015	Outstanding Balance at December 31, 2015
Fiscal Year Outflows:				
Demographic	2015	$ 218,391	$ 43,679	$ 174,712
Total outflows		218,391	43,679	174,712
Fiscal Year Inflows:				
Investment	2015	(101,771)	(20,355)	(81,416)
Assumption Change	2015	(15,167)	(3,035)	(12,132)
Total inflows		(116,938)	(23,390)	(93,548)
Total		$ 101,453	$ 20,289	$ 81,164

Deferred Outflows/(Inflows) Recognized in Future Years

	2016	2017	2018	2019	2020
Fiscal Year Outflows:					
Demographic	$ 43,678	$ 43,678	$ 43,678	$ 43,678	$ -
Total outflows	43,678	43,678	43,678	43,678	-
Fiscal Year Inflows:					
Investment	(20,354)	(20,354)	(20,354)	(20,354)	-
Assumption Change	(3,033)	(3,033)	(3,033)	(3,033)	-
Total inflows	(23,387)	(23,387)	(23,387)	(23,387)	-
Total	$ 20,291	$ 20,291	$ 20,291	$ 20,291	$ -

*Schedule of Changes in the Net Pension Liability and Related Ratios**

	2015
Total Pension Liability	
Service cost	$ 119,816
Interest	496,859
Difference between expected and actual experience	218,391
Changes of assumptions	(15,167)
Changes of benefit terms	-
Benefit payments, including refunds of employee contributions	(341,205)
Net change in total pension liability	478,694
Total pension liability, beginning	6,581,688
Total pension liability, ending (a)	7,060,382
Plan Fiduciary Net Position:	
Contributions - employer	334,711
Contributions - employee	-
Net investment income	500,215
Benefit payments, including refunds of employee contributions	(341,205)
Administrative expense	(10,926)
Other	-
Net change in fiduciary net position	482,795
Plan fiduciary net position, beginning	5,149,923
Plan fiduciary net position, ending (b)	5,632,718
Net pension liability, ending (a) - (b)	$ 1,427,664
Plan's fiduciary net position as a % of the total pension liability	79.78%
Covered-employee payroll	$ 3,239,785
Net pension liability as a % of covered-employee payroll	44.07%
Actuarially determined contribution**	-
Contributions in relation to the actuarially determined contribution**	-
Contribution deficiency (excess)**	-

* *Historical information prior to implementation of GASB 67/68 is not required*

*** 2015 information will be determined after fiscal year end and will be included in the 2016 valuation report*

Accounting Policies

Valuation Date	The actuarially determined contribution rate was determined as of 7/1/15, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending 12/31/16.
Actuarial Cost Method Amortization Method	Projected Unit Credit
Remaining Amortization Period	Closed level dollar for remaining unfunded liability
Asset Valuation Method	Remaining amortization period varies for the bases, with a net effective amortization period of 10 years Sum of actuarial value at beginning of year and cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Projected Salary Increases Cost of Living Adjustments Mortality	3.25% plus service based merit increases 0.00% *Healthy:* RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward 2 years for males and 1 year for females *Disabled:* RP-2000 Disabled Retiree Mortality Table with sex-distinct rates *Plan termination basis (all lives):* 1994 Group Annuity Reserving Unisex Table
Retirement Age for Employees & Officials	65-69: Rate 60% 70 and over: Rate 100%
Net Investment Rate of Return	7.75% - On-going basis on long-term expected rate of return The long-term expected rate of return on pension plan investments was determined using a building-bl ock method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 are summar ized in the following table:

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

Actuarial Valuation History

Changes of Assumptions

As a result of the plan change to provide immediate participation for employees, for the fiscal year ending in 2016, the eligibility assumption has been changed from one year to immediate. The increase in the Plan's NPL is minimal and has been included in the differences between expected and actuarial experience. As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016. Amounts reported for the fiscal year ending in 2016 and later reflect the following assumption changes based on the results of an actuarial experience study covering the period January 1, 2010 to June 30, 2014:

- The mortality table for disabled participants was changed to remove the two-year set- forward for males and the one-year set-forward for females.
- The turnover rates were updated to introduce select rates for service less than five-years and to reduce the ultimate rate by 15% and to assume no turnover on and after age 55. The select period rates were further constrained to not be less than the ultimate rates.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100% at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at age 65 to 69, and 100% at age 70.
- The inflation assumption was decreased from 3.50% to 3.25%.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age-related rates to an assumption based on new service- related rates. Under the prior assumption, the salary increases ranged from 4.00% to 11.00% and included an inflation assumption of 3.50%. Under the new assumption, the salary increases range from 3.75% to 8.00% and included an inflation assumption of 3.25%.

Benefit Changes

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

3-J. Fund Equity

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

General Fund:	
Inventories	$ 44,379

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

General Fund	
Economic Development	$ 200,000
Nonmajor Governmental Funds:	
Capital projects	$ -
Public safety	4,996
Transportation	302,979
Economic Development	310,033
Total	$ 618,008
Major Capital Projects Funds:	
Capital projects - 2009 SPLOST	$ 20,520
Capital projects - 2013 SPLOST	440,355
Total	$ 460,875
Nonmajor Special Revenue Fund:	
Housing and development	$ -

- ***Unassigned*** – The following fund balances include the General Fund unassigned amount of $13,243:

Unassigned	$ (16,775)

Net Investment in Capital Assets

Net investment in capital assets on the government-wide statement of net position as of December 31, 2015 are as follows:

Net investment in capital assets:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 13,659,394	$ 28,047,571
Less accumulated depreciation	4,730,858	18,006,685
Book value	8,928,536	10,040,886
Less capital related debt	-	3,052,584
Net investment in capital assets	$ 8,928,536	$ 6,988,302

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

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

4-B. Contingent Liabilities

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

Note 4 - Other Notes (Continued)

The City was a defendant in several lawsuits at December 31, 2015. 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, 2015 follows:

Fund balance, December 31, 2014	$ 344,060
Add hotel/motel taxes and misc.	34,360
Less:	
Expenditures	28,387
Transfers to general fund	40,000
Fund balance, December 31, 2015	$ 310,033

Expenditures of $28,387 (83% 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 $58,782,934 at December 31, 2015. 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)

In 2007 the City purchased additional interest in MEAG's power sales contract from the City of College Park. Through an Inter-participant contract, in addition to premium payments to College Park in the amount of $41.7 million, the City purchased 15 MW of College Park's Project One Power Sales Contract. In fiscal year 2015, the City paid $374,180 in premium payments leaving a remaining balance of $41,028,459. Also in fiscal year 2015, the City paid $6,550,221 in Project One cost which is included in the cost of power purchased.

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 $6,005,886 at December 31, 2015. 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. There was a zero balance in this account as of December 31, 2015.

