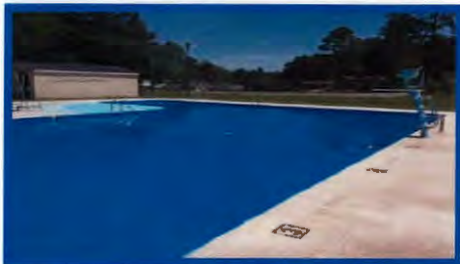


Community



Vision



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The Year Ended June 30, 2013

Ethics



Service

CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2013

PREPARED BY:

DEPARTMENT OF ADMINISTRATION

CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

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City of Perry

1211 Washington Street
P O Box 2030
Perry, Georgia 31069

478-988-2700
Telephone

478-988-2716
Telefax



www.perry-ga.gov

December 19, 2013

The Honorable Mayor, Members of the Governing Council and Citizens
of the City of Perry

In accordance with state statutes and local charter provisions, we hereby submit the Comprehensive Annual Financial Report of the City of Perry for the fiscal year ended June 30, 2013. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Clifton, Lipford, Hardison & Parker, LLC, have issued an unmodified (“clean”) opinion on the City of Perry’s financial statements for the fiscal year ended June 30, 2013. The independent auditor’s report is located in the front of the financial section of this report. In addition to the audit of the financial records, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit organizations. For the fiscal year ended June 30, 2013, the City expended more than \$500,000 in federal funds. The single audit was completed and is included in this report.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City’s MD&A can be found immediately following the Independent Auditor’s Report.

Profile of the Government

Originally called “Wattsville”, Perry is now known as the “Crossroads of Georgia” because the convergence of US 341, US 41, GA 127 and Interstate 75 provides excellent access to regional and national transportation networks. This prime location has encouraged tourism and growth throughout Perry’s history. The City of Perry was incorporated in 1824 and reincorporated by the General Assembly of Georgia (1983 Georgia Laws, Act No. 144) by enactment of a charter effective July 1, 1983. The City currently occupies a land area of 27.71 square miles. Perry, the

county seat for Houston County, serves a population of 14,786, as estimated by management, and offers a variety of municipal services including police and fire protection, maintenance of streets, parks and recreational activities, judicial services, community development, general administration, water, sewer and natural gas utility services and solid waste services. The City of Perry is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The City of Perry operates under the council-manager form of government. This organizational plan places legislative responsibility for municipal government with the City Council and gives administrative authority to the City Manager. The Council, which consists of the mayor and six council members, levies taxes, enacts ordinances, adopts the annual budget and performs other legislative functions. The Mayor and Council are elected on a staggered non-partisan basis for a term of four years. The mayor is elected citywide. For the purpose of electing council members, the City of Perry is divided into three districts, which consists of two posts each. The members representing each council district shall be elected only by the voters residing in that district and not at large. Upon the recommendation of the mayor, the city council appoints a city manager to manage the government through the development, implementation, and execution of programs and policies established by the Council.

The financial reporting entity of the City of Perry includes all the funds for which the City's elected officials are financially accountable, including its component units. Component units presented are the Perry Area Convention and Visitors Bureau Authority, which promotes tourism for the area, the Downtown Development Authority which supports economic revitalization of the downtown district, and the Perry Industrial Building Authority, which promotes new industry, or expansion of existing industry in the city.

Upon the recommendation of the City Manager and no later than the close of the fiscal year, the City Council adopts the budget for the upcoming fiscal year. The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The budget is prepared by fund, function and department and is closely monitored throughout the year. As conditions change or circumstances are altered, the budget process allows for amendments.

Local Economy

The City's economic future is strongly tied to area economic development including that outside its city limits. Employment of local citizens is balanced between area and local employers, which include the Department of Defense (Robins Air Force Base), Frito Lay, Inc., Houston County, Houston County School System, Houston Hospitals, Perdue Farms Inc., Graphic Packaging, Utility Service Company and Wal-Mart Southeast Division.

Tourism continues to be a major economic factor for the City of Perry. The Georgia National Fairgrounds and Agricenter attracted 809,133 visitors from January to November 2013 for the GA National Fair and 170 other events. The 24th Annual Georgia National Fair attendance (449,885) was an increase of 1% over 2012.

As tourism continues to grow, Perry was listed fourth in the ten best towns in Georgia for young families with a population over 10,000. Other cities that made the list are Evans, Peachtree City, Sugar Hill, St. Simons, Suwanee, Alpharetta, Martinez, Buford and Fayetteville. Measures used

to derive the overall score included great schools city rating, median home value, monthly homeowner costs, and median household income.

The City of Perry issued 193 building permits with an estimated construction cost of \$27,352,305.

Long-term Financial Planning

The City met or took into consideration the following fiscal challenges in developing the 2014 budget:

- Include a one percent cost of living adjustment and a one percent merit adjustment for all employees.
- Millage rate remain the same.
- Four percent increase in water rates.
- Establishment of Storm Water Utility District to fund maintenance and infrastructure construction needs.

Major Initiatives

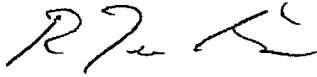
Led by the Mayor and Council's directions, several tasks were undertaken this fiscal year 2013, which included:

- Annexed 3.728 acres into the City
- Elimination of Impact fee
- Completed construction of Davis Farm Fire Station
- Received property for new city park
- Completed computer hardware upgrade and financial and payroll software conversion.
- City and GA National Fairgrounds and Agricenter entered into agreement for City to manage the fairgrounds wastewater system.
- Appointed Director of Economic Development
- Open 1.26 miles of walking trail along Bid Indian Creek
- Instituted Geographic Information System for City
- Initiated Curbside recycling

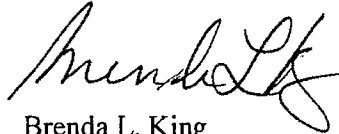
Acknowledgements

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and Clifton, Lipford, Hardison & Parker, LLC. We express appreciation to all staff members who contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



R. Lee Gilmour
City Manager



Brenda L. King
Director of Administration



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Perry
Georgia**

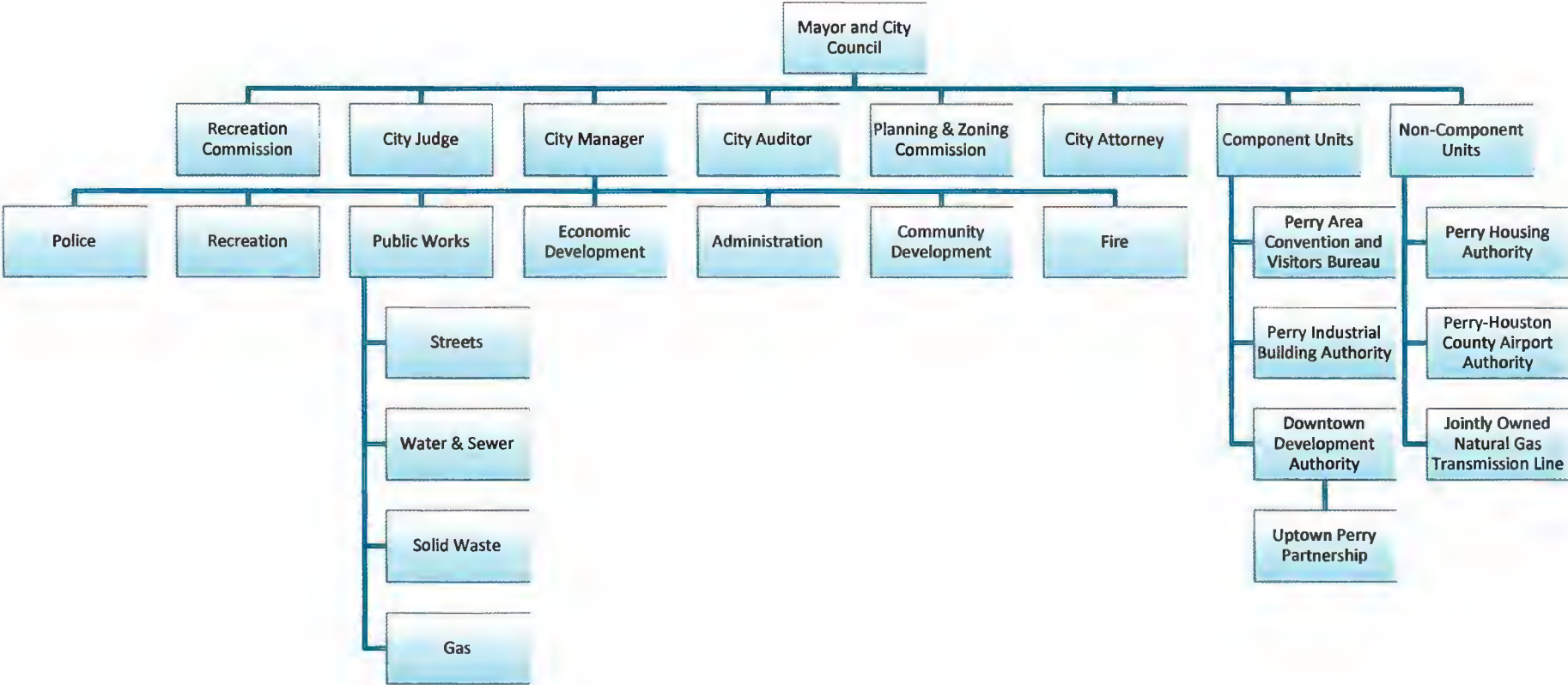
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

CITY OF PERRY, GEORGIA

ORGANIZATION CHART



City of Perry, Georgia
List of Principal Officials
June 30, 2013

Mayor	James E. Faircloth, Jr.
Mayor Pro-Tempore	Joseph A. Posey
Council Members	
District 1	
Post 1	Phyllis A. Bynum-Grace
Post 2	Willie J. King
District 2	
Post 1	Joseph A. Posey
Post 2	William R. Jackson
District 3	
Post 1	Randal Walker
Post 2	Riley Hunt
City Manager	R. Lee Gilmour
City Attorney	David G. Walker
Director of Administration	Brenda L. King
Director of Community Development	Michael D. Beecham
Director of Parks and Recreation	Ricky F. Kilgore
Economic Development Director	Mary Beth Bass
Fire Chief	Joel W. Gray
Police Chief	Stephen D. Lynn

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FINANCIAL SECTION

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J. Russell Lipford, Jr., CPA
Mark O. Hardison, CPA
Terry I. Parker, CPA
Christopher S. Edwards, CPA
Lynn S. Hudson, CPA
Kevin E. Lipford, CPA

Member of
American Institute of
Certified Public Accountants
Truman W. Clifton (1902-1989)

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
The City of Perry, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Perry, Georgia as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Perry, Georgia as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows, and the budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matter of Emphasis

As discussed in Note 4 to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information and the schedule of funding progress on pages 11 through 19 and page 68 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 Perry, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, the statistical tables and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of

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

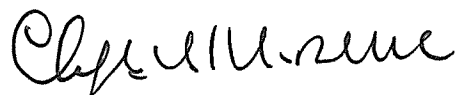
The combining and individual nonmajor fund financial statements, the schedule of projects constructed with special sales tax proceeds and the schedule of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2013, on our consideration of the City of Perry, 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 Perry, Georgia's internal control over financial reporting and compliance.

Macon, Georgia
December 19, 2013



MANAGEMENT'S DISCUSSION & ANALYSIS

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2013

The Management Discussion and Analysis of the City of Perry Government's Comprehensive Annual Financial Report (CAFR) provides an overall narrative and analysis of the City's financial statements for the fiscal year ended June 30, 2013. This discussion and analysis is designed to look at the City's financial performance as a whole. Readers should review the information presented in conjunction with information provided in the financial statements and the notes to the financial statements to enhance their understanding of the City's financial performance.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2013 by \$81,944,922 (net position). Of this amount \$4,133,316 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.
- During the year ended June 30, 2013, the City's net position increased by \$2,791,283.
- As of June 30, 2013, the City's governmental funds reported combined fund balances of \$4,066,257, an increase of \$829,083 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,005,129, or 19.2 percent of total general fund expenditures.
- During fiscal year 2013, the City's capital assets increased by approximately \$3,365,833 while the net increase in long-term debt was \$11,346.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

Both of the *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that intend to recover all or a significant portion of their costs through user fees and charges (business-type

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(CONTINUED)

activities). The governmental activities of the City include general government, public safety, public works, recreation and housing and development. The business-type activities of the City include water and sewerage, storm water utility, natural gas distribution, solid waste operation and a revolving loan fund.

The *government-wide financial statements* include not only the City of Perry itself (known as the primary government), but also entities for which the City is financially accountable. These component units are the Perry Area Convention and Visitors Bureau Authority, the Downtown Development Authority and the Perry Industrial Building Authority. Their financial information is reported separately from that of the primary government.

The government-wide financial statements can be found on pages 20 through 22 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains eleven individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in the fund balances for the general fund and the SPLOST construction 2012 fund. Data from the other nine governmental funds is presented in a total column termed as "other governmental funds." Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The City adopted an annual appropriated budget for all of its funds except the fiduciary funds, which are not budgeted, and the capital project funds, of which project length budgets are adopted. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with its budget.

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(CONTINUED)

The basic governmental funds financial statements can be found on pages 23 through 27 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water and sewerage, natural gas distribution, storm water utility, solid waste operation and a revolving loan fund.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewerage, natural gas distribution operations, storm water utility and solid waste operation which are considered to be major funds of the City. The revolving loan fund is a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 28 through 39 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 40 of this report.

