

RESOLUTION 14-143

**A RESOLUTION TO ACCEPT THE AUDIT REPORT FOR CITY OF
SPRING HILL FINANCIAL RECORDS FOR FISCAL YEAR 2013-2014
PREPARED AND PRESENTED BY BELLENFANT AND MILES PC**

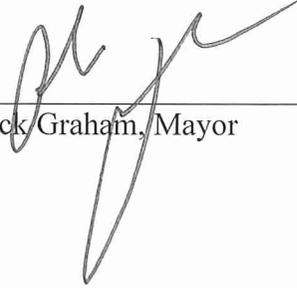
WHEREAS, pursuant to T.C.A. § 6-56-105, the governing body of each municipality shall cause an annual audit to be made of the accounts and records of all departments, boards, and agencies under its jurisdiction that receive and disburse funds at the close of each fiscal year; and

WHEREAS, the Board of Mayor and Aldermen of the City of Spring Hill has contracted with Bellenfant and Miles PC, to perform this Audit Report for Fiscal Year 2013-2014; and

WHEREAS, the Board of Mayor and Aldermen of the City of Spring Hill has been presented the Audit Report for Fiscal Year 2013-2014 by Accountants with the firm of Bellenfant and Miles PC, on November 10, 2014; and

NOW, THEREFORE BE IT RESOLVED, by the Board of Mayor and Aldermen of the City of Spring Hill, the Spring Hill Board of Mayor and Aldermen do hereby accept the Audit Report of the financial records of the City of Spring Hill for the fiscal year 2013-2014.

Passed and adopted the 17th day of November, 2014.



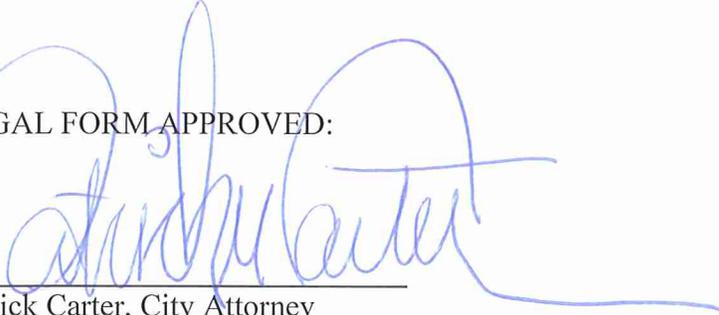
Rick Graham, Mayor

WITNESS:



April Goad, City Recorder

LEGAL FORM APPROVED:



Patrick Carter, City Attorney

Communication with Those Charged with Governance at the Conclusion of the Audit

To the Honorable Board of Aldermen and Mayor
City of Spring Hill, Tennessee

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Spring Hill, Tennessee for the year ended June 30, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and, *Government Auditing Standards* and OMB Circular A-133, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 31, 2014. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Spring Hill, Tennessee are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The following material misstatements detected as a result of audit procedures were corrected by management:

General Fund:	Due from County Government increased by \$47,239 Accounts Payable decreased by \$84,833 Deferred Inflows of Resources decreased by \$219,213
Sanitation Fund:	Accounts Receivable decreased by \$110,166
Sewer Expansion:	Accumulated Depreciation increased by \$306,166
Storm Water:	Accounts Receivable decreased by \$28,934 Equipment and Vehicles increased by \$51,325

	Accumulated Depreciation increased by \$50,923
	Accounts Payable decreased by \$373,926
Water and Sewer:	Accounts Receivable decreased by \$648,321
	Bonds Payable decreased by \$215,000
	State of Tennessee Loan decreased by \$235,008
	Equipment increased by \$1,382,209
	Construction in Progress decreased by \$1,058,660

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 31, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of Board of Aldermen and Mayor and management of the City of Spring Hill, Tennessee and is not intended to be, and should not be, used by anyone other than these specified parties.

October 31, 2014