The funds in the reserve funded debt trust account can only be used for charges related to MEAG's bond obligations. The balances in this account at December 31, 2015 was $1,013,452. 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 2015. 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 2015 was $612,460.

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 at December 31, 2015 was $5,783.

Note 5 – Prior Period Adjustment

Beginning net position for the Governmental Activities was restated as follows:

	Governmental Activities
Net Position, as originally reported	$ 10,230,253
Net pension liability (Implementation of GASB 68)	(1,431,765)
Beginning Net Position, as restated	$ 8,798,488

Note 6 – Subsequent Events

The City performed an evaluation of subsequent events through June 30, 2016, the date upon which the City's financial statements were available for issue. The City has not evaluated subsequent events after this date. No subsequent events were identified that would have required a change to the financial statements or disclosure in the notes to the financial statements.

City of Sandersville, Georgia
General Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 3,595,635	$ 3,574,948	$ 3,528,589	$ (46,359)
Licenses and permits	154,975	154,975	180,430	25,455
Intergovernmental	469,177	293,921	294,869	948
Charges for services	62,668	62,668	59,366	(3,302)
Fines and forfeitures	137,500	137,500	123,208	(14,292)
Miscellaneous	4,440	7,701	20,501	12,800
Total Revenues	4,424,395	4,231,713	4,206,963	(24,750)
Expenditures				
Current:				
General government	823,352	899,247	892,559	6,688
Municipal Court	132,014	132,014	115,162	16,852
Public safety	2,137,160	2,278,947	2,296,540	(17,593)
Public works	1,011,747	1,100,635	1,093,069	7,566
Health and welfare	35,150	35,150	35,150	-
Culture and recreation	46,897	50,914	50,914	-
Housing and development	375,237	274,309	226,806	47,503
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Expenditures	4,561,557	4,771,216	4,710,200	61,016
Excess (Deficiency) of Revenues Over (Under) Expenditures	(137,162)	(539,503)	(503,237)	36,266
Other Financing Sources (Uses)				
Proceeds from the disposition of capital assets	-	-	-	-
Transfers in	165,000	190,000	190,000	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	165,000	190,000	190,000	-
Net Change in Fund Balances	$ 27,838	$ (349,503)	(313,237)	$ 36,266
Fund Balances Beginning of Year			570,859	
Fund Balances End of Year			$ 257,622	

City of Sandersville, Georgia
Retirement Plan
Required Supplementary Information
December 31, 2015

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (c) (b - a)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll [(b - a)(d)]
January 1, 2008	$ 3,769,249	$ 4,556,793	$ 787,544	82.7%	$ 2,640,057	29.8%
January 1, 2009	2,603,834	4,624,043	2,020,209	56.3%	2,854,980	70.8%
January 1, 2010	3,616,557	4,873,436	1,256,879	74.2%	2,756,160	45.6%
January 1, 2011	4,011,869	5,151,149	1,139,280	77.9%	2,879,144	39.6%
January 1, 2012	4,336,629	5,410,628	1,073,999	80.2%	2,969,345	36.2%
January 1, 2013	4,643,341	5,647,508	1,004,167	82.2%	2,909,241	34.5%
January 1, 2014	5,007,855	5,870,160	862,305	85.3%	2,928,145	29.4%
January 1, 2015	5,403,354	6,227,907	824,553	86.8%	3,239,785	25.5%

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

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Fund	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	$ 309,189	$ 356,735	$ 665,924
Receivables:			
Sales taxes	-	-	-
Hotel/motel taxes	5,840	-	5,840
Intergovernmental	-	14,683	14,683
Total Assets	$ 315,029	$ 371,418	$ 686,447
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ -	$ -	$ -
Interfund payable	21,101	9,003	30,104
Unearned revenue	-	68,353	68,353
Total Liabilities	21,101	77,356	98,457
Fund Balances			
Restricted	315,029	302,979	618,008
Unassigned (deficit)	(21,101)	(8,917)	(30,018)
Total Fund Balances	293,928	294,062	587,990
Total Liabilities and Fund Balances	$ 315,029	$ 371,418	$ 686,447

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, 2015

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Hotel/motel taxes	$ 34,321	$ -	$ 34,321
Sales taxes	-	158,479	158,479
Intergovernmental	140,374	423,150	563,524
Fines and forfeitures	2,081	-	2,081
Investment earnings	-	-	-
Miscellaneous	39	-	39
Total Revenues	176,815	581,629	758,444
Expenditures			
Current:			
Public safety	4,173	-	4,173
Public works	-	-	-
Health and welfare	-		-
Housing and development	28,387	147,622	176,009
Capital Outlay	5,656	212,960	218,616
Total Expenditures	38,216	360,582	398,798
Excess of Revenues Over Expenditures	138,599	221,047	359,646
Other Financing Sources (Uses)			
Transfers in	-	-	-
Transfers (out)	(40,000)	-	(40,000)
Total Other Financing Sources (Uses)	(40,000)	-	(40,000)
Net Change in Fund Balances	98,599	221,047	319,646
Fund Balances (Deficits) Beginning of Year	195,329	73,015	268,344
Fund Balances End of Year	$ 293,928	$ 294,062	$ 587,990

City of Sandersville, Georgia
General Fund
Comparative Balance Sheet
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 172,691	$ (42,197)
Receivables (net, where applicable):		
Property taxes	-	-
Sales taxes	-	-
Accounts	87,552	104,204
Interfund	30,104	375,194
Intergovernmental	72,084	76,265
Inventories	44,379	67,090
Prepaid expenses	54,788	-
Total Assets	$ 461,598	$ 580,556
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	$ 667	$ 6,557
Accrued expenditures	-	-
Unearned revenue	-	-
Interfund payable	797	797
Total Liabilities	1,464	7,354
Deferred Inflows of Resources		
-Unearned Donations	200,000	-
- Property Taxes	2,512	2,343
Total Liabilities and Deferred Inflows of Resources	203,976	9,697
Fund Balances		
Restricted	200,000	-
Nonspendable	44,379	67,090
Unassigned	13,243	503,769
Total Fund Balances	257,622	570,859
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 461,598	$ 580,556

City of Sandersville, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2015 and 2014