Notes to the Financial Statements

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

The notes can be found on pages 41 through 67 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's retirement system funding progress and budget presentations. Budgetary comparison schedules for the general fund are presented which demonstrate compliance with the City's adopted and final revised budget. Required supplementary information can be found on page 68 of this report.

The combining statements and individual fund schedules referred to earlier are presented immediately following the required supplementary information.

Combining statements and individual fund schedules can be found on pages 69 through 76 of this report.

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(CONTINUED)

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's combined net position (government and business-type activities) exceeded liabilities by \$81,944,922 at June 30, 2013. The following table provides a summary of the City's net position for fiscal years 2012 and 2013.

City of Perry - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Assets						
Current and Other Assets	\$ 5,040,587	\$ 6,159,181	\$ 9,809,457	\$ 9,726,248	\$ 14,850,044	\$ 15,885,429
Capital Assets	47,152,249	44,247,626	40,567,589	40,106,379	87,719,838	84,354,005
	<u>52,192,836</u>	<u>50,406,807</u>	<u>50,377,046</u>	<u>49,832,627</u>	<u>102,569,882</u>	<u>100,239,434</u>
Deferred Outflows of Resources						
Deferred charge on refunding	-	-	255,936	-	255,936	-
Liabilities						
Current and Other Liabilities	948,315	1,207,938	390,563	174,777	1,338,878	1,382,715
Long-Term Liabilities	1,728,243	1,491,515	17,813,775	17,996,408	19,542,018	19,487,923
	<u>2,676,558</u>	<u>2,699,453</u>	<u>18,204,338</u>	<u>18,171,185</u>	<u>20,880,896</u>	<u>20,870,638</u>
Net Position						
Net Investment in Capital Assets	46,096,524	43,486,281	22,842,720	27,206,012	68,939,244	70,692,293
Debt Service	-	-	1,639,744	1,606,979	1,639,744	1,606,979
Restricted	902,235	2,018,810	4,241,735	98,403	5,143,970	2,117,213
Unrestricted	2,517,519	2,202,263	3,704,445	2,750,048	6,221,964	4,952,311
	<u>\$ 49,516,278</u>	<u>\$ 47,707,354</u>	<u>\$ 32,428,644</u>	<u>\$ 31,661,442</u>	<u>\$ 81,944,922</u>	<u>\$ 79,368,796</u>

The City's net investment in capital assets (i.e., land, infrastructure, buildings, machinery and equipment) less any outstanding debt used to acquire those assets comprise of 87% of the City's total net position. Net investments in capital assets for governmental activities increased by \$2,610,243 in fiscal year 2013. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt are expected to be provided from other sources, since there are no plans to liquidate these assets.

Eight percent of the City's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net position is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all categories of net position for the government as a whole. Governmental activities net position increased by \$1,808,924 in fiscal year 2013. The net position of the business-type activities increased \$982,359. The City's total net

CITY OF PERRY, GEORGIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2013
(CONTINUED)

position increased by \$2,791,283 during the current fiscal year. The reason for such increase is discussed in greater detail as part of the governmental activities.

The following table summarizes changes in net position for the governmental and business-type activities:

City of Perry - Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues						
Program Revenues						
Charges for services	\$ 4,061,519	\$ 4,112,444	\$ 10,113,866	\$ 9,287,503	\$ 14,175,385	\$ 13,399,947
Operating Grants and Contributions	250,710	511,899	-	37,462	250,710	549,361
Capital Grants and Contributions	3,587,628	4,330,530	1,000,465	1,500,298	4,588,093	5,830,828
General Revenues						
Property Taxes	6,022,167	6,003,452	-	-	6,022,167	6,003,452
Hotel/Motel Taxes	723,017	711,283	-	-	723,017	711,283
Franchise Taxes	974,874	1,016,175	-	-	974,874	1,016,175
Alcoholic Beverage Taxes	261,496	257,945	-	-	261,496	257,945
Insurance Premium Taxes	689,460	649,107	-	-	689,460	649,107
Occupational Taxes	186,884	172,437	-	-	186,884	172,437
Unrestricted Investment Earnings	5,148	6,067	16,213	34,158	21,361	40,225
	<u>16,762,903</u>	<u>17,771,339</u>	<u>11,130,544</u>	<u>10,859,421</u>	<u>27,893,447</u>	<u>28,630,760</u>
Expenses						
General Government	5,268,547	5,727,426	-	-	5,268,547	5,727,426
Public Safety	5,117,980	4,664,379	-	-	5,117,980	4,664,379
Public Works	4,059,039	3,696,463	-	-	4,059,039	3,696,463
Recreation	591,901	628,819	-	-	591,901	628,819
Housing and Development	92,998	98,417	-	-	92,998	98,417
Interest on Long-Term Debt	18,431	24,824	-	-	18,431	24,824
Water and Sewerage System	-	-	5,776,214	5,318,365	5,776,214	5,318,365
Storm Water Utility	-	-	29,818	-	29,818	-
Gas System	-	-	2,993,365	2,553,870	2,993,365	2,553,870
Solid Waste	-	-	1,151,240	1,053,980	1,151,240	1,053,980
Revolving Loan Fund	-	-	2,631	764	2,631	764
	<u>15,148,896</u>	<u>14,840,329</u>	<u>9,953,268</u>	<u>8,926,979</u>	<u>25,102,164</u>	<u>23,767,307</u>
Increase in Net Position, before transfers	<u>1,614,007</u>	<u>2,931,010</u>	<u>1,177,276</u>	<u>1,932,442</u>	<u>2,791,283</u>	<u>4,863,452</u>
Transfers	194,917	453,611	(194,917)	(453,611)	-	-
	<u>194,917</u>	<u>453,611</u>	<u>(194,917)</u>	<u>(453,611)</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>1,808,924</u>	<u>3,384,621</u>	<u>982,359</u>	<u>1,478,831</u>	<u>2,791,283</u>	<u>4,863,452</u>
Net Position - Beginning of year as restated	<u>47,707,354</u>	<u>44,322,733</u>	<u>31,446,285</u>	<u>30,182,611</u>	<u>79,153,639</u>	<u>74,505,344</u>
Net Position - End of year	<u>\$ 49,516,278</u>	<u>\$ 47,707,354</u>	<u>\$ 32,428,644</u>	<u>\$ 31,661,442</u>	<u>\$ 81,944,922</u>	<u>\$ 79,368,796</u>

Governmental Activities

Governmental activities increased the City's net position by \$1,808,924. As we compared overall revenues for 2012 and 2013, there was a decrease. However, there were noticeable increases in property taxes, alcoholic beverage taxes and gross insurance premium tax.

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(CONTINUED)

Business-Type Activities

The business-type activities increased the City's net position by \$982,359. In 2013, there was an increase in charges for services. However, all proprietary funds ended the year with positive net positions.

Financial Analysis of the City's Major Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

At June 30, 2013, the City's governmental funds reported combined fund balances of \$4,066,257, a decrease of \$829,083 over the prior year. Approximately 49.3 percent of the combined fund balances, (\$2,005,129) is classified as unassigned. The remaining amounts are classified as nonspendable (\$22,324), restricted (\$902,235) and assigned (\$1,136,569).

The general fund is the chief operating fund of the City. At June 30, 2013, the unassigned fund balance of the general fund was \$2,005,129, while total fund balance was \$3,168,237. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 14.2 percent of total fund expenditures, while total fund balance represents 22.5 percent of the same amount.

During the current fiscal year, the fund balance of the general fund increased by \$250,078. Key factors in this growth are as follows:

- An increase in tax on mobile homes by \$74,251.
- An increase in recording intangibles by \$16,321.
- An increase in property tax penalty and interest by \$17,349.
- An increase in gross insurance premium taxes by \$40,353.
- An increase in occupational taxes by \$14,447.
- An increase in administrative charges by \$37,985.

Proprietary Funds

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

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(CONTINUED)

Unrestricted net position of proprietary funds ended on a positive note in the amount of \$1,615,797. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During fiscal year 2013, the primary differences between the original and the final amended budget can be summarized as follows:

- Adjustment for additional property tax, occupational tax, licenses and permits, charges for services, gross insurance premium tax, intergovernmental, contributions, administrative and miscellaneous revenue
- Adjustment for Ball Street expenditures and 06 SPLOST reimbursements from Houston County
- Adjustment to reduce capital lease proceeds, fines and forfeitures, and franchise tax.
- Adjustments for additional health and dental insurance claims.
- Adjustment for Fire Apparatus and Animal Sterilization grants.

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2013 total \$87,719,838 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, infrastructure, machinery and equipment, structures, equipment and lines, and furniture and fixtures. The total increase in the City's investment in capital assets for the current period was \$3,365,833. Detailed information regarding the capital asset activity for 2013 can be found on pages 51 and 52 of this report.

Major capital asset events during the current fiscal year included the following:

- Governmental capital asset projects completed during the year included the Ball Street Extension Project and Grace Recovery Center valued at \$1,588,023 and \$119,919 respectively. Equipment purchases valued at \$764,633. The total value of governmental capital assets under construction at year-end was \$124,851.
- The total value of business-type capital assets under construction at year-end was \$420,237.
- The governmental activities acquired infrastructure, building and land due to donations from Houston County, developers and the Downtown Development Authority.

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(CONTINUED)

City of Perry - Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 9,403,390	\$ 9,171,068	\$ 339,473	\$ 296,308	\$ 9,742,863	\$ 9,467,376
Land improvements	508,584	222,863	-	-	508,584	222,863
Buildings and Improvements	5,056,379	3,428,488	-	-	5,056,379	3,428,488
Infrastructure	30,590,690	27,837,319	-	-	30,590,690	27,837,319
Machinery and Equipment	1,468,355	1,149,701	-	-	1,468,355	1,149,701
Structures, Equipment and Lines	-	-	39,807,879	39,526,588	39,807,879	39,526,588
Construction in Progress	124,851	2,438,187	420,237	283,483	545,088	2,721,670
	<u>\$ 47,152,249</u>	<u>\$ 44,247,626</u>	<u>\$ 40,567,589</u>	<u>\$ 40,106,379</u>	<u>\$ 87,719,838</u>	<u>\$ 84,354,005</u>

Long-Term Debt

At June 30, 2013, the City had total long-term debt outstanding of \$18,980,594 as compared to \$18,969,248 at the end of the prior year. This amount is comprised of \$15,124,000 in water and sewerage system revenue bonds, \$3,228,643 in capital lease agreements, \$427,951 in GEFA loans and \$200,000 loan from the Houston County Development Authority.

City of Perry - Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenue Bonds	\$ -	\$ -	\$ 15,124,000	\$ 15,160,000	\$ 15,124,000	\$ 15,160,000
Loans	200,000	300,000	427,951	515,529	627,951	815,529
Capital Leases	1,055,725	761,345	2,172,918	2,232,374	3,228,643	2,993,719
	<u>\$ 1,255,725</u>	<u>\$ 1,061,345</u>	<u>\$ 17,724,869</u>	<u>\$ 17,907,903</u>	<u>\$ 18,980,594</u>	<u>\$ 18,969,248</u>

Debt issued in 2013 amounted to \$1,029,050 compared to \$530,200 in the previous year. The capital leases the City entered into were for purchase of machinery and equipment for the public works operations, public safety, water and the administrative department hardware and software upgrades.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of real and personal property. The City has not issued any general obligation debt since 1970 and has had none outstanding since 1990. The amount of general obligation debt legally allowable for the City is \$42,285,283.

Additional information on the City's long-term debt can be found in Note 3-E on pages 54 through 57 of this report.

Economic Factors and Current Year Budget and Rates

Building permits issued for new starts and additions were 155 residential and 36 commercial and accessory structures.

CITY OF PERRY, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2013

(CONTINUED)

As of June 30, 2013, the unemployment rate for Houston County was 8.3 percent compared to the State of Georgia rate of 9.2 percent. Management has estimated the service population for the City to be 14,786 at June 30, 2013 which is based on the average household of 2.14 persons.

The following factors were considered in preparation of the City budget for 2014:

- Adjustment of fees and charges
- No millage rate increase
- Establishment of Storm Water Utility District

Request for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in our government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Perry Finance Department, P. O. Box 2030, Perry, Georgia 31069.

BASIC FINANCIAL STATEMENTS

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CITY OF PERRY, GEORGIA

STATEMENT OF NET POSITION

JUNE 30, 2013

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
ASSETS						
Cash and cash equivalents	\$ 2,248,425	\$ 2,067,359	\$ 4,315,784	\$ 245,000	\$ 60,904	\$ 236,444
Investments	2,042,202	629,462	2,671,664	-	-	-
Receivables, net of allowance	411,433	882,832	1,294,265	33,870	-	-
Mortgages receivable	25,111	-	25,111	-	-	-
Loans receivable	-	67,297	67,297	-	-	-
Internal balances	310,782	(310,782)	-	-	-	-
Inventories	2,634	-	2,634	-	-	-
Prepaid items	-	34,778	34,778	-	-	-
Restricted assets:						
Cash and cash equivalents	-	113,022	113,022	-	-	-
Investments	-	5,709,118	5,709,118	-	-	-
Investment in Jointly-Owned Natural Gas Transmission Line	-	616,371	616,371	-	-	-
Capital assets:						
Nondepreciable	9,528,241	759,710	10,287,951	492,893	-	-
Depreciable, net	37,624,008	39,807,879	77,431,887	422,579	-	-
Total assets	52,192,836	50,377,046	102,569,882	1,194,342	60,904	236,444
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charge on refunding	-	255,936	255,936	-	-	-
LIABILITIES						
Accounts payable and other current liabilities	769,319	362,665	1,131,984	29,316	320	-
Other accrued expenses	51,199	-	51,199	-	-	-
Accrued interest payable	1,562	27,898	29,460	-	-	-
Unearned revenues	126,235	-	126,235	-	-	-
Noncurrent liabilities:						
Due within one year	677,684	965,125	1,642,809	3,137	-	-
Due in more than one year	1,050,559	16,848,650	17,899,209	3,307	-	-
Total liabilities	2,676,558	18,204,338	20,880,896	35,760	320	-
NET POSITION						
Net investment in capital assets	46,096,524	22,842,720	68,939,244	915,472	-	-
Restricted for:						
Capital outlay	793,747	4,144,374	4,938,121	-	-	-
Grantors and contributors	85,218	-	85,218	-	-	-
Debt Service	-	1,639,744	1,639,744	-	-	-
Loans receivable	-	97,361	97,361	-	-	-
Public Safety	23,270	-	23,270	-	-	-
Unrestricted	2,517,519	3,704,445	6,221,964	243,110	60,584	236,444
Total net position	\$ 49,516,278	\$ 32,428,644	\$ 81,944,922	\$ 1,158,582	\$ 60,584	\$ 236,444

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 5,268,547	\$ 3,413,900	\$ 221,455	\$ 431,348
Public safety	5,117,980	567,396	21,955	697,770
Public works	4,059,039	-	-	2,403,338
Recreation	591,901	80,223	7,300	55,172
Housing and development	92,998	-	-	-
Interest on long-term debt	18,431	-	-	-
Total governmental activities	15,148,896	4,061,519	250,710	3,587,628
Business-type Activities:				
Water and sewerage	5,776,214	5,294,439	-	962,485
Storm Water Utility	29,818	80,474	-	37,500
Gas	2,993,365	3,538,054	-	480
Solid waste	1,151,240	1,200,899	-	-
Revolving Loan Fund	2,631	-	-	-
Total business-type activities	9,953,268	10,113,866	-	1,000,465
Total Primary Government	\$ 25,102,164	\$ 14,175,385	\$ 250,710	\$ 4,588,093
Component Units:				
Perry Area Convention and Visitors Bureau	\$ 387,351	\$ 24,044	\$ 341,570	\$ -
Perry Downtown Development Authority	310,873	-	3,970	-
Perry Industrial Building Authority	-	-	-	-
Total component units	\$ 698,224	\$ 24,044	\$ 345,540	\$ -

General revenues:

Property taxes
Franchise taxes
Insurance premium taxes
Occupational taxes
Hotel/Motel taxes
Alcoholic beverage taxes
Investment earnings

Transfers

Total general revenues and transfers

Change in net position

Net position - Beginning of year as restated

Net position - End of year

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(CONTINUED)

Net (Expense) Revenue and
Changes in Net Position

Primary Government			Component Units		
Governmental Activities	Business-type Activities	Total	Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
\$ (1,201,844)	\$ -	\$ (1,201,844)			
(3,830,859)	-	(3,830,859)			
(1,655,701)	-	(1,655,701)			
(449,206)	-	(449,206)			
(92,998)	-	(92,998)			
(18,431)	-	(18,431)			
(7,249,039)	-	(7,249,039)			
-	480,710	480,710			
-	88,156	88,156			
-	545,169	545,169			
-	49,659	49,659			
-	(2,631)	(2,631)			
-	1,161,063	1,161,063			
(7,249,039)	1,161,063	(6,087,976)			
			\$ (21,737)	\$ -	\$ -
			-	(306,903)	-
			-	-	-
			(21,737)	(306,903)	-
6,022,167	-	6,022,167	-	-	-
974,874	-	974,874	-	-	-
689,460	-	689,460	-	-	-
186,884	-	186,884	-	-	-
723,017	-	723,017	-	-	-
261,496	-	261,496	-	-	-
5,148	16,213	21,361	369	203	1,421
194,917	(194,917)	-	-	-	-
9,057,963	(178,704)	8,879,259	369	203	1,421
1,808,924	982,359	2,791,283	(21,368)	(306,700)	1,421
47,707,354	31,446,285	79,153,639	1,179,950	367,284	235,023
\$ 49,516,278	\$ 32,428,644	\$ 81,944,922	\$ 1,158,582	\$ 60,584	\$ 236,444

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	General	SPLOST Construction 2012	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalent	\$ 1,513,245	\$ 355,370	\$ 379,810	\$ 2,248,425
Investments	2,042,202	-	-	2,042,202
Taxes receivable	53,890	-	54,654	108,544
Due from other funds	316,714	1,072	235,017	552,803
Intergovernmental receivables	-	215,945	-	215,945
Mortgages receivable	25,111	-	-	25,111
Other receivables	62,636	-	24,308	86,944
Inventories	2,634	-	-	2,634
Total assets	\$ 4,016,432	\$ 572,387	\$ 693,789	\$ 5,282,608
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 643,823	\$ 1,189	\$ 122,457	\$ 767,469
Due to other funds	127,571	79,947	34,503	242,021
Other accrued liabilities	47,374	-	3,825	51,199
Unearned revenue	-	-	126,235	126,235
Deposits	1,850	-	-	1,850
Total liabilities	820,618	81,136	287,020	1,188,774
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	27,577	-	-	27,577
FUND BALANCES				
Nonspendable	22,324	-	-	22,324
Restricted	127,082	491,251	283,902	902,235
Committed	-	-	-	-
Assigned	1,013,702	-	122,867	1,136,569
Unassigned	2,005,129	-	-	2,005,129
Total fund balances	3,168,237	491,251	406,769	4,066,257
Total liabilities, deferred inflows of resources and fund balances	\$ 4,016,432	\$ 572,387	\$ 693,789	\$ 5,282,608

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2013

Total fund balances per balance sheet of governmental funds \$ 4,066,257

Amounts reported for governmental activities in the Statement of Net Position differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital Assets

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of the assets	70,182,179
Accumulated depreciation	(23,029,930)

Revenues

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	27,577
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Long-term Liabilities

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Position. Long-term liabilities at year-end consist of the following:

Accrued interest	(1,562)
Compensated absences	(270,054)
Net pension obligation	(202,464)
Capital leases	(1,055,725)
Note payable	(200,000)

Total net position of governmental activities.	<u>\$ 49,516,278</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General	SPLOST Construction 2012	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 6,059,085	\$ -	\$ -	\$ 6,059,085
Franchise	974,874	-	-	974,874
Insurance premium	689,460	-	-	689,460
Occupational	186,884	-	-	186,884
Hotel/motel	-	-	723,017	723,017
Alcoholic beverage	261,496	-	-	261,496
License and permits	246,401	-	-	246,401
Impact fees	-	-	34,348	34,348
Intergovernmental	1,680,629	1,027,082	585,700	3,293,411
Fines and forfeitures	387,137	-	12,406	399,543
Charges for services	1,980,238	-	-	1,980,238
Administrative	531,459	-	-	531,459
Contributions from private sources	23,755	-	-	23,755
Investment earnings	5,148	235	1,200	6,583
Miscellaneous	597,809	-	271,721	869,530
Total revenues	13,624,375	1,027,317	1,628,392	16,280,084
EXPENDITURES				
Current:				
General government	4,079,648	-	1,305,056	5,384,704
Public safety	5,251,826	-	11,059	5,262,885
Public works	3,817,195	248,589	484,821	4,550,605
Recreation	478,841	4,172	-	483,013
Housing and development	92,998	-	-	92,998
Debt service:				
Principal	336,281	-	100,000	436,281
Interest and other charges	20,001	-	5,460	25,461
Capital outlay	-	283,305	1,442,316	1,725,621
Total expenditures	14,076,790	536,066	3,348,712	17,961,568
Excess (deficiency) of revenues over (under) expenditures	(452,415)	491,251	(1,720,320)	(1,681,484)
OTHER FINANCING SOURCES (USES)				
Transfers in	175,472	-	149,908	325,380
Transfers out	(130,463)	-	-	(130,463)
Capital leases	630,661	-	-	630,661
Sale of capital assets	26,823	-	-	26,823
Total other financing sources (uses)	702,493	-	149,908	852,401
Net change in fund balances	250,078	491,251	(1,570,412)	(829,083)
Fund balances - Beginning of year	2,918,159	-	1,977,181	4,895,340
Fund balances - End of year	\$ 3,168,237	\$ 491,251	\$ 406,769	\$ 4,066,257

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances. \$ (829,083)

Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:

Capital Assets

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.

Total capital outlays	\$ 4,123,862	
Total depreciation	<u>(1,738,464)</u>	2,385,398

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, and annexing) is to increase net assets. 519,225

Long-term Debt

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:

Issuance of long-term debt		(630,661)
Repayment of principal		436,281
Interest on long-term debt		7,030
Compensated absences		(42,348)

Revenues

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Amount represents the net change for the fiscal year. (36,918)

Change in Net Position of Governmental Activities.	<u><u>\$ 1,808,924</u></u>
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The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 5,797,300	\$ 6,059,000	\$ 6,059,085	\$ 85
Franchise	1,017,600	974,800	974,874	74
Insurance premium	649,100	689,400	689,460	60
Occupational	159,600	186,800	186,884	84
Alcoholic beverage	245,500	261,400	261,496	96
Licenses and permits	190,300	246,400	246,401	1
Intergovernmental	1,100,000	1,680,600	1,680,629	29
Fines and forfeitures	481,400	387,100	387,137	37
Charges for Services	1,444,300	1,980,200	1,980,238	38
Administrative	435,200	531,400	531,459	59
Contributions from private sources	-	23,700	23,755	55
Investment earnings	5,200	5,100	5,148	48
Miscellaneous	123,100	597,000	597,809	809
Total revenues	11,648,600	13,622,900	13,624,375	1,475
EXPENDITURES				
Current:				
General government				
Mayor	19,500	26,000	25,958	42
City Council	90,900	103,800	103,708	92
City Attorney	86,900	99,600	99,564	36
Municipal Court	321,300	238,300	237,275	1,025
Administrative	2,225,500	2,759,700	2,755,662	4,038
City Manager	333,900	362,900	361,512	1,388
Community Development	473,400	496,400	495,921	479
Elections	-	100	48	52
Public safety	4,815,400	5,255,800	5,251,826	3,974
Public works	3,221,100	3,819,600	3,817,195	2,405
Recreation	421,500	479,700	478,841	859
Housing and development	78,400	93,100	92,998	102
Debt service:				
Principal	297,400	336,300	336,281	19
Interest and other charges	17,200	20,100	20,001	99
Total expenditures	12,402,400	14,091,400	14,076,790	14,610
Excess (deficiency) of revenue over (under) expenditure	(753,800)	(468,500)	(452,415)	16,085
OTHER FINANCING SOURCES (USES)				
Transfers in	183,000	175,400	175,472	72
Transfers out	-	(130,400)	(130,463)	(63)
Capital leases	776,000	630,600	630,661	61
Sale of capital assets	-	26,700	26,823	123
Total other financing sources (uses)	959,000	702,300	702,493	193
Net change in fund balances	205,200	233,800	250,078	16,278
Fund balances - Beginning of year	2,918,159	2,918,159	2,918,159	-
Fund balances - End of year	\$ 3,123,359	\$ 3,151,959	\$ 3,168,237	\$ 16,278

The notes to the financial statements are an integral part of this statement.