	2015	2014
Revenues		
Taxes	$ 3,528,589	$ 3,555,175
Licenses and permits	180,430	177,063
Intergovernmental	294,869	603,681
Charges for services	59,366	64,236
Fines and forfeitures	123,208	133,827
Miscellaneous	20,501	94,456
Total Revenues	4,206,963	4,628,438
Expenditures		
Current:		
General government	892,559	839,247
Municipal Court	115,162	125,884
Public safety	2,296,540	2,185,867
Public works	1,093,069	1,210,177
Health and welfare	35,150	35,150
Culture and recreation	50,914	45,897
Housing and development	226,806	276,700
Debt Service:		
Interest and fiscal charges	-	-
Total Expenditures	4,710,200	4,718,922
Deficiency of Revenues (Under) Expenditures	(503,237)	(90,484)
Other Financing Sources (Uses)		
Proceeds from the disposition of capital assets	-	-
Transfers in	190,000	165,000
Transfers out	-	-
Total Other Financing Sources (Uses)	190,000	165,000
Net Change in Fund Balances	(313,237)	74,516
Fund Balances Beginning of Year	570,859	496,343
Fund Balances End of Year	$ 257,622	$ 570,859

City of Sandersville, Georgia
Schedule of Revenues - Budget and Actual - General Fund
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Real and personal property taxes				
General property tax - current	$ 890,000	$ 890,000	$ 880,659	$ (9,341)
General property tax - delinquent	-	-	825	825
Motor vehicle property tax - current	60,000	85,000	89,912	4,912
Motor vehicle title adv tax	42,600	72,600	102,215	29,615
Mobile home - personal property	3,800	3,800	3,754	(46)
Public utility taxes	33,113	33,113	34,167	1,054
Real estate transfer taxes	1,000	1,000	1,726	726
Intangible taxes	4,600	4,600	7,734	3,134
Other	-	-	-	-
Penalties and interest on taxes	20,000	20,000	4,564	(15,436)
Total real and personal property taxes	1,055,113	1,110,113	1,125,556	15,443
Selective taxes:				
Sales tax	975,000	875,000	832,246	(42,754)
Franchise tax	1,110,522	1,134,835	1,094,092	(40,743)
Alcoholic beverage tax	135,000	135,000	136,043	1,043
Insurance premium tax	320,000	320,000	340,652	20,652
Total selective taxes	2,540,522	2,464,835	2,403,033	(61,802)
Licenses and permits:				
Alcoholic beverages	25,000	25,000	22,610	(2,390)
General business license	32,000	32,000	31,067	(933)
General business license - insurance	11,950	11,950	16,725	4,775
Financial institutions	44,000	44,000	45,007	1,007
Building structure and equipment permit	30,000	30,000	52,015	22,015
Permits	4,650	4,650	6,047	1,397
Other	6,875	6,875	6,626	(249)
Business license penalties	500	500	333	(167)
Total licenses and permits:	154,975	154,975	180,430	25,455
Intergovernmental				
Department of Justice	-	432	1,247	815
FEMA/GEMA emergency grant funds	-	-	-	-
GMA health grant	8,000	8,000	4,000	(4,000)
GMA safety liability grant	8,000	8,000	11,695	3,695
County reimbursement - public safety	21,855	21,855	22,069	214
County reimbursement - animal control	133,709	103,709	91,753	(11,956)
County development authority	146,160	146,160	158,340	12,180
Board of Regents	145,688	-	-	-
Housing authority - payments in lieu of taxes	5,765	5,765	5,765	-
Total intergovernmental	469,177	293,921	294,869	948
Fines and forfeitures:				
Court fines	137,500	137,500	123,208	(14,292)
Charges for services:				
General government	1,368	1,368	1,399	31
Animal control	6,825	6,825	7,139	314
Public safety	48,475	48,475	48,428	(47)
Sale of cemetery lots	6,000	6,000	2,400	(3,600)
Total charges for services:	62,668	62,668	59,366	(3,302)
Miscellaneous:				
Miscellaneous	4,440	7,701	20,501	12,800
Total revenues	4,424,395	4,231,713	4,206,963	(24,750)
Other financing sources:				
Transfers in	165,000	190,000	190,000	-
Proceeds from the disposition of capital assets	-	-	-	-
Total revenues and other financing sources	$ 4,589,395	$ 4,421,713	$ 4,396,963	$ (24,750)

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government				
Governing body:				
Personal services	$ 85,011	$ 85,011	$ 75,430	$ 9,581
Purchased services	47,410	47,410	54,548	(7,138)
Supplies	1,200	1,200	1,288	(88)
Miscellaneous	1,026	1,026	80	946
Total governing body	134,647	134,647	131,346	3,301
General administration				
Personal services	542,418	562,535	561,799	736
Purchased services	113,475	169,253	169,092	161
Supplies	13,100	13,100	15,540	(2,440)
Miscellaneous	11,000	11,000	6,360	4,640
Capital Outlays	-	-	-	-
Total general administration	679,993	755,888	752,791	3,097
General administration fees:				
Miscellaneous	8,712	8,712	8,422	290
Total general government	823,352	899,247	892,559	6,688
Municipal court				
Personal services	77,203	77,203	77,385	(182)
Purchased services	53,990	53,990	37,531	16,459
Supplies	500	500	246	254
Miscellaneous	321	321	-	321
Total municipal court	132,014	132,014	115,162	16,852
Public safety:				
Police:				
Personal services	1,134,152	1,245,957	1,245,717	240
Purchased services	103,260	106,687	115,064	(8,377)
Supplies	75,900	78,118	82,319	(4,201)
Miscellaneous	2,125	2,125	1,307	818
Capital outlay	-	5,301	-	5,301
Total police	1,315,437	1,438,188	1,444,407	(6,219)
Total carried forward	2,270,803	2,469,449	2,452,128	17,321

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	$ 2,270,803	$ 2,469,449	$ 2,452,128	$ 17,321
Fire:				
Personal services	491,079	508,349	508,349	-
Purchased services	30,202	30,202	33,955	(3,753)
Supplies	21,200	21,200	23,058	(1,858)
Miscellaneous	6,100	6,100	17,477	(11,377)
Capital outlay	2,500	4,266	-	4,266
Total fire	551,081	570,117	582,839	(12,722)
Animal control:				
Personal services	123,097	123,097	126,403	(3,306)
Purchased services	13,325	13,325	10,666	2,659
Supplies	7,900	7,900	6,465	1,435
Miscellaneous	800	800	240	560
Capital outlay	-	-	-	-
Total animal control	145,122	145,122	143,774	1,348
EMA/E-911 Fee	125,520	125,520	125,520	-
Total public safety	2,137,160	2,278,947	2,296,540	(17,593)
Public works:				
Public works - operations:				
Personal services	98,856	98,856	93,610	5,246
Purchased services	10,643	13,143	13,431	(288)
Supplies	5,200	5,200	3,127	2,073
Miscellaneous	700	700	110	590
Total - public works - operations	115,399	117,899	110,278	7,621
Street department				
Personal services	496,415	496,415	509,632	(13,217)
Purchased services	53,064	75,865	41,159	34,706
Supplies	71,000	68,495	92,983	(24,488)
Miscellaneous	2,690	4,244	2,500	1,744
Street repairs	5,000	17,821	18,055	(234)
Total street department	628,169	662,840	664,329	(1,489)
Total carried forward	3,836,094	4,090,947	4,078,868	12,079