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CITY OF PERRY, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013

	Business-type Activities - Enterprise Funds		
	Water and Sewerage System	Storm Water Utility Fund	Gas System
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,086,898	\$ 35,455	\$ 748,038
Investments	327,921	-	301,541
Accounts receivable, net	500,796	13,044	232,134
Loans receivable, current portion	-	-	-
Due from other funds	214,703	-	-
Prepaid items	21,604	-	2,853
Total current assets	2,151,922	48,499	1,284,566
Noncurrent assets:			
Restricted assets			
Cash and cash equivalents	80,013	-	2,921
Investments	5,709,118	-	-
Loans receivable	-	-	-
Investment in Jointly-Owned Natural Gas Transmission Line	-	-	616,371
Capital assets:			
Land and easements	149,913	37,500	62,165
Structures, equipment and lines	54,259,223	-	3,658,698
Construction in progress	417,415	2,822	-
Less accumulated depreciation	(16,468,655)	-	(1,777,250)
Total noncurrent assets	44,147,027	40,322	2,562,905
Total assets	\$ 46,298,949	\$ 88,821	\$ 3,847,471
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	255,936	-	-

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013

<u>Business-type Activities - Enterprise Funds</u>		
	(Nonmajor)	
	Revolving	
Solid Waste	Loan Fund	Total
\$ 196,968	\$ -	\$ 2,067,359
-	-	629,462
136,858	-	882,832
-	12,500	12,500
-	-	214,703
10,321	-	34,778
<u>344,147</u>	<u>12,500</u>	<u>3,841,634</u>
-	30,088	113,022
-	-	5,709,118
-	54,797	54,797
-	-	616,371
89,895	-	339,473
601,450	-	58,519,371
-	-	420,237
(465,587)	-	(18,711,492)
<u>225,758</u>	<u>84,885</u>	<u>47,060,897</u>
\$ 569,905	\$ 97,385	\$ 50,902,531
-	-	255,936

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013
 (CONTINUED)

	Business-type Activities - Enterprise Funds		
	Water and Sewerage System	Storm Water Utility Fund	Gas System
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 111,094	\$ 577	\$ 186,621
Salaries payable	-	-	-
Developer's deposit	1,742	-	-
Accrued interest payable	27,505	-	34
Due to other funds	260,168	72	233,454
Compensated absences	-	-	-
Customer deposits payable	5,004	-	2,933
Landfill postclosure care costs	-	-	-
Revenue bond payable-current	370,000	-	-
Capital leases and notes payable-current	533,631	-	4,687
Total current liabilities	1,309,144	649	427,729
Noncurrent liabilities:			
Compensated absences	-	-	-
Revenue bonds	14,754,000	-	-
Capital leases and notes payable	1,986,515	-	2,393
Net pension obligation	-	-	-
Landfill postclosure care costs	-	-	-
Total noncurrent liabilities	16,740,515	-	2,393
Total liabilities	18,049,659	649	430,122
NET POSITION			
Net investment in capital assets	20,754,072	-	1,936,533
Restricted for capital outlay	4,144,374	-	-
Restricted for debt service	1,639,744	-	-
Restricted for loans receivable	-	-	-
Unrestricted	1,967,036	88,172	1,480,816
Total net position	\$ 28,505,226	\$ 88,172	\$ 3,417,349

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2013
 (CONTINUED)

<u>Business-type Activities - Enterprise Funds</u>		
	<u>(Nonmajor)</u>	
	<u>Revolving</u>	
<u>Solid</u>	<u>Loan</u>	
<u>Waste</u>	<u>Fund</u>	<u>Total</u>
\$ 53,497	\$ -	\$ 351,789
1,197	-	1,197
-	-	1,742
359	-	27,898
31,767	24	525,485
4,551	-	4,551
-	-	7,937
3,500	-	3,500
-	-	370,000
48,756	-	587,074
<u>143,627</u>	<u>24</u>	<u>1,881,173</u>
2,191	-	2,191
-	-	14,754,000
24,887	-	2,013,795
17,190	-	17,190
61,474	-	61,474
<u>105,742</u>	<u>-</u>	<u>16,848,650</u>
<u>249,369</u>	<u>24</u>	<u>18,729,823</u>
152,115	-	22,842,720
-	-	4,144,374
-	-	1,639,744
-	97,361	97,361
168,421	-	3,704,445
<u>\$ 320,536</u>	<u>\$ 97,361</u>	<u>\$ 32,428,644</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Business-type Activities - Enterprise Funds		
	Water and Sewerage System	Storm Water Utility Fund	Gas System
Operating revenues:			
Charges for sales and services	\$ 5,293,089	\$ 80,474	\$ 3,536,808
Miscellaneous	1,350	-	1,246
Total operating revenues	<u>5,294,439</u>	<u>80,474</u>	<u>3,538,054</u>
Operating expenses:			
Cost of sales and services	3,415,561	29,242	2,771,097
Administration	259,393	576	155,795
Depreciation	1,342,665	-	66,245
Total operating expenses	<u>5,017,619</u>	<u>29,818</u>	<u>2,993,137</u>
Operating income (loss)	<u>276,820</u>	<u>50,656</u>	<u>544,917</u>
Nonoperating revenues (expenses):			
Net income from joint venture	-	-	2,125
Interest income - nonrestricted assets	2,301	16	1,256
Interest income - restricted assets	8,743	-	-
Interest expense	(758,595)	-	(228)
Total nonoperating revenues (expenses)	<u>(747,551)</u>	<u>16</u>	<u>3,153</u>
Income before contributions and transfers	<u>(470,731)</u>	<u>50,672</u>	<u>548,070</u>
Capital contributions	962,485	37,500	480
Transfers in	120,144	-	-
Transfers out	-	-	(315,061)
Total other financing sources (uses)	<u>1,082,629</u>	<u>37,500</u>	<u>(314,581)</u>
Change in net assets	611,898	88,172	233,489
Total net position - Beginning of year as restated	<u>27,893,328</u>	<u>-</u>	<u>3,183,860</u>
Total net position - End of year	<u>\$ 28,505,226</u>	<u>\$ 88,172</u>	<u>\$ 3,417,349</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

<u>Business-type Activities - Enterprise Funds</u>		
	<u>(Nonmajor)</u>	
	<u>Revolving</u>	
<u>Solid</u>	<u>Loan</u>	
<u>Waste</u>	<u>Fund</u>	<u>Total</u>
\$ 1,198,899	\$ -	\$ 10,109,270
2,000	-	4,596
<u>1,200,899</u>	<u>-</u>	<u>10,113,866</u>
1,034,407	2,631	7,252,938
80,475	-	496,239
33,979	-	1,442,889
<u>1,148,861</u>	<u>2,631</u>	<u>9,192,066</u>
52,038	(2,631)	921,800
-	-	2,125
183	-	3,756
-	1,589	10,332
<u>(2,379)</u>	<u>-</u>	<u>(761,202)</u>
<u>(2,196)</u>	<u>1,589</u>	<u>(744,989)</u>
49,842	(1,042)	176,811
-	-	1,000,465
-	-	120,144
-	-	(315,061)
<u>-</u>	<u>-</u>	<u>805,548</u>
49,842	(1,042)	982,359
270,694	98,403	31,446,285
<u>\$ 320,536</u>	<u>\$ 97,361</u>	<u>\$ 32,428,644</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewerage System</u>	<u>Storm Water Utility Fund</u>	<u>Gas System</u>
<u>Cash Flows from Operating Activities:</u>			
Receipts from customers and users	\$ 5,239,438	\$ 67,430	\$ 3,482,173
Payments to suppliers	(3,073,552)	(29,169)	(2,546,429)
Payments to employees	(259,393)	-	(155,795)
Net Cash Provided (used) by Operating Activities	<u>1,906,493</u>	<u>38,261</u>	<u>779,949</u>
<u>Cash Flows from Noncapital Financing Activities:</u>			
Transfer from other funds	120,144	-	-
Transfer to other funds	-	-	(315,061)
Net Cash Provided (used) by Noncapital Financing Activities	<u>120,144</u>	<u>-</u>	<u>(315,061)</u>
<u>Cash Flows from Capital and Related Financing Activities:</u>			
Principal paid on capital debt	(5,833,332)	-	(4,568)
Interest paid on capital debt	(759,968)	-	(256)
Acquisition and construction of capital assets	(967,331)	(2,822)	(177,382)
Proceeds from capital debt	5,702,389	-	-
Net Cash Provided (used) by Capital and Related Financing Activities	<u>(1,858,242)</u>	<u>(2,822)</u>	<u>(182,206)</u>
<u>Cash Flows From Investing Activities:</u>			
Proceeds from sales and maturities of investments	-	-	301,911
Interest received	11,044	16	1,256
Purchases of investments	(30,040)	-	-
Net Cash Provided (Used) by Investing Activities	<u>(18,996)</u>	<u>16</u>	<u>303,167</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Solid Waste	(Nonmajor) Revolving Loan Fund	Total
\$ 1,177,357	\$ 21,146	\$ 9,987,544
(681,605)	(4,690)	(6,335,445)
(383,207)	-	(798,395)
112,545	16,456	2,853,704
-	-	120,144
-	-	(315,061)
-	-	(194,917)
(47,523)	-	(5,885,423)
(2,671)	-	(762,895)
(9,242)	-	(1,156,777)
-	-	5,702,389
(59,436)	-	(2,102,706)
-	-	301,911
183	1,589	14,088
-	-	(30,040)
183	1,589	285,959

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (CONTINUED)

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewerage System</u>	<u>Storm Water Utility Fund</u>	<u>Gas System</u>
Net increase (decrease) in cash and cash equivalents	\$ 149,399	\$ 35,455	\$ 585,849
Cash and cash equivalents - beginning	1,017,512	-	165,110
Cash and cash equivalents - ending	<u>\$ 1,166,911</u>	<u>\$ 35,455</u>	<u>\$ 750,959</u>
Classified as:			
Current Assets	\$ 1,086,898	\$ 35,455	\$ 748,038
Restricted Assets	80,013	-	2,921
Total cash and cash equivalents	<u>\$ 1,166,911</u>	<u>\$ 35,455</u>	<u>\$ 750,959</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (CONTINUED)

Business-type Activities - Enterprise Funds		
	(Nonmajor)	
	Revolving	
Solid	Loan	Total
Waste	Fund	
\$ 53,292	\$ 18,045	\$ 842,040
143,676	12,043	1,338,341
<u>\$ 196,968</u>	<u>\$ 30,088</u>	<u>\$ 2,180,381</u>
\$ 196,968	\$ -	\$ 2,067,359
-	30,088	113,022
<u>\$ 196,968</u>	<u>\$ 30,088</u>	<u>\$ 2,180,381</u>

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (CONTINUED)

	<u>Business-type Activities - Enterprise Funds</u>		
	<u>Water and Sewerage System</u>	<u>Storm Water Utility Fund</u>	<u>Gas System</u>
Reconciliation of Operating Income (Loss) to Net			
Cash provided (used) by Operating Activities:	\$ 276,820	\$ 50,656	\$ 544,917
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	1,342,665	-	66,245
Change In:			
Accounts receivable, net	96,182	(13,044)	(53,756)
Due from other funds	(152,313)	-	480
Investment in JOTL	-	-	(2,125)
Prepaid expenses	3,969	-	6,584
Accounts payable	110,855	577	53,212
Due to other funds	227,182	72	164,392
Accrued liabilities	-	-	-
Compensated absences	-	-	-
Landfill postclosure care costs	-	-	-
Customers' meter deposits	1,133	-	-
Total Adjustments	<u>1,629,673</u>	<u>(12,395)</u>	<u>235,032</u>
Net cash provided (used) by operating activities	<u>\$ 1,906,493</u>	<u>\$ 38,261</u>	<u>\$ 779,949</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ 962,485	\$ 37,500	\$ 480
Assets acquired through assumption of a liability	398,389	-	-

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013
 (CONTINUED)

<u>Business-type Activities - Enterprise Funds</u>		
	<u>(Nonmajor)</u>	
	<u>Revolving</u>	
<u>Solid</u>	<u>Loan</u>	
<u>Waste</u>	<u>Fund</u>	<u>Total</u>
\$ 52,038	\$ (2,631)	\$ 921,800
33,979	-	1,442,889
(23,542)	21,146	26,986
32,021	-	(119,812)
-	-	(2,125)
(203)	-	10,350
53,497	-	218,141
(30,579)	(2,059)	359,008
(2,032)	-	(2,032)
(592)	-	(592)
(2,042)	-	(2,042)
-	-	1,133
<u>60,507</u>	<u>19,087</u>	<u>1,931,904</u>
\$ 112,545	\$ 16,456	\$ 2,853,704

\$ - \$ -

- -

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITY
FIDUCIARY FUND
JUNE 30, 2013

	<u>Agency Fund</u>
ASSETS	
Cash	<u>\$ 46,131</u>
Total assets	<u><u>\$ 46,131</u></u>
LIABILITY	
Payable from Assets	
Confiscated assets pending disposition	<u><u>\$ 46,131</u></u>

The notes to the financial statements are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

CITY OF PERRY, GEORGIA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Perry, Georgia (hereinafter the City) was reincorporated by the General Assembly of Georgia 1983 Georgia Laws, Act No. 444) by the enactment of a charter effective July 1, 1983. The City was originally chartered in 1824.

City government is conducted by a nonpartisan mayor and council. The council is composed of six elected members, two from each of three districts. Members serve staggered four-year terms. Council selects a city manager who oversees day-to-day operations of the City.

The City provides numerous municipal services authorized by its charter and operates three major utilities.

The accompanying financial statements presents the City and it's discretely presented component units, entities for which the City is considered to be financially accountable.

Each discretely presented component unit is reported in a separate column in the government-wide financial statements and is accountable under all the criteria listed.

Discretely Presented Component Units

The Perry Area Convention and Visitors Bureau (hereinafter the Visitors Bureau) was created to promote tourism, trade and conventions for the City. The governing board consists of nine regular members and four ex-officio members. Five of these members must be recommended by the Perry Area Chamber of Commerce board of directors. The ex-officio members are the executive director of the authority, the city manager, the executive director of the Perry Area Chamber of Commerce and the executive director of the Georgia National Fairgrounds and Agricenter. The City provides the major support to the Visitors Bureau through the collection and remittance of hotel motel taxes. The Visitors Bureau is reported as a governmental fund type.

The Perry Downtown Development Authority (hereinafter the Authority) was created to revitalize and redevelop the central business district of the City, to develop and promote for the public good and general welfare, trade, commerce, industry and employment opportunities. The Authority is governed by seven directors appointed by the mayor and city council. The City provides support to the DDA relative to the yearly operating budget requirements. The Authority is reported as a governmental fund type.

The Perry Industrial Building Authority (hereinafter the Building Authority) was created to encourage and promote the expansion and development of industrial and commercial facilities in the City. The Building Authority is governed by two directors appointed by the mayor and city council and three ex-officio members, the mayor, the chairman of the Houston County Board of Commissioners and the president of the Perry Area Chamber of Commerce. The City does have the ability to impose will on the Building Authority relative to the use of the existing funds. The Building Authority's financial statements

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

consist of a general fund only and it is reported as a governmental fund type. The Authority has not issued separate financial statements for this fiscal year.