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total brought forward	$ 3,836,094	$ 4,090,947	$ 4,078,868	$ 12,079
Fleet maintenance				
Personal services	88,801	88,801	88,762	39
Purchased services	6,125	6,125	4,712	1,413
Supplies	6,950	6,950	8,388	(1,438)
Miscellaneous	500	500	118	382
Capital Outlays	-	-	-	-
Total fleet maintenance	102,376	102,376	101,980	396
Parks and Cemetery				
Personal services	136,326	136,326	135,021	1,305
Purchased services	16,877	43,594	22,275	21,319
Supplies	12,100	12,100	11,894	206
Capital outlay	-	-	21,817	(21,817)
Miscellaneous	500	25,500	25,475	25
Total parks and cemetery	165,803	217,520	216,482	1,038
Total public works	1,011,747	1,100,635	1,093,069	7,566
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	5,017	5,017	-
Libraries:				
Payment to Rosa M. Tarbutton Library	44,187	44,187	44,187	-
Total culture and recreation	46,897	50,914	50,914	-
Total carried forward	4,186,320	4,496,907	4,483,394	13,513

City of Sandersville, Georgia
General Fund
Schedule of Expenditures - Budget and Actual
For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance With Final Budget
Total carried forward	4,186,320	4,496,907	4,483,394	13,513
Housing and development:				
Planning and zoning				
Personal services	96,463	117,960	106,343	11,617
Purchased services	26,348	26,348	14,667	11,681
Supplies	5,700	5,700	3,883	1,817
Capital outlay	-	-	-	-
Miscellaneous	226	226	27	199
Total planning and zoning	128,737	150,234	124,920	25,314
Economic development and assistance				
UGA Archway	15,000	15,000	15,000	-
Historical society	15,000	15,075	15,075	-
Industrial park	-	-	-	-
Downtown development authority	6,000	6,000	6,000	-
Downtown tourism	-	-	-	-
Public facilities authority	161,500	39,000	16,810	22,190
Payment to WACO airport	19,000	19,000	19,001	(1)
Payment to WACO chamber of commerce	30,000	30,000	30,000	-
Sherman's trail promotion	-	-		-
Total economic development and assistance	246,500	124,075	101,886	22,189
Total housing and development	375,237	274,309	226,806	47,503
Debt Service:				
Interest and fiscal charges	-	-	-	-
Total Debt Service	-	-	-	-
Total Expenditures	4,561,557	4,771,216	4,710,200	61,016
Other financing Uses:				
Transfers out	-	-	-	-
Total Expenditures and Transfers	$ 4,561,557	$ 4,771,216	$ 4,710,200	$ 61,016

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2015

	Hotel-Motel Tax	Confiscated Assets	TE Grant	Total Nonmajor Special Revenue Funds
Assets				
Cash and cash equivalents	$ 304,193	$ 4,996	$ -	$ 309,189
Taxes receivable	5,840	-	-	5,840
Total Assets	$ 310,033	$ 4,996	$ -	$ 315,029
Liabilities				
Interfund payables	$ -	$ -	$ 21,101	$ 21,101
Fund Balances				
Restricted	310,033	4,996	-	315,029
Unassigned (deficit)	-	-	(21,101)	(21,101)
Total Liabilities and Fund Balances	$ 310,033	$ 4,996	$ -	$ 315,029

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2015

	Hotel-Motel Tax	Confiscated Assets	TE Grant	Total Nonmajor Special Revenue Funds
Revenues				
Taxes	$ 34,321	$ -	$ -	$ 34,321
Fines and forfeitures	-	2,081	-	2,081
Intergovernmental	-	-	140,374	140,374
Miscellaneous	39	-	-	39
Total Revenues	34,360	2,081	140,374	176,815
Expenditures				
Current:				
Public safety	-	4,173	-	4,173
Housing and development	28,387	-	-	28,387
Capital Outlay	-	-	5,656	5,656
Total Expenditures	28,387	4,173	5,656	38,216
Excess of Revenues Over Expenditures	5,973	(2,092)	134,718	138,599
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	(40,000)	-	-	(40,000)
Net Change in Fund Balances	(34,027)	(2,092)	134,718	98,599
Fund Balances Beginning of Year	344,060	7,088	(155,819)	195,329
Fund Balances End of Year	$ 310,033	$ 4,996	$ (21,101)	$ 293,928

City of Sandersville, Georgia
Comparative Balance Sheet
Hotel/Motel Tax Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 304,193	$ 338,283
Hotel/motel taxes receivable	5,840	5,777
Total Assets	$ 310,033	$ 344,060
Fund Balances		
Restricted for housing and development	$ 310,033	$ 344,060

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, 2015

(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015				2014
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Hotel/motel taxes	$ 36,455	$ 36,455	$ 34,321	$ (2,134)	$ 35,993
Miscellaneous	-	-	39	39	56
Total Revenues	36,455	36,455	34,360	(2,095)	36,049
Expenditures					
Current:					
Housing and development	14,101	29,601	28,387	1,214	13,762
Excess of Revenues Over Expenditures	22,354	6,854	5,973	(881)	22,287
Other Financing (Uses)					
Transfers out	(15,000)	(40,000)	(40,000)	-	(15,000)
Net Change in Fund Balances	$ 7,354	$ (33,146)	(34,027)	$ (881)	7,287
Fund Balances Beginning of Year			344,060		336,773
Fund Balances End of Year			$ 310,033		$ 344,060

City of Sandersville, Georgia
Comparative Balance Sheet
Confiscated Assets Fund
December 31, 2015

	2015	2014
Assets		
Cash and cash equivalents	$ 4,996	$ 7,088
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Fund Balances		
Restricted for public safety	4,996	7,088
Total Liabilities and Fund Balances	$ 4,996	$ 7,088

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
Confiscated Assets Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015				2014
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Fines and forfeitures	$ 1,500	$ 1,500	$ 2,081	$ 581	$ 2,137
Miscellaneous	-	-	-	-	-
Total Revenues	1,500	1,500	2,081	581	2,137
Expenditures					
Current:					
Public Safety	1,500	4,173	4,173	-	142
Capital Outlay	-	-	-	-	-
Total Expenditures	1,500	4,173	4,173	-	142
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(2,673)	(2,092)	581	1,995
Other Financing Uses					
Transfers Out	-	-	-	-	-
Net Change in Fund Balances	$ -	$ (2,673)	(2,092)	$ 581	1,995
Fund Balances Beginning of Year			7,088		5,093
Fund Balances End of Year			$ 4,996		$ 7,088

City of Sandersville, Georgia
Comparative Balance Sheet
TE Grant Fund
December 31, 2015 and 2014

	2015	2014
Liability		
Interfund payable	$ 21,101	$ -
Fund Balances		
Unassigned (deficit)	$ (21,101)	$ -

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
TE Grant Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015				2014
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues:					
Intergovernmental	$ -	$ 140,374	$ 140,374	$ -	$ 159,626
Expenditures					
Capital Outlay	-	5,656	5,656	-	315,445
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	134,718	134,718	-	(155,819)
Other Financing Sources					
Transfers in	-	-	-	-	-
Net Change in Fund Balances	$ -	$ 134,718	134,718	$ -	(155,819)
Fund Balances Beginning of Year			(155,819)		-
Fund Balances End of Year			$ (21,101)		$ (155,819)

City of Sandersville, Georgia
Comparative Balance Sheet
2009 SPLOST Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 27,381	$ 935,860
Receivables:		
Sales taxes	-	103,983
Intergovernmental	-	-
Interfund	-	34,709
Total Assets	$ 27,381	$ 1,074,552
Total Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 6,861	$ 4,193
Interfund payable	-	-
Total Liabilities	$ 6,861	$ 4,193
Fund Balances		
Restricted for capital purchases	20,520	1,070,359
Total Liabilities and Fund Balances	$ 27,381	$ 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, 2015 and 2014

	2015	2014
Revenues		
Sales taxes	$ -	$ -
Intergovernmental	-	291,586
Total Revenues	-	291,586
Expenditures		
Current:		
General government	25,050	150,300
Public works	-	4,480
Housing and development	-	350
Capital Outlay	403,017	621,241
Total Expenditures	428,067	776,371
Excess of Revenues Over Expenditures	(428,067)	(484,785)
Other Financing Sources		
Transfers out	-	(136,987)
Net Change in Fund Balances	(428,067)	(621,772)
Fund Balances Beginning of Year	448,587	1,070,359
Fund Balances End of Year	$ 20,520	$ 448,587

City of Sandersville, Georgia
Comparative Balance Sheet
2013 SPLOST Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 375,569	$ 38,304
Receivables:		
Intergovernmental	65,082	$ 71,942
Total Assets	$ 440,651	$ 110,246
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 296	$ -
Interfund payable	-	1,218
Total Liabilities	296	1,218
Fund Balances		
Restricted for capital purchases	440,355	109,028
Liabilities and Fund Balances	$ 440,651	$ 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, 2015 and 2014

	2015	2014
Revenues		
Intergovernmental	$ 415,822	$ 109,028
Expenditures		
Current:		
General government	$ -	$ -
Public works	-	-
Capital Outlay	84,495	-
Total Expenditures	84,495	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	331,327	109,028
Other Financing Sources		
Transfers in	-	-
Net Change in Fund Balances	331,327	109,028
Fund Balances Beginning of Year	109,028	-
Fund Balances End of Year	$ 440,355	$ 109,028

City of Sandersville, Georgia
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2015

	T-SPLOST Fund	CDBG 2012	CHIP 2009	CHIP 2013	CHIP 2014	Total Nonmajor Capital Projects Funds
Assets						
Cash and cash equivalents	$ 356,649	$ 86	$ -	$ -	$ -	$ 356,735
Receivables:						
Intergovernmental	14,683	-	-	-	-	14,683
Sales taxes	-	-	-	-	-	-
Total Assets	$ 371,332	$ 86	$ -	$ -	$ -	$ 371,418
Liabilities						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Interfund payable	-	1,123	894	-	6,986	9,003
Unearned revenue	68,353	-	-	-	-	68,353
Total Liabilities	68,353	1,123	894	-	6,986	77,356
Fund Balances						
Restricted for transportation	302,979	-	-	-	-	302,979
Unassigned (deficit)	-	(1,037)	(894)	-	(6,986)	(8,917)
Total Liabilities and Fund Balances	$ 371,332	$ 86	$ -	$ -	$ -	$ 371,418

City of Sandersville, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2015

	T-SPLOST	CDBG 2012	CHIP 2009	CHIP 2013	CHIP 2014	Total Nonmajor Capital Projects Funds
Revenues:						
Sales taxes	$ 158,479	$ -	$ -	$ -	$ -	$ 158,479
Intergovernmental	68,815	312,712	-	41,623	-	423,150
Total Revenues	227,294	312,712	-	41,623	-	581,629
Expenditures						
Current:						
Public works	-	-	-	-	-	-
Housing and development	-	99,376	22	41,623	6,601	147,622
Capital Outlay	-	212,960	-	-	-	212,960
Total Expenditures	-	312,336	22	41,623	6,601	360,582
Excess of Revenues Over Expenditures	227,294	376	(22)	-	(6,601)	221,047
Other Financing Sources (Uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	-
Net Change in Fund Balances	227,294	376	(22)	-	(6,601)	221,047
Fund Balances Beginning of Year	75,685	(1,413)	(872)	-	(385)	73,015
Fund Balances End of Year	$ 302,979	$ (1,037)	$ (894)	$ -	$ (6,986)	$ 294,062

City of Sandersville, Georgia
Comparative Balance Sheet
T-SPLOST Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 356,649	$ 130,200
Intergovernmental receivable	14,683	14,300
Total Assets	$ 371,332	$ 144,500
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Unearned revenue	68,353	68,815
Total Liabilities	68,353	68,815
Fund Balances		
Restricted for transportation	302,979	75,685
Total Fund Balances	302,979	75,685
Total Liabilities and Fund Balances	$ 371,332	$ 144,500

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
T-SPLOST Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015	2014
Revenues:		
Sales Tax	$ 158,479	$ 152,902
Intergovernmental revenue	68,815	68,548
Total Revenues	227,294	221,450
Expenditures		
Public works	-	245,585
Capital Outlays	-	-
Total Expenditures	-	245,585
Excess (Deficiency) of Revenues Over (Under) Expenditures	227,294	(24,135)
Fund Balances Beginning of Year	75,685	99,820
Fund Balances End of Year	$ 302,979	$ 75,685

City of Sandersville, Georgia
Comparative Balance Sheet
CDBG 2012 Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ 86	$ 4,105
Intergovernmental receivable	-	-
Total Assets	$ 86	$ 4,105
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ -	$ -
Interfund payable	1,123	5,518
Total Liabilities	1,123	5,518
Fund Balances		
Restricted	-	-
Unassigned (deficit)	(1,037)	(1,413)
Total Fund Balances	(1,037)	(1,413)
Total Liabilities and Fund Balances	$ 86	$ 4,105

City of Sandersville, Georgia
Schedule of Revenues and Changes in Fund Balances - Budget and Actual
CDBG 2012 Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts for the Year Ended December 31, 2014)