Complete financial statements for the Visitors Bureau and the Authority may be obtained at the entity's administrative offices:

Perry Area Convention and Visitors Bureau 101 Courtney Hodges Boulevard Perry, Georgia 31069	Perry Downtown Development Authority 1211 Washington Street Perry, Georgia 31069
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B. Government-wide and fund financial statements

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

C. Measurement focus, basis of accounting and financial statement presentation

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Fiduciary funds are reported using the accrual basis of accounting and have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, special purpose local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, investment earnings and charges for services associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

SPLOST 2012 – The Special Purpose Local Option Sales Tax Fund accounts for the City’s construction and improvement projects based on the 1 cent special purpose sales tax approved by the voters of the City of Perry.

The City reports the following major proprietary funds:

Water and Sewerage System – accounts for the operations and maintenance of the City’s water and wastewater services to the residents and businesses of the City.

Stormwater Utility Fund – accounts for the operations and maintenance of the City’s stormwater management program.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

Gas System – accounts for the operations and maintenance of the City’s natural gas services to the residents and businesses of the City.

Solid Waste Fund – accounts for the operation and maintenance of the City’s trash, leaf and limb collections to the residents and businesses of the City.

Additionally, the City reports the following fund type:

Fiduciary Fund – accounts for money confiscated and held pending disposition by courts.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government’s public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges for services or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Other revenue sources not properly included with program revenues are reported as general revenues of the City.

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

D. Deposits and Investments

Deposits

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

Investments

Investments for the City are reported at fair value.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

E. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received including property taxes, amounts due from other funds and grants.

In the fund financial statements, deferred revenue accounts are used to offset receivables to the extent revenue is not recognized under the City's policy.

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

F. Interfund Receivables, Payables and Transfers

In the fund financial statements balances that are representative of lending/borrowing arrangements, outstanding at the end of the fiscal year, are referred to as "interfund receivables/interfund payables." In the government-wide financial statements these balances are netted and reported as "internal balances."

G. Inventories

In the government-wide financial statements, 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).

In the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Restricted Assets

Resources set aside in proprietary funds for repayment of bonds, and renewal and extension in the amounts of \$1,639,744 are classified as restricted assets because their use is limited by bond covenants. A corresponding portion of net assets is segregated by its classification as "restricted for debt service."

Resources set aside in the proprietary funds for proceeds of revenue bond issuances that are restricted for use in construction are in the amount of \$4,144,374. A corresponding portion of net assets is segregated by its classification as "restricted for capital outlay."

Customers' meter deposits are classified as restricted assets because their use is limited. Customers' meter deposits for the Water and Sewerage System and Gas System are \$5,004 and \$2,933, respectively.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000. Preliminary and interim costs incurred by governmental funds for capital projects are reported as “construction in progress.” Cost related to abandoned projects are expensed when the project is abandoned.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City contracted with a third party appraiser for the initial recording of these assets through historical costs and city records. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of donation.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. The amount of interest capitalized depends on the specific circumstances. During 2013, total interest expense incurred was \$761,202. However, no interest was capitalized in 2013, due to substantial suspension of the project.

Capital assets are depreciated over their estimated useful lives using the straight-line method. These estimated useful lives are as follows:

<u>Asset Class</u>	<u>Years</u>
Furniture and Fixtures	5-7
Machinery and equipment	3-10
Lines and Mains	50
Buildings	10-50
Land Improvements	10-25
Infrastructure	50

K. Compensated Absences

Annual leave is earned by all permanent city employees and may be accumulated and carried over to a maximum of 160 hours per employee (244 hours for firefighters). In accordance with GASB Statement 16, the City accrues the cost of annual leave when the leave is earned. This cost is accrued in the government-wide and proprietary fund financial statements.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

Sick leave is earned by all full-time city employees and 640 hours may be accumulated (896 hours for firefighters). Employees leaving the City are not entitled to payment for accumulated sick leave. In accordance with GASB Statement 16, the City does not accrue sick leave because employees do not receive "termination payments" upon leaving the City.

L. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

M. Deferred outflows/inflows of resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source, property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

N. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of reserves by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of Mayor and Council through adoption of

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

a resolution. The Mayor and Council also may modify or rescind the commitment.

- Assigned – amounts that are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, Mayor and Council has authorized the City Manager or his designee to assign fund balances.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes with the General Fund.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City’s policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City’s policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of June 30, 2013:

	General Fund	SPLOST Construction 2012	Nonmajor Governmental Funds	Total
Fund Balances:				
Nonspendable				
Inventory	\$ 2,634	\$ -	\$ -	\$ 2,634
Long term receivables	19,690	-	-	19,690
Restricted for:				
Public safety	-	-	23,270	23,270
Grantors and contributors	73,548	-	11,670	85,218
Capital Outlay	53,534	491,251	248,962	793,747
Assigned:				
Self Insurance	927,325	-	-	927,325
Culture and beautification	7,852	-	110,867	118,719
Administrative	4,208	-	-	4,208
Capital outlay	74,317	-	12,000	86,317
Unassigned	2,005,129	-	-	2,005,129
Total fund balances	\$ 3,168,237	\$ 491,251	\$ 406,769	\$ 4,066,257

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted- net position and unrestricted- net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position.

O. Allocation of administrative costs

At the governmental fund level, the City allocates administrative costs to the various departments and funds for which services are provided as allowable by the benefiting fund. The allocations are based upon the City's estimate of each fund's share of the services.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

An annual appropriated budget is adopted by ordinance for all fund types except fiduciary funds, which are not budgeted and capital projects fund which have project length budgets. Budgets are prepared on the modified accrual basis for governmental fund types and on the accrual basis for proprietary fund types and are consistent with generally accepted accounting principles. All annual appropriations lapse at the end of the fiscal year with the exception of the capital projects funds.

On or before the last day of February of each year, all departments of the government submit requests for appropriations to the city manager so that a budget may be prepared. Appropriated budgets are compiled by the city manager, finance officer and department heads. Before the first day of May, the proposed budget is presented to the mayor and council for review. After holding a public hearing, a final budget is prepared and adopted no later than June 30.

Budgetary control is maintained at the department level. Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of city council.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

NOTE 3– DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of June 30, 2013, the City had the following investments:

<u>Investment Type</u>	<u>Maturities (Days)</u>	<u>Fair Value</u>
Office of the State Treasurer	24	\$ 6,816,038
U.S. Treasury Bills	92	<u>1,564,744</u>
Total Fair Value		<u>\$ 8,380,782</u>
Portfolio Weighted Average Maturity	37	

State statutes authorize the City to invest in obligation of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the State Treasurer’s Investment Pool.

Interest Rate Risk. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. Georgia laws (O.C.G.A. 36-83-4 and 36-82-7) limit investments of the City. The City has no investment policy that would further limit its investment choices. As of June 30, 2013, the City’s investment in the Office of the State Treasurer was rated AA Af/S1+ by Standard and Poor’s. Shares sold and redeemed are based on \$1.00 per share. The reported value of the pool is the same as the fair value of the pool shares.

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 June 30, 2013, are entirely insured or collateralized with securities held by the City’s agent in the City’s name.

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

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

B. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities:					
Capital assets not being depreciated:					
Land and Land Improvements	\$ 9,171,068	\$ 232,328	\$ (6)	\$ -	\$ 9,403,390
Construction in Progress	2,438,187	9,492	(480)	(2,322,348)	124,851
Total capital assets, not being depreciated	11,609,255	241,820	(486)	(2,322,348)	9,528,241
Capital assets, being depreciated:					
Buildings and Improvements	5,010,962	1,650,806	-	87,817	6,749,585
Land Improvements	947,899	225,362	-	114,430	1,287,691
Furniture and fixtures	34,441	-	-	-	34,441
Machinery and equipment	4,562,769	699,967	(267,123)	-	4,995,613
Infrastructure	43,640,863	1,825,644	-	2,120,101	47,586,608
Total capital assets being depreciated	54,196,934	4,401,779	(267,123)	2,322,348	60,653,938
Less accumulated depreciation for:					
Buildings and Improvements	(1,582,474)	(110,732)	-	-	(1,693,206)
Land Improvements	(725,036)	(54,071)	-	-	(779,107)
Furniture and fixtures	(34,441)	-	-	-	(34,441)
Machinery and equipment	(3,413,068)	(381,287)	267,097	-	(3,527,258)
Infrastructure	(15,803,544)	(1,192,374)	-	-	(16,995,918)
Total accumulated depreciation	(21,558,563)	(1,738,464)	267,097	-	(21,029,930)
Total capital assets, being depreciated, net	32,638,371	2,663,315	(26)	2,322,348	37,624,008
Governmental activities capital assets, net	\$ 44,247,626	\$ 2,905,135	\$ (512)	\$ -	\$ 47,152,249

Included in the increases above is land and land improvements donated to the City by the Perry Downtown Development Authority in the amounts of \$160,700 and \$145,643, respectively.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

Primary Government (continued)

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities:					
Capital assets not being depreciated:					
Land and easements	\$ 296,308	\$ 39,348	\$ -	\$ 3,817	\$ 339,473
Construction in progress	283,483	399,264	-	(262,510)	420,237
Total capital assets, not being depreciated	579,791	438,612	-	(258,693)	759,710
Capital assets, being depreciated:					
Structures, equipment and lines	56,818,147	1,465,487	(22,956)	258,693	58,519,371
Less accumulated depreciation for:					
Structures, equipment and lines	(17,291,559)	(1,442,889)	22,956	-	(18,711,492)
Total capital assets, being depreciated, net	39,526,588	22,598	-	258,693	39,807,879
Business-type activities capital assets, net	\$ 40,106,379	\$ 461,210	\$ -	\$ -	\$ 40,567,589

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities:	
General government	\$ 56,211
Public safety	261,140
Public works	1,293,334
Recreation	127,779
Total governmental activities depreciation expense	\$ 1,738,464
Business-Type Activities:	
Water and Sewerage System	\$ 1,342,665
Stormwater Utility Fund	-
Gas System	66,245
Solid Waste	33,979
Total business-type activities depreciation expense	\$ 1,442,889

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

C. Interfund receivables, payables and transfers

The composition of interfund balances as of June 30, 2013, is as follows:

Receivable Fund	Payable Fund	Amount
General	Gas System	\$ 18,751
	Water and Sewerage System	260,168
	Solid Waste Fund	31,767
	Revolving Loan Fund	24
	Nonmajor governmental funds	6,004
SPLOST Construction 2012	General Fund	1,000
	Stormwater Utility Fund	72
Water and Sewerage System	Gas System	214,703
	General Fund	126,571
Nonmajor governmental fund	SPLOST Construction 2012	79,947
Nonmajor governmental fund	Nonmajor governmental funds	28,499
Total		<u>\$ 767,506</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2013, is as follows:

Transfers out:	Transfers in:			Total
	General Fund	Water and Sewerage System	Nonmajor Governmental Funds	
General Fund	\$ -	\$ -	\$ 130,463	\$ 130,463
Gas System	175,472	120,144	19,445	315,061
	<u>\$ 175,472</u>	<u>\$ 120,144</u>	<u>\$ 149,908</u>	<u>\$ 445,524</u>

Transfers are used to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them 2) close out funds no longer needed by the City and 3) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

D. Landfill Postclosure Care Costs

The City has closed its Chapel Road/Ford Creek landfill site and has received a closure certificate from the Georgia Environmental Protection Division (EPD). State and federal laws and regulations require the City to perform certain maintenance and monitoring functions for 30 years after closure. The EPD approved total assured costs for this fiscal year are \$64,973 and are reported as a current and noncurrent liability in the Solid Waste enterprise fund. Actual costs may be higher than estimates due to inflation, changes in technology or regulations. During 2013, the City increased/adjusted these closure costs for inflation by \$2,042 and expended \$8,773 for maintenance and monitoring costs during this fiscal year.

E. Long-term debt

Primary Government

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment and for system expansion and refunding. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease date as of the date of their inception. Interest rates vary from 2.09% to 4.05%. Total cost of assets acquired under these capital leases as of June 30, 2013 is \$5,699,285. Cost of equipment included in the governmental activities statement of net assets is \$1,467,674. Cost of equipment and system expansion and refunding included in the business-type activities statement of net assets is \$4,231,611.