	2015	2014
Revenues:		
Intergovernmental revenue	$ 312,712	$ 367,531
Expenditures		
Housing and development	99,376	150,760
Capital Outlays	212,960	219,357
Total Expenditures	312,336	370,117
Excess (Deficiency) of Revenues Over (Under) Expenditures	376	(2,586)
Fund Balances Beginning of Year	(1,413)	1,173
Fund Balances End of Year	$ (1,037)	$ (1,413)

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2009 Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ -	$ 22
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 894	$ 894
Fund Balances		
Restricted	-	-
Unassigned (deficit)	(894)	(872)
Total Fund Balances	(894)	(872)
Total Liabilities and Fund Balances	$ -	$ 22

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2009 Fund
For the Years Ended December 31, 2015 and 2014

	2015	2014
Revenues:		
Intergovernmental revenue	$ -	$ 4,660
Expenditures		
Housing and Development	22	5,554
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22)	(894)
Other Financing Sources		
Transfer in	-	-
Net Change in Fund Balances	(22)	(894)
Fund Balances Beginning of Year	(872)	22
Fund Balances End of Year	$ (894)	$ (872)

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2013 Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ -	$ -
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ -	$ -
Fund Balances		
Restricted	-	-
Unassigned (deficit)	-	-
Total Fund Balances	-	-
Total Liabilities and Fund Balances	$ -	$ -

City of Sandersville, Georgia
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
CHIP 2013 Fund
For the Years Ended December 31, 2015 and 2014

	2015	2014
Revenues:		
Intergovernmental revenue	$ 41,623	$ -
Expenditures		
Housing and Development	41,623	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-
Other Financing Sources		
Transfer in	-	-
Net Change in Fund Balances	-	-
Fund Balances Beginning of Year	-	-
Fund Balances End of Year	$ -	$ -

City of Sandersville, Georgia
Comparative Balance Sheet
CHIP 2014 Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	$ -	$ -
Liabilities and Fund Balances		
Liabilities		
Interfund payable	$ 6,986	$ 385
Fund Balances		
Restricted	-	-
Unassigned (deficit)	(6,986)	(385)
Total Fund Balances	(6,986)	(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, 2015 and 2014

	2015	2014
Revenues:		
Intergovernmental revenue	$ -	$ -
Expenditures		
Housing and development	6,601	385
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,601)	(385)
Other Financing Sources		
Transfer in	-	-
Net Change in Fund Balances	(6,601)	(385)
Fund Balances Beginning of Year	(385)	-
Fund Balances End of Year	$ (6,986)	$ (385)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Water and Sewerage Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Current Assets:		
Cash and cash equivalents	$ 935,715	$ 2,282,250
Investments	684,129	682,945
Receivable:		
Accounts (net)	176,272	147,555
Interfund	1,227,286	119,977
Due from FEMA	11,295	11,295
Inventories	145,718	138,128
Total Current Assets	3,180,415	3,382,150
Noncurrent Assets:		
Unamortized bond issuance costs	-	-
Capital assets:		
Nondepreciable	209,516	181,497
Depreciable, net	7,568,685	7,774,004
Total Noncurrent Assets	7,778,201	7,955,501
Total Assets	10,958,616	11,337,651
Liabilities		
Current Liabilities:		
Accounts payable	6,622	7,703
Accrued expenses payable	-	-
GEFA loans payable	233,365	228,705
Customer deposits held	6,048	5,648
Total Current Liabilities	246,035	242,056
Long-term Liabilities (net of current portion):		
GEFA loans payable	2,723,533	3,023,779
Total Liabilities	2,969,568	3,265,835
Net Position		
Net investment in capital assets	4,821,303	4,703,017
Restricted for inventory	145,718	138,128
Unrestricted	3,022,027	3,230,672
Total Net Position	$ 7,989,048	$ 8,071,817

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, 2015 and 2014

	2015	2014
Operating Revenues		
Charges for services	$ 1,823,488	$ 1,991,328
Miscellaneous	2,162	29,864
Total Operating Revenues	1,825,650	2,021,192
Operating Expenses		
Personal services - salaries	485,263	416,424
Personal services - benefits	174,238	155,744
Purchased services	275,476	440,330
Materials and supplies	172,405	169,613
Miscellaneous	10,094	12,060
Depreciation	516,835	492,884
Total Operating Expenses	1,634,311	1,687,055
Operating Income	191,339	334,137
Non-Operating Revenues (Expenses)		
Investment earnings	1,184	912
Federal Grant	-	31,695
Interest and fiscal charges	(125,292)	(134,039)
Total Non-Operating Revenues (Expenses)	(124,108)	(101,432)
Income Before Contributions and Transfers In (Out)	67,231	232,705
Contributions	-	99,001
Transfer In	-	-
Transfers Out	(150,000)	(155,648)
Change in Net Position	(82,769)	176,058
Net Position Beginning of Year	8,071,817	7,895,759
Net Position End of Year	$ 7,989,048	$ 8,071,817

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2015 and 2014

	2015	2014
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 1,796,933	$ 2,021,294
Cash payments to employees for services	(659,498)	(572,168)
Cash payments for goods and services	(463,431)	(667,932)
Net Cash Provided by (Used in) Operating Activities	674,004	781,194
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	20,400
Interfund receivable	(1,107,309)	-
Transfers in	-	-
Transfers out	(150,000)	(155,648)
Net Cash Provided by (Used in) Noncapital Financing Activities	(1,257,309)	(135,248)
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Principal paid on GEFA notes	(295,585)	(219,727)
Interest paid on notes	(125,292)	(134,039)
Acquisition of capital assets	(342,353)	(799,726)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(763,230)	(1,153,492)
Cash Flows from Investing Activities		
Investment earnings	1,184	912
Net Increase (Decrease) in Cash and Cash Equivalents	(1,345,351)	(506,634)
Cash and Cash Equivalents Beginning of Year	2,965,195	3,471,829
Cash and Cash Equivalents End of Year	$ 1,619,844	$ 2,965,195
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 935,715	$ 2,282,250
Cash in Georgia Fund I	684,129	682,945
Total Cash and Cash Equivalents	$ 1,619,844	$ 2,965,195

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Water and Sewerage Fund
For the Years Ended December 31, 2015 and 2014

(continued)

	2015	2014
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 191,339	$ 334,137
Adjustments:		
Depreciation and amortization	516,835	492,884
Loss on sale of capital assets	2,817	5,702
(Increase) Decrease in Assets:		
Accounts receivable	(28,716)	102
Inventories	(7,590)	(64,483)
Increase (Decrease) in Liabilities:		
Accounts payable	(1,081)	7,578
Accrued expenses payable	-	(374)
Customer deposits payable	400	5,648
Net Cash Provided by (Used in) Operating Activities	$ 674,004	$ 781,194