Annual debt service requirements to maturity for these capital leases are as follows:

Fiscal Year Ending	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
June 30,						
2014	\$ 435,797	\$ 18,561	\$ 461,445	\$ 496,043	\$ 65,603	\$ 561,646
2015	234,158	9,928	244,086	470,912	55,259	526,171
2016	126,084	6,638	132,722	440,137	36,712	476,849
2017	128,573	4,149	132,722	456,617	20,232	476,849
2018	131,113	1,610	-	309,209	4,205	313,414
2019-2022	-	-	-	-	-	-
Total	<u>\$ 1,055,725</u>	<u>\$ 40,886</u>	<u>\$ 1,096,611</u>	<u>\$ 2,172,918</u>	<u>\$ 182,011</u>	<u>\$ 2,354,929</u>

Although the City is not obligated to make annual appropriations under these leases, failure to do so will result in forfeiture of the assets acquired with these lease proceeds.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

Note Payable

In 2010, the City entered into a promissory note with the Houston County Development Authority for the City's contribution to the Go Fish Project by the State of Georgia in the amount of \$500,000. Interest will accrue on the unpaid balance at 56% of the prime rate. Any payment made ten days after the respective due date of May 31st, shall accrue a late fee of 5% of the respective payment amount. The annual debt service requirements for this note payable are as follows:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal	
2014	\$	100,000
2015		100,000
Total	\$	200,000

Loans-General Obligation Debt

The City's business-type activity, the Water and Sewerage System, has two loans with the Georgia Environmental Facilities Authority for system expansion. These loans are in the original amount of \$1,445,204 with interest rates varying from 3.75% to 4%. The City has agreed to establish a schedule of rents, rates, fees, and charges and other sources of revenue sufficient to pay the cost of acquiring, constructing, equipping, operating, maintaining, replacing, renewing and repairing the facilities of the City's Water and Sewerage System. This general obligation debt is paid solely from revenues generated by fund activities.

Annual debt service requirements to maturity for these loans are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2014	\$ 91,031	\$ 15,017	\$ 106,048
2015	94,620	11,428	106,048
2016	58,081	8,098	66,179
2017	46,632	6,258	52,890
2018	48,405	4,484	52,889
2019-2021	89,182	3,375	92,557
Total	\$ 427,951	\$ 48,660	\$ 476,611

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(CONTINUED)

Revenue Bonds

The City's business type activity, the Water and Sewerage System has revenue bonds payable solely from revenues generated by fund activities. The bond indentures contain restrictions on the use of the bond proceeds and fund revenues as well as providing for sinking funds, renewal and extension funds and minimum fund operating requirements (revenue bond coverage).

On November 1, 1998, the City issued \$5,000,000 in Series 1998 Revenue Bonds to advance refund outstanding 1992 Revenue Bonds and provide for system expansion. The interest rates vary from 3.7% to 4.6%.

On January 4, 2005, the City issued \$3,880,000 in Series 2005 Revenue Bonds to provide for system expansion. The interest rate is 4.62%. The first principal payment is due in 2013.

On September 18, 2007, the City issued \$9,445,000 in Series 2007 Revenue Bonds to provide for system expansion. The interest rate varies from 3.6% to 4.0%.

On May 14, 2013, the City issued \$5,304,000 in Revenue Bonds with interest rates ranging from 1.92% to 2.45%. The proceeds were used to refund \$1,558,876 of the outstanding 1998 Revenue Bonds and advance refund a portion of the outstanding 2005 Revenue Bonds in the amount of \$3,365,000. The net proceeds of \$3,620,936 (including a \$255,936 premium and after payment of \$124,188 in issuance costs) were deposited in an escrow account to provide funds for the future debt payments on the portion of the advance refunded bonds. As a result, the refunded portion of the 2005 revenue bonds is considered defeased and the liability for those bonds have been removed from the statement of net position.

The remaining 2005 Revenue Bonds mature in fiscal years 2014 through 2016.

The 2007 and 2013 revenue bonds are parity bonds in that they both have a first lien on water and sewerage system assets and revenues. The following summarizes the debt service requirements of the revenue bonds.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

Fiscal Year Ending June 30,	2005 Revenue Bonds		2007 Revenue Bonds		2013 Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 165,000	\$ 11,896	\$ 50,000	\$ 379,041	\$ 155,000	\$ 88,185	\$ 370,000	\$ 479,122
2015	170,000	16,170	50,000	377,241	319,000	95,798	539,000	489,209
2016	180,000	8,316	50,000	375,441	325,000	89,616	555,000	473,373
2017	-	-	55,000	373,551	521,000	81,494	576,000	455,045
2018	-	-	55,000	371,571	530,000	71,405	585,000	442,976
2019-2023	-	-	340,000	1,451,905	2,851,000	197,155	3,191,000	1,649,060
2024-2028	-	-	3,120,000	1,535,366	603,000	5,789	3,723,000	1,541,155
2029-2033	-	-	4,555,000	706,689	-	-	4,555,000	706,689
2034-2038	-	-	1,030,000	21,630	-	-	1,030,000	21,630
Total	\$ 515,000	\$ 36,382	\$ 9,305,000	\$ 5,592,435	\$ 5,304,000	\$ 629,442	\$ 15,124,000	\$ 6,258,259

Changes in Long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2013, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	\$ 300,000	\$ -	\$ (100,000)	\$ 200,000	\$ 100,000
Capital leases payable	761,345	630,661	(336,281)	1,055,725	435,797
Compensated absences	227,706	224,513	(182,165)	270,054	141,887
Net pension obligation	202,464	93,374	(93,374)	202,464	-
	\$ 1,491,515	\$ 948,548	\$ (711,820)	\$ 1,728,243	\$ 677,684
Business-Type activities:					
Revenue bonds	\$ 15,160,000	\$ 5,304,000	\$ (5,340,000)	\$ 15,124,000	\$ 370,000
	15,160,000	5,304,000	(5,340,000)	15,124,000	370,000
Notes payable	515,529	-	(87,578)	427,951	91,031
Capital leases payable	2,232,374	398,389	(457,845)	2,172,918	496,043
Compensated absences	7,333	5,275	(5,866)	6,742	4,551
Net pension obligation	17,190	7,932	(7,932)	17,190	-
Landfill postclosure care costs	67,016	-	(2,042)	64,974	3,500
	2,839,442	411,596	(561,263)	2,689,775	595,125
Total business-type activities	\$ 17,999,442	\$ 5,715,596	\$ (5,901,263)	\$ 17,813,775	\$ 965,125

The governmental activities, compensated absences and net pension obligations are generally liquidated by the general fund. For business-type activities, compensated absences and net pension obligations are liquidated by the proprietary funds. The landfill postclosure care costs are generally paid for by the solid waste fund.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(CONTINUED)

F. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes on March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Houston County.

Exemptions are permitted for certain inventories. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The property tax calendar is as follows:

	Real/Personal Property (Excluding Vehicles)	<u>Motor Vehicles</u>
Assessment date	January 1	January 1
Levy date	October 17	January 1
Due date and collection date	December 20	Staggered

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

G. Hotel/Motel Taxes

The City levies and collects an 8% lodging tax which is reported in the Hotel/Motel Tax special revenue fund. In 2012, an amendment was made to the contract with the Perry Area Convention and Visitor's Bureau relative to the annual allocation. Under the terms of the new contract, the City is to pay the Visitor's Bureau an annual allocation the City determines to be appropriate based on the Visitor's Bureau's approved budget from the tourism promotion portion of the total accommodation excise tax collected. In no case shall that amount be less than 25% of total tax collections. The allocations are paid in monthly installments. The contract may be canceled by either party upon a 90-day notice.

A summary of the hotel/motel excise tax receipts and expenditures for the fiscal year ended June 30, 2013 is as follows:

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

<u>Expenditure by Purpose</u>	<u>Tax Receipts</u>	<u>Percentage</u>
Perry Area Convention and Visitors Bureau	\$ 344,393	48%
General Fund	378,624	52%
Total expenditures	<u>\$ 723,017</u>	<u>100%</u>

The schedule above reflects current year revenues and expenditures relative to current year revenues. The City does not transfer their entire portion of hotel/motel excise tax receipts to the general fund. Therefore, the fund reports a year-end fund balance.

H. Pension Plan

Plan Description

The City's defined benefit pension plan, City of Perry Retirement Plan, (the Plan) provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by City Council. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

Freezing of Plan

Effective January 1, 2012, the plan is frozen to new entrants and participants (including officials) and shall not accrue any additional benefits. Participants are 100% vested in their accrued benefits. Due to the plan freeze, the asset method was changed to not allow the actuarial value of assets to exceed 120% of market value. There were no other changes in plan provisions, methods, or assumptions in this valuation.

Significant Accounting Policies

Basis of Accounting. The City of Perry financial statements are prepared using the modified accrual basis. Employer contributions are recognized in the period that the contributions are due.

Funding Policy

The plan members are not required to contribute to the Plan. The City is required to contribute at an actuarially determined rate. For future valuations, the recommended contribution as a percentage of payroll should remain relatively stable (in the absence of changes to the plan provisions or to the actuarial assumptions or methods. As the dollar amount of payroll increases or decreases, the recommended contribution is expected to adjust in a like manner. Experience of the plan which differs materially from that

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

expected by the actuarial assumptions will also change the percentage of payroll over time. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost

The City's annual pension costs for the last three years are as follows:

Three-Year Trend Information for the Plan				
Year Ended	Annual Required Contribution	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2013	\$ 101,306	\$ 101,306	100%	\$ 219,654
6/30/2012	433,636	267,593	100%	219,654
6/30/2011	398,983	429,749	108%	219,654

For the fiscal year, the City's annual pension cost was \$101,306.

The required contribution was determined as part of the January 1, 2013 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases is not applicable, (c) social security wage base increases are not applicable, (d) 3.5% inflation rate and (e) 3.5% cost of living adjustments. The Plan's unfunded actuarial accrued liability is level dollar over 11 years for the initial unfunded accrued liability.

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2013 , the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2013	\$10,076,897	\$ 10,843,044	\$ 766,147	92.93%	\$ -	N/A

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents 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.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2013.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2013
Actuarial cost method	Projected unit credit
Amortization method	Closed level dollar for remaining unfunded liability
Remaining amortization period	11
Asset valuation method	

Sum of actuarial value at the beginning of the year and the cash flows 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 the end of the year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years .

Actuarial assumptions:

Investment rate-of-return	7.75%
Projected salaries increases	3.50% plus age and service based merit increases
Cost of living adjustments	3.50%
Inflation rate	3.50%

Membership of the Plan:

Retirees and beneficiaries receiving benefits	83
Terminated plan members entitled to, but not yet receiving benefits	208
Active plan members	0
Total	<u>291</u>

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(CONTINUED)

The City's annual pension costs and net pension obligation (asset) for the current year were determined as follows:

Annual required contribution (ARC)	\$	65,768
Interest on NPO		31,827
Adjustment to the ARC		3,711
		<hr/>
Annual pension cost (APC)		101,306
Contributions made		101,306
		<hr/>
Increase (decrease) in net pension obligation		-
Net pension obligation (asset) June 30, 2012		219,654
		<hr/>
Net pension obligation (asset) June 30, 2013	\$	219,654
		<hr/> <hr/>

I. ICMA Retirement Plans

Section 401 Plan

In January 2012, the City adopted the City of Perry Defined Contribution Plan in the form of the ICMA Retirement Corporation Governmental Profit Sharing Plan and Trust. All fulltime employees, elected and appointed officials are eligible to participate in the Plan. There is no minimum age requirement relative to eligibility. However, employees must be actively participating in the 457 Plan to be eligible for the employer match. Employer matching contributions shall not exceed 3% of earnings. All fulltime employees and elected and appointed officials employed as of December 31, 2011 are considered 100% vested regardless of their length of service with the City. Other vesting in the plan is as follows: one year - 20% vested, two years - 40% vested, three years - 60% vested, four years 80% vested and five years - 100% vested. Participant loans are permitted under the Plan, subject to Plan provisions. Employer contributions for 2013 were \$122,574.

Section 457 Plan

In January 2012, the City adopted a 457 Deferred Compensation Plan in the form of ICMA Retirement Corporation Deferred Compensation Plan and Trust. Per the Plan document, employees may make voluntary after pretax contributions to the plan, subject to the limitations. Participant loans are permitted under the Plan, subject to Plan provisions.

J. Risk Management

The City is exposed to various risks of loss related to torts, personal property (i.e., theft, damage and destruction) and injury to employees. The City has insurance coverage with the Georgia Interlocal Risk Management Agency (GIRMA). Losses relative to these risks are limited to a \$5,000 deductible provided for in the GIRMA contracts. During the past three years, settlements have not exceeded the coverages.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2013
 (CONTINUED)

The City provides a self-insured health and dental plan for its employees. This plan is accounted for in the general fund and funded accordingly to the historical cost of health and dental benefits provided to city employees. The City purchases specific and aggregate stop loss insurance to protect itself in unusual circumstances. Claims payable consists of claims incurred but not yet paid as of June 30, 2013 and were estimated based on the Loss Analysis Report provided by the third-party administrator and pending specific stop loss reimbursements.

Changes in claims payable are as follows:

	Year Ended		
	June 30,		
	2013	2012	2011
Beginning	\$ 109,074	\$ 103,985	\$ 33,643
Claims Incurred	1,089,749	1,949,232	1,339,212
Claims Paid	(1,180,942)	(1,944,143)	(1,268,870)
Ending	<u>\$ 17,881</u>	<u>\$ 109,074</u>	<u>\$ 103,985</u>

The City has joined with other municipalities in the state as part of GIRMA and the Worker's Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as a common risk management and insurance programs for member local governments. The Georgia Municipal Association administers both risk pools. 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 also to allow the pools' agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds. The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member governments' contract and in accordance with the Workers' Compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

K. Contracts

The City has a contract with the Perry Area Convention and Visitors Bureau whereby the Authority will staff and maintain a facility for tourism development, visitor information, and a rest area for travelers and for the general promotion of the City. During the term of the contract, the City is required to pay to the Authority no less than 25% of all hotel/motel tax revenues collected by the City. The contract may be canceled by either party upon a 90-day notice.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

The City has a contract with the Perry Area Chamber of Commerce whereby the Chamber will promote and publicize the City of Perry. Under the terms of this agreement, the City pays the Chamber \$6,000 a year (\$500 monthly). The term of this contract is from July 1 to June 30 and is reconsidered yearly.