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Electrical Fund
December 31, 2015 and 2014

Assets	2015	2014
Current Assets:		
Cash and cash equivalents	$ 1,300	$ 844,001
Cash in Georgia Fund I	4,024,287	4,017,324
Investments	6,011,669	6,187,121
Receivable:		
Accounts (net)	925,413	906,890
Interfund	154,422	154,422
Inventories	479,500	552,524
Total Current Assets	11,596,591	12,662,282
Noncurrent Assets:		
Capital assets:		
Nondepreciable	289,265	53,621
Depreciable, net	1,459,895	1,438,358
Total Noncurrent Assets	1,749,160	1,491,979
Total Assets	13,345,751	14,154,261
Liabilities		
Current Liabilities:		
Accounts payable	42,246	842,293
Accrued expenses payable	-	-
Sales tax payable	35,187	106,641
Interfund payable	1,227,286	119,977
Customer deposits payable	277,214	284,946
Total Current Liabilities	1,581,933	1,353,857
Net Position		
Investment in capital assets	1,749,160	1,491,979
Restricted for inventory	479,500	552,524
Unrestricted	9,535,158	10,755,901
Total Net Position	$ 11,763,818	$ 12,800,404

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, 2015 and 2014

	2015	2014
Operating Revenues		
Charges for services	$ 11,520,332	$ 10,838,682
Miscellaneous	99,507	91,219
Total Operating Revenues	11,619,839	10,929,901
Operating Expenses		
Personal services - salaries	472,068	448,849
Personal services - benefits	142,212	135,891
Electricity purchased	11,142,207	9,689,076
Purchased services	331,878	391,233
Franchise fee	455,335	436,502
Materials and supplies	58,850	71,166
Miscellaneous	34,832	46,854
Depreciation	144,544	146,314
Total Operating Expenses	12,781,926	11,365,885
Operating (Loss)	(1,162,087)	(435,984)
Non-Operating Revenues (Expenses)		
Investment earnings (loss)	81,983	84,339
Change in fair market value of investments	16,428	65,924
Interest and fiscal charges	-	-
Federal Grant	-	88,830
Total Non-Operating Revenues (Expenses)	98,411	239,093
Income (Loss) Before Contributions and Transfers In (Out)	(1,063,676)	(196,891)
Contributions	27,090	93,201
Transfers In	-	5,648
Change in Net Position	(1,036,586)	(98,042)
Net Position Beginning of Year	12,800,404	12,898,446
Net Position End of Year	$ 11,763,818	$ 12,800,404

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2015 and 2014

	2015	2014
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 11,601,315	$ 10,752,643
Cash payments to employees for services	(614,280)	(584,740)
Cash payments for goods and services	(12,829,310)	(10,471,757)
Net Cash Provided by (Used in) Operating Activities	(1,842,275)	(303,854)
Cash Flows from Noncapital Financing Activities		
Operating grants received	-	88,830
Interfund receivable	-	-
Interfund payable	1,107,309	-
Transfers in	-	5,648
Net Cash Provided by (Used in) Noncapital Financing Activities	1,107,309	94,478
Cash Flows from Capital and Related Financing Activities		
Capital grants	-	-
Interest paid	-	-
Acquisition of capital assets	(374,635)	(65,540)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(374,635)	(65,540)
Cash Flows from Investing Activities		
Investment earnings (loss)	-	(60,561)
Interest and dividend income	81,983	84,339
Net (purchase) sale of investments	191,880	(18,415)
Cash Flows from Investing Activities	273,863	5,363
Net Increase (Decrease) in Cash and Cash Equivalents	(835,738)	(269,553)
Cash and Cash Equivalents Beginning of Year	4,861,325	5,130,878
Cash and Cash Equivalents End of Year	$ 4,025,587	$ 4,861,325
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 1,300	$ 844,001
Cash in Georgia Fund I	4,024,287	4,017,324
Total Cash and Cash Equivalents	$ 4,025,587	$ 4,861,325

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Electrical Fund
For the Years Ended December 31, 2015 and 2014

(continued)

	2015	2014
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ (1,162,087)	$ (435,984)
Adjustments:		
Depreciation	144,544	146,314
Loss on sale of capital assets	-	8,086
(Increase) Decrease in Assets:		
Accounts receivable	(18,523)	(177,258)
Inventories	73,024	(21,105)
Increase (Decrease) in Liabilities:		
Accounts payable	(800,047)	84,138
Accrued expenses payable	-	(723)
Sales tax payable	(71,454)	70,845
Customer deposits	(7,732)	21,833
Net Cash Provided by (Used in) Operating Activities	$ (1,842,275)	$ (303,854)

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Telecom Fund
December 31, 2015 and 2014

Assets	**2015**	**2014**
Current Assets:		
Cash and cash equivalents	$ 405,534	$ 360,461
Receivable:		
Accounts (net)	28,915	26,993
Interfund	797	797
Inventory	8,460	9,947
Total Current Assets	443,706	398,198
Noncurrent Assets:		
Capital assets:		
Depreciable, net	312,548	357,130
Total Assets	756,254	755,328
Liabilities		
Current Liabilities:		
Accounts payable	-	2,315
Accrued expenses payable	-	-
Customer deposits payable	50	50
Interfund payable	148,873	148,873
Total Current Liabilities	148,923	151,238
Long-term Liabilities (net of current portion):		
Due to electrical fund	-	-
Total Liabilities	148,923	151,238
Net Position		
Net investment in capital assets	312,548	357,130
Restricted for inventory	8,460	9,947
Unrestricted	286,323	237,013
Total Net Position	$ 607,331	$ 604,090

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, 2015 and 2014

	2015	2014
Operating Revenues		
Charges for services	$ 163,726	$ 182,369
Miscellaneous	16,758	17,406
Total Operating Revenues	180,484	199,775
Operating Expenses		
Personal services - salaries	51,107	48,581
Personal services - benefits	18,877	17,639
Franchise fee	8,135	8,261
Purchased services	51,605	44,340
Materials and supplies	3,932	6,483
Depreciation	43,587	46,553
Miscellaneous	-	3,949
Total Operating Expenses	177,243	175,806
Operating (Loss)	3,241	23,969
Transfers In	-	-
Change in Net Position	3,241	23,969
Net Position Beginning of Year	604,090	580,121
Net Position End of Year	$ 607,331	$ 604,090