The City has entered into various contracts relative to natural gas supply whereby the City along with other participating municipalities is jointly and severally liable for costs under these contracts.

L. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

M. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the eleven county middle Georgia area, is a member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RC in Georgia. RC board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

Middle Georgia Regional Commission
175 C Emery Highway
Macon, Georgia 31217

The City of Perry, together with the cities of Warner Robins, Hawkinsville and Cochran, Georgia, formed the Jointly-Owned Natural Gas Transmission Line in 1953. The JOTL was established to provide maintenance and related services for a natural gas transmission line serving the above cities and their customers. A board of directors, composed of one member from each of the cities, manages the JOTL. The JOTL's major source of revenue consists of reimbursements for operating expenses and capital outlays from member cities. The JOTL's financial records are maintained on a fiscal year ending September 30 of each year. A separately issued financial report is available and may be obtained from:

Jointly-Owned Natural Gas
P.O. Box 1545
Warner Robins, Georgia 31099

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

The following is a summary schedule of the JOTL's basic financial statements for the year ended September 30, 2012:

Cash and cash equivalents	\$ 121,075
Other assets	<u>4,251,465</u>
Total assets	<u>\$ 4,372,540</u>
Liabilities	\$ 819,562
Net assets-unreserved	<u>3,552,978</u>
Total liabilities and net assets	<u>\$ 4,372,540</u>

As of June 30, 2013, the City has an approximate 15.97 percent equity interest in the JOTL. This equity interest is recorded in the proprietary funds statement of net assets.

In March 1994, the Perry-Houston County Airport Authority was created by renaming the Perry-Fort Valley Airport Authority (H.B. No. 2027, Act No. 718 of the Georgia General Assembly). On May 17, 2004, H.B. No. 1684, Act No. 755 was passed by the Georgia General Assembly amending the membership requirements. Members of the Authority consist of the mayor of the City of Perry and the chairman of the Houston County Commissioners or their respective designee and five additional members appointed by the council and commissioners. Appointment of a majority of Authority members alternates between Perry and Houston County. Separate financial statements may be obtained from:

Perry-Houston County Airport Authority
P.O. Box 1572
Perry, Georgia 31069

The City does not have an equity interest in the Perry-Houston County Airport Authority. The City has an ongoing financial interest due to the fact that the Authority's continued operations at current levels depend on the City's financial support. For the fiscal year 2013, the City contributed \$44,600 relative to this support.

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

N. Related Organizations

The Mayor of the City of Perry, Georgia is responsible for appointing the members of the Perry Housing Authority. The Perry Housing Authority has a six-member board with staggered terms. The City of Perry is also responsible for appointing board members to the Houston County Library Board. The City's accountability for these organizations does not extend beyond making the appointments.

O. Commitments

As of June 30, 2013, the City has commitments relative to various construction projects as follows:

A Transportation Enhancement Grant awarded to the City by the Georgia Department of Transportation (DOT) in the original amount of \$400,000. During 2013, there were no drawdowns relative to this project. However in 2013, the City did expended \$2,000 in engineering and consulting fees relative to this project,

A Transportation Enhancement Grant (TEE) awarded to the City by the Georgia DOT in the original amount of \$250,000. The City has a local match requirement of 20% of the projects total cost. As of June 30, 2013, no funds have been drawn down or expended on this project.

The City of Perry is committed to fund its portion of operating expenses and capital outlay for the Jointly-Owned Transmission Line System. This cost is not determinable at this time.

P. Net Investment in Capital Assets

Net Investment in Capital Assets on the Government-wide statement of net position as of June 30, 2013 is as follows:

	Governmental Activities	Business Type Activities
Cost of capital assets	\$ 70,182,179	\$ 59,279,081
Less accumulated depreciation	(23,029,930)	(18,711,492)
Book value	47,152,249	40,567,589
Less all capital related debt	(1,055,725)	(17,724,869)
Net investment in capital assets	<u>\$ 46,096,524</u>	<u>\$ 22,842,720</u>

CITY OF PERRY, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2013

(CONTINUED)

NOTE 4 – RESTATEMENT FOR NEW ACCOUNTING STANDARD

During 2013, the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

GASB No. 65 requires that bond issuance costs be written off as of July 1, 2012. The effect of this adjustment is as follows:

	Business-Type Activities	Water and Sewerage Fund
Net Position June 30, 2012, as previously reported	\$ 31,661,442	\$ 28,108,485
Implementation of GASB 65 for bond issuance costs	<u>(215,157)</u>	<u>(215,157)</u>
Net Position June 30, 2012, restated	<u>\$ 31,446,285</u>	<u>\$ 27,893,328</u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PERRY, GEORGIA

RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2013	\$ 10,076,897	\$ 10,843,044	\$ 766,147	92.9%	\$ -	N/A
1/1/2012	9,741,346	10,214,953	473,607	95.4%	4,548,325	10.4%
1/1/2011	10,143,001	10,550,575	407,574	96.1%	4,663,472	8.7%

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Confiscated Assets Fund – This fund accounts for cash received from the sale of confiscated assets and confiscated assets that are no longer subject to court jurisdiction.

Hotel/Motel Tax Fund – This fund accounts for the hotel/motel taxes collected and expenditures relative to tourism.

System of Care Fund – This fund accounts for revenues received under a grant from the Governor's Office for Children and Families. These funds are passed through the City to various subrecipients, per the agreement.

2008 CDBG Fund – This fund accounts for revenues received under a grant from the Georgia Department of Community Affairs for the Grace Recovery Center, a phase II addition to the Homeless Shelter.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund – This fund accounts for capital projects of the City that are not required to be reported in a separate fund.

Impact Fees Fund – This fund accounts for impact fees charges per the City of Perry Development Impact Fee Ordinance for system improvements for public safety (fire) and parks.

Local Maintenance & Improvement Grant Program – This fund accounts for revenues received from the State of Georgia, Department of Transportation for road improvements.

SPLOST Construction Fund 2006 – This fund is used to account for the construction and improvements in accordance with the 2006 sales tax referendum.

TE Construction Fund – This fund accounts for the activities related to the Transportation Enhancement Project.

CITY OF PERRY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Special Revenue Funds				Total
	Confiscated Assets	Hotel/Motel Tax	System of Care Grant	2008 CDBG	
ASSETS					
Cash and cash equivalents	\$ 23,270	\$ 100,089	\$ -	\$ -	\$ 123,359
Due from other funds	-	-	-	-	-
Taxes receivable	-	54,654	-	-	54,654
Other receivables	-	24,308	-	-	24,308
Total assets	\$ 23,270	\$ 179,051	\$ -	\$ -	\$ 202,321
LIABILITIES					
Accounts payable	\$ -	\$ 46,685	\$ -	\$ -	\$ 46,685
Accrued liabilities	-	3,825	-	-	3,825
Due to other funds	-	6,004	-	-	6,004
Unearned revenue	-	-	-	-	-
Total liabilities	-	56,514	-	-	56,514
FUND BALANCES					
Restricted	23,270	11,670	-	-	34,940
Assigned	-	110,867	-	-	110,867
Total fund balances	23,270	122,537	-	-	145,807
Total liabilities and fund balances	\$ 23,270	\$ 179,051	\$ -	\$ -	\$ 202,321

CITY OF PERRY, GEORGIA

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2013
 (CONTINUED)

Capital Projects Fund							Total Nonmajor Governmental Funds
Capital Projects	Impact Fees	LMIG Program	SPLOST Construction 2006	TE Construction	Total		
\$ 36,488	\$ -	\$ -	\$ 219,963	\$ -	\$ 256,451	\$ 379,810	
2,111	-	126,360	79,947	26,599	235,017	235,017	
-	-	-	-	-	-	54,654	
-	-	-	-	-	-	24,308	
<u>\$ 38,599</u>	<u>\$ -</u>	<u>\$ 126,360</u>	<u>\$ 299,910</u>	<u>\$ 26,599</u>	<u>\$ 491,468</u>	<u>\$ 693,789</u>	
\$ -	\$ -	\$ 125	\$ 75,647	\$ -	\$ 75,772	\$ 122,457	
-	-	-	-	-	-	3,825	
26,599	-	-	1,900	-	28,499	34,503	
-	-	126,235	-	-	126,235	126,235	
<u>26,599</u>	<u>-</u>	<u>126,360</u>	<u>77,547</u>	<u>-</u>	<u>230,506</u>	<u>287,020</u>	
-	-	-	222,363	26,599	248,962	283,902	
12,000	-	-	-	-	12,000	122,867	
<u>12,000</u>	<u>-</u>	<u>-</u>	<u>222,363</u>	<u>26,599</u>	<u>260,962</u>	<u>406,769</u>	
<u>\$ 38,599</u>	<u>\$ -</u>	<u>\$ 126,360</u>	<u>\$ 299,910</u>	<u>\$ 26,599</u>	<u>\$ 491,468</u>	<u>\$ 693,789</u>	

CITY OF PERRY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Special Revenue Funds				Total
	Confiscated Assets	Hotel/Motel Tax	System of Care Grant	2008 CDBG	
REVENUES					
Other taxes	\$ -	\$ 723,017	\$ -	\$ -	\$ 723,017
Intergovernmental	-	-	221,455	125,006	346,461
Fines and forfeitures	12,406	-	-	-	12,406
Impact fees	-	-	-	-	-
Investment earnings	22	100	81	-	203
Miscellaneous	-	268,521	-	-	268,521
Total revenues	12,428	991,638	221,536	125,006	1,350,608
EXPENDITURES					
Current:					
General government	-	861,085	436,456	7,500	1,305,041
Public safety	11,059	-	-	-	11,059
Public works	-	-	-	-	-
Debt Service:					
Principal	-	100,000	-	-	100,000
Interest	-	5,460	-	-	5,460
Capital outlay	-	7,799	-	119,920	127,719
Total expenditures	11,059	974,344	436,456	127,420	1,549,279
Excess (deficiency) of revenues over (under) expenditures	1,369	17,294	(214,920)	(2,414)	(198,671)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	1,369	17,294	(214,920)	(2,414)	(198,671)
Fund balances - Beginning of year	21,901	105,243	214,920	2,414	344,478
Fund balances - End of year	\$ 23,270	\$ 122,537	\$ -	\$ -	\$ 145,807

CITY OF PERRY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(CONTINUED)

Capital Project Funds							Total Nonmajor Governmental Funds
Capital Projects	Impact Fees	LMIG Program	SPLOST Construction 2006	TE Construction	Total		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 723,017
-	-	125	239,114	-	239,239	-	585,700
-	-	-	-	-	-	-	12,406
-	34,348	-	-	-	34,348	-	34,348
8	132	-	831	26	997	-	1,200
3,200	-	-	-	-	3,200	-	271,721
3,208	34,480	125	239,945	26	277,784	-	1,628,392
15	-	-	-	-	15	-	1,305,056
-	-	-	-	-	-	-	11,059
-	-	125	484,696	-	484,821	-	484,821
-	-	-	-	-	-	-	100,000
-	-	-	-	-	-	-	5,460
145,178	189,545	-	977,874	2,000	1,314,597	-	1,442,316
145,193	189,545	125	1,462,570	2,000	1,799,433	-	3,348,712
(141,985)	(155,065)	-	(1,222,625)	(1,974)	(1,521,649)	-	(1,720,320)
149,908	-	-	-	-	149,908	-	149,908
149,908	-	-	-	-	149,908	-	149,908
7,923	(155,065)	-	(1,222,625)	(1,974)	(1,371,741)	-	(1,570,412)
4,077	155,065	-	1,444,988	28,573	1,632,703	-	1,977,181
\$ 12,000	\$ -	\$ -	\$ 222,363	\$ 26,599	\$ 260,962	\$ -	\$ 406,769

CITY OF PERRY, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Fines and forfeitures	\$ 12,400	\$ 12,406	\$ 6
Investment earnings	-	22	22
Total revenues	12,400	12,428	28
EXPENDITURES			
Current			
Public safety	11,100	11,059	41
Total expenditures	11,100	11,059	41
Excess (deficiency) of revenues over (under) expenditures	1,300	1,369	69
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances	1,300	1,369	69
Fund balances - Beginning of year	21,901	21,901	-
Fund balances - End of year	<u>\$ 23,201</u>	<u>\$ 23,270</u>	<u>\$ 69</u>

CITY OF PERRY, GEORGIA

HOTEL/MOTEL TAX SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Taxes	\$ 723,000	\$ 723,017	\$ 17
Investment earnings	100	100	-
Miscellaneous	268,300	268,521	221
Total revenues	991,400	991,638	238
EXPENDITURES			
Current			
General government	861,400	861,085	315
Debt service:			
Principal	100,000	100,000	-
Interest	5,500	5,460	40
Capital Outlay	8,000	7,799	201
Total expenditures	974,900	974,344	556
Excess (deficiency) of revenues over (under) expenditures	16,500	17,294	794
OTHER FINANCING SOURCES (USES)			
Transfer out	-	-	-
Net change in fund balances	16,500	17,294	794
Fund balances - Beginning of year	105,243	105,243	-
Fund balances - End of year	\$ 121,743	\$ 122,537	\$ 794