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2015 and 2014

	2015	2014
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 178,562	$ 196,191
Cash payments to employees for services	(69,984)	(66,220)
Cash payments for goods and services	(63,505)	(58,170)
Net Cash Provided by (Used in) Operating Activities	45,073	71,801
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	-
Interfund payable	-	-
Transfers in	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	-	-
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	45,073	71,801
Cash and Cash Equivalents Beginning of Year	360,461	288,660
Cash and Cash Equivalents End of Year	$ 405,534	$ 360,461
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 405,534	$ 360,461

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Telecom Fund
For the Years Ended December 31, 2015 and 2014

(continued)

	2015	2014
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ 3,241	$ 23,969
Adjustments:		
Depreciation	43,587	46,553
(Increase) Decrease in Assets:		
Accounts receivable	(1,922)	(3,584)
Inventories	1,487	3,670
Increase (Decrease) in Liabilities:		
Accounts payable	(1,320)	1,243
Accrued expenses payable	-	-
Customer deposits	-	(50)
Net Cash Provided by (Used in) Operating Activities	$ 45,073	$ 71,801

City of Sandersville, Georgia
Comparative Statement of Net Position
Proprietary Fund - Solid Waste Fund
December 31, 2015 and 2014

	2015	2014
Assets		
Current Assets:		
Cash and cash equivalents	$ 68,622	$ -
Due from FEMA	-	43,583
Accounts receivable (net)	109,606	102,207
Total Current Assets	178,228	145,790
Noncurrent Assets:		
Capital assets:		
Depreciable, net	200,977	176,685
Total Assets	379,205	322,475
Liabilities		
Current Liabilities:		
Accrued expenses payable	-	-
Current portion of notes payable	22,721	21,964
Interfund payable	5,549	62,120
Total Current Liabilities	28,270	84,084
Noncurrent Liabilities		
Notes Payable, net of current portion	72,965	95,686
Total Liabilities	101,235	179,770
Net Position		
Net investment in capital assets	105,291	59,035
Unrestricted	172,679	83,670
Total Net Position	$ 277,970	$ 142,705

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, 2015 and 2014

	2015	2014
Operating Revenues		
Charges for services	$ 889,859	$ 840,597
Miscellaneous	-	3,889
Total Operating Revenues	889,859	844,486
Operating Expenses		
Personal services - salaries	50,666	45,519
Personal services - benefits	19,664	20,377
Purchased services	669,994	799,194
Materials and supplies	8,869	15,743
Depreciation	26,488	19,059
Miscellaneous	12,719	7,482
Total Operating Expenses	788,400	907,374
Operating (Loss)	101,459	(62,888)
Non-Operating Revenues		
Interest Expense	(3,722)	-
Federal Grant	-	142,826
Total Non-Operating Revenues	(3,722)	142,826
Income (Loss) Before Contributions and Transfers In (Out)	97,737	79,938
Transfers In	-	-
Capital Contributions	37,528	-
Change in Net Position	135,265	79,938
Net Position Beginning of Year	142,705	62,767
Net Position End of Year	$ 277,970	$ 142,705

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2015 and 2014

	2015	2014
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	$ 882,460	$ 804,644
Cash payments to employees for services	(70,330)	(65,896)
Cash payments for goods and services	(687,032)	(822,439)
Net Cash Provided by (Used in) Operating Activities	125,098	(83,691)
Cash Flows from Noncapital Financing Activities		
Operating grants received	39,033	99,243
Interfund payable	(56,571)	(12,752)
Transfers in	-	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(17,538)	86,491
Cash Flows from Capital and Related Financing Activities		
Principal paid on notes	(21,964)	
Interest paid on notes	(3,722)	
Payments for capital acquisitions	(13,252)	(2,800)
Net Cash (Used in) Capital and Related Financing Activities	(38,938)	(2,800)
Net Increase (Decrease) in Cash and Cash Equivalents	68,622	-
Cash and Cash Equivalents Beginning of Year	-	
Cash and Cash Equivalents End of Year	$ 68,622	$ -
Reconciliation to Statement of Net Position		
Cash and cash equivalents	$ 68,622	$ -

(continued)

City of Sandersville, Georgia
Comparative Statement of Cash Flows
Proprietary Fund - Solid Waste Fund
For the Years Ended December 31, 2015 and 2014

(continued)

	2015	2014
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	$ 101,459	$ (62,888)
Adjustments:		
Depreciation	26,488	19,059
(Increase) Decrease in Assets:		
Accounts receivable	(2,849)	(39,841)
Increase (Decrease) in Liabilities:		
Accounts payable	-	-
Accrued expenses payable	-	(21)
Net Cash Provided by (Used in) Operating Activities	$ 125,098	$ (83,691)

City of Sandersville, Georgia
Schedule of Projects Constructed with Special Sales Tax Proceeds
For the Year Ended December 31, 2015

Project	Original Estimated Cost	Revised Estimated Cost	Expenditures			Estimated Percentage of Completion
			Prior Year	Current Year	Total	
2009 Tax:						
Fire protection	$ 100,000	$ 200,000	$ 103,861	$ 31,597	$ 135,458	67.73%
Transportation improvements	600,000	600,000	315,181	-	315,181	52.53%
Economic development	400,000	700,000	520,722	25,050	545,772	77.97%
Capital outlays:						
Street department equipment	300,000	500,000	431,905	200,829	632,734	126.55%
Water and sewer system equipment and upgrades	700,000	700,000	75,240		75,240	10.75%
General and administration equipment	150,000	150,000	93,090	26,930	120,020	80.01%
Police department vehicles and equipment	500,000	500,000	249,832	116,571	366,403	73.28%
Electrical fund equipment	250,000	250,000	3,294	27,090	30,384	12.15%
2013 Tax:						
Fire protection	100,000	100,000	-	56,774	56,774	56.77%
Transportation improvements	500,000	500,000	-	-	-	0.00%
Economic development	400,000	400,000	-	-	-	0.00%
Capital outlays:						
Street department equipment	300,000	300,000	-	27,721	27,721	9.24%
Water and sewer system equipment and upgrades	500,000	500,000	-	-	-	0.00%
General and administration equipment	100,000	100,000	-	-	-	0.00%
Police department vehicles and equipment	200,000	200,000	-	-	-	0.00%
Electrical fund equipment	200,000	200,000	-	-	-	0.00%

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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, 2015, 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, 2016.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Sandersville Georgia's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 15-1.

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, 2016
Sandersville, Georgia

CITY OF SANDERSVILLE, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

FINDINGS – FINANCIAL STATEMENT AUDIT

15-1 Budgetary

Condition

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

Effect

Fiscal control and accountability over departmental expenditures may be jeopardized.

Recommendation

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

Views of Responsible Officials

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

CITY OF SANDERSVILLE
"The Kaolin City"

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June 30, 2016

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, 2015.

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, 2015:

Police department	$ 6,219
Fire department	12,722
Street department	1,489

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

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

Sincerely,

James W. Andrews, Mayor