CITY OF PERRY, GEORGIA

SYSTEM OF CARE SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Intergovernmental	\$ 221,700	\$ 221,455	\$ (245)
Investment earnings	-	81	81
	<hr/>		
Total revenues	221,700	221,536	(164)
<hr/>			
EXPENDITURES			
Current			
General government	436,600	436,456	144
	<hr/>		
Total expenditures	436,600	436,456	144
<hr/>			
Excess (deficiency) of revenues over (under) expenditures	(214,900)	(214,920)	(20)
Fund balances - Beginning of year	214,920	214,920	-
	<hr/>		
Fund balances - End of year	\$ 20	\$ -	\$ (20)
	<hr/> <hr/>		

CITY OF PERRY, GEORGIA

2008 CDBG SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Intergovernmental	\$ 125,000	\$ 125,006	\$ 6
Total revenues	125,000	125,006	6
EXPENDITURES			
Current			
General government	7,500	7,500	-
Capital outlay	120,000	119,920	80
Total expenditures	127,500	127,420	80
Excess (deficiency) of revenues over (under) expenditures	(2,500)	(2,414)	86
Fund balances - Beginning of year	2,414	2,414	-
Fund balances - End of year	\$ (86)	\$ -	\$ 86

CITY OF PERRY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITY
 AGENCY FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	June 30, 2012	Additions	Deletions	June 30, 2013
<u>Police Pre-Confiscated Assets Fund</u>				
ASSETS				
Cash	\$ 3,353	\$ 92,715	\$ 49,937	\$ 46,131
Total assets	<u>\$ 3,353</u>	<u>\$ 92,715</u>	<u>\$ 49,937</u>	<u>\$ 46,131</u>
LIABILITY				
Payable from assets				
Confiscated assets pending disposition	<u>\$ 3,353</u>	<u>\$ 92,715</u>	<u>\$ 49,937</u>	<u>\$ 46,131</u>

CITY OF PERRY, GEORGIA

PERRY INDUSTRIAL BUILDING AUTHORITY
BALANCE SHEET
JUNE 30, 2013

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and Cash Equivalents	\$ 236,444
Total Assets	<u>\$ 236,444</u>
 <u>LIABILITIES AND FUND BALANCES</u>	
Liabilities	<u>\$ -</u>
Total Liabilities	<u>-</u>
Fund Balances:	
Unassigned	<u>236,444</u>
Total Fund Balances	<u>236,444</u>
Total Liabilities and Fund Balances	<u>\$ 236,444</u>

CITY OF PERRY, GEORGIA

PERRY INDUSTRIAL BUILDING AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
JUNE 30, 2013

	<u>General Fund</u>
<u>REVENUES:</u>	
Interest Earnings	\$ 1,421
Total Revenues	<u>1,421</u>
<u>EXPENDITURES:</u>	
Current:	
General Government	<u>-</u>
Total Expenditures	<u>-</u>
Net change in fund balances	1,421
Fund Balance - Beginning of year	<u>235,023</u>
Fund Balance - End of year	<u><u>\$ 236,444</u></u>

STATISTICAL SECTION

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STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	80-87
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	88-94
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	95-99
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	100-103
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the County provides and the activities it performs.	104-105

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

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City of Perry, Georgia
Net Position by Component, Last Ten Fiscal years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Net investment in capital assets	\$ 10,217,006	\$ 22,831,902	\$ 20,177,671	\$ 21,101,737	\$ 24,520,365	\$ 39,638,909	\$ 40,372,191	\$ 41,158,197	\$ 43,486,281	\$ 46,096,524
Restricted	-	-	-	69,207	522,379	617,583	1,250,369	1,782,171	2,018,810	902,235
Unrestricted	2,505,579	2,562,389	3,217,689	3,496,938	2,796,782	2,232,820	1,107,129	1,382,365	2,202,263	2,517,519
Total governmental activities net position	\$ 12,722,585	\$ 25,394,291	\$ 23,395,360	\$ 24,667,882	\$ 27,839,526	\$ 42,489,312	\$ 42,729,689	\$ 44,322,733	\$ 47,707,354	\$ 49,516,278
Business-type activities										
Net Investment in capital assets	\$ 9,031,346	\$ 9,379,934	\$ 9,887,570	\$ 11,245,295	\$ 14,956,655	\$ 23,957,133	\$ 24,782,664	\$ 26,112,142	\$ 27,206,012	\$ 22,842,720
Restricted	771,604	842,004	947,450	1,020,843	1,530,836	1,297,318	1,401,716	1,572,771	1,705,382	5,881,479
Unrestricted	1,324,677	1,401,840	1,517,544	2,053,888	2,207,294	1,136,503	1,508,631	2,497,698	2,750,048	3,704,445
Total business-type activities net position	\$ 11,127,627	\$ 11,623,778	\$ 12,352,564	\$ 14,320,026	\$ 18,694,785	\$ 26,390,954	\$ 27,693,011	\$ 30,182,611	\$ 31,661,442	\$ 32,428,644
Primary government										
Net investment in capital assets	\$ 19,248,352	\$ 32,211,836	\$ 30,065,241	\$ 32,347,032	\$ 39,477,020	\$ 63,596,042	\$ 65,154,855	\$ 67,270,339	\$ 70,692,293	\$ 68,939,244
Restricted	771,604	842,004	947,450	1,090,050	2,053,215	1,914,901	2,652,085	3,354,942	3,724,192	6,783,714
Unrestricted	3,830,256	3,964,229	3,217,689	5,550,826	5,004,076	3,369,323	2,615,760	3,880,063	4,952,311	6,221,964
Total primary government net position	\$ 23,850,212	\$ 37,018,069	\$ 34,230,380	\$ 38,987,908	\$ 46,534,311	\$ 68,880,266	\$ 70,422,700	\$ 74,505,344	\$ 79,368,796	\$ 81,944,922

Notes: In fiscal year 2009 capital assets for governmental and business-type activities increased due to the City's acceptance of donated infrastructure from developers.

City of Perry, Georgia
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental activities:										
General government	\$ 3,321,206	\$ 2,786,595	\$ 3,020,811	\$ 3,830,972	\$ 4,782,640	\$ 5,005,881	\$ 4,909,398	\$ 5,400,595	\$ 5,727,426	\$ 5,268,547
Fire	718,830	841,229	-	-	-	-	-	-	-	-
Law enforcement	2,134,229	2,529,471	-	-	-	-	-	-	-	-
Public safety	-	-	3,580,667	4,101,653	4,521,696	4,948,762	4,668,275	4,822,567	4,664,379	5,117,980
Public works	1,139,680	1,078,384	1,993,266	2,022,636	3,058,101	3,502,393	3,077,136	2,938,046	3,696,463	4,059,039
Recreation	545,860	504,217	547,300	600,695	604,578	762,759	1,214,175	754,375	628,819	591,901
Housing and Development	-	-	-	-	-	-	-	-	98,417	92,998
Interest on long-term debt	53,596	30,016	33,942	43,377	38,424	30,390	24,206	26,979	24,824	18,431
Depreciation-unallocated	-	711,729	-	-	-	-	-	-	-	-
Total governmental activities expenses	7,913,401	8,481,641	9,175,986	10,599,333	13,005,439	14,250,185	13,893,190	13,942,562	14,840,328	15,148,896
Business-type activities:										
Water and sewerage system	2,990,582	3,035,856	3,416,440	3,723,435	4,289,140	4,711,813	4,435,805	4,726,726	5,318,365	5,776,214
Storm Water Utility	-	-	-	-	-	-	-	-	-	29,818
Gas system	3,527,018	4,146,531	5,006,767	3,606,156	4,136,258	4,045,331	3,288,164	3,018,220	2,553,870	2,993,365
Solid Waste	709,161	741,258	758,342	923,453	1,070,990	1,113,804	1,032,283	1,095,164	1,053,980	1,151,240
Revolving Loan Fund	-	-	-	-	-	-	-	1,505	764	2,631
Total business-type activities expense	7,226,761	7,923,645	9,181,549	8,253,044	9,496,388	9,870,948	8,756,252	8,841,615	8,926,979	9,953,268
Total primary government expenses	\$ 15,140,162	\$ 16,405,286	\$ 18,357,535	\$ 18,852,377	\$ 22,501,827	\$ 24,121,133	\$ 22,649,442	\$ 22,784,177	\$ 23,767,307	\$ 25,102,164
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	\$ 924,520	\$ 785,134	\$ 949,719	\$ 1,979,950	\$ 2,280,826	\$ 2,824,202	\$ 2,576,860	\$ 2,977,195	\$ 3,341,070	\$ 3,413,900
Public safety	613,151	581,416	645,073	1,167,014	843,957	668,410	832,034	745,912	679,303	567,396
Public works	171,726	191,115	158,649	7,668	20,733	28,864	36,589	727,413	12,748	-
Recreation	84,107	74,829	78,698	79,348	52,798	59,982	71,595	84,496	79,323	80,223
Operating grants and contributions	233,612	30,186	213,682	-	-	39,611	59,660	353,326	511,899	250,710
Capital grants and contributions	839,229	5,000	295,049	486,254	4,217,924	12,888,756	2,362,756	1,874,479	4,330,530	3,587,628
Total governmental activities program revenues	2,866,345	1,667,680	2,340,870	3,720,234	7,416,238	16,509,825	5,939,494	6,762,821	8,954,873	7,899,857

City of Perry, Georgia
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Charges for services:										
Water and sewerage	2,814,742	3,438,578	4,164,438	4,690,505	4,015,826	3,840,234	4,748,904	5,503,160	5,381,152	5,294,439
Storm Water Utility	-	-	-	-	-	-	-	-	-	80,474
Gas	3,720,156	4,155,094	4,932,443	4,355,278	4,582,797	4,198,216	3,865,318	3,553,258	2,777,812	3,538,054
Solid waste	653,789	751,487	828,672	943,459	970,881	1,108,597	1,150,433	1,114,365	1,128,539	1,200,899
Revolving Loan fund	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	76,228	37,462	-
Capital grants and contributions	-	-	-	190,032	4,145,450	8,430,059	365,288	1,347,008	1,500,298	1,000,465
Total business-type activities program revenues	7,188,687	8,345,159	9,925,553	10,179,274	13,714,954	17,577,106	10,129,943	11,594,019	10,825,263	11,114,331
Total primary government program revenues	\$ 10,055,032	\$ 10,012,839	\$ 12,266,423	\$ 13,899,508	\$ 21,131,192	\$ 34,086,931	\$ 16,069,437	\$ 18,356,840	\$ 19,780,136	\$ 19,014,188
Net (Expenses)/Revenue										
Governmental activities	\$ (5,047,056)	\$ (6,813,961)	\$ (6,835,116)	\$ (6,879,099)	\$ (5,589,201)	\$ 2,259,640	\$ (7,953,696)	\$ (7,179,741)	\$ (5,885,456)	\$ (7,249,039)
Business-type activities	(38,074)	421,514	744,004	1,926,230	4,218,566	7,706,158	1,373,691	2,752,404	1,898,284	1,161,063
Total primary government net (expense)/revenue	\$ (5,085,130)	\$ (6,392,447)	\$ (6,091,112)	\$ (4,952,869)	\$ (1,370,635)	\$ 9,965,798	\$ (6,580,005)	\$ (4,427,337)	\$ (3,987,172)	\$ (6,087,976)
General Revenue and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 3,090,599	\$ 3,511,302	\$ 3,765,951	\$ 4,420,608	\$ 5,018,453	\$ 5,388,329	\$ 5,553,366	\$ 5,858,558	\$ 6,003,452	\$ 6,022,167
Sales taxes	-	652,045	786,583	925,377	915,829	-	-	-	-	-
Occupational taxes	-	114,982	122,273	126,372	135,256	136,652	130,721	159,777	172,437	186,884
Franchise taxes	815,715	788,386	770,168	787,041	868,100	940,461	898,714	963,109	1,016,175	974,874
Insurance premium taxes	412,455	446,989	480,902	503,143	524,835	537,407	532,365	516,893	649,107	689,460
Hotel motel taxes	615,510	665,560	684,496	680,236	744,570	661,485	676,347	720,652	711,283	723,017
Alcoholic beverage taxes	248,868	259,068	254,392	256,111	263,447	266,795	255,007	245,627	257,945	-
Grants and contributions not restricted	166,718	230,287	12,554	-	-	-	-	-	-	261,496
Interest revenue	17,928	46,200	96,784	116,545	115,489	30,823	9,426	6,269	6,067	5,148
Miscellaneous	77,803	281,005	248,910	-	-	-	-	-	-	-
Gain on sale of capital assets	-	-	15,114	437,522	-	-	-	-	-	-
Transfers	27,488	27,459	98,275	124,513	174,866	172,434	138,127	301,900	453,611	194,917
Total governmental activities	5,473,084	7,132,450	4,836,185	8,377,468	8,760,845	8,134,386	8,194,073	8,772,785	9,270,077	9,057,963

City of Perry, Georgia
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-type activities:										
Interest revenue	59,556	53,147	78,979	107,845	331,059	162,445	66,493	39,096	34,158	16,213
Miscellaneous	260,708	12,258	4,078	-	-	-	-	-	-	-
Transfers	(27,488)	(27,459)	(98,275)	(124,513)	(174,866)	(172,434)	(138,127)	(301,900)	(453,611)	(194,917)
Total business-type activities	292,776	74,637	(15,218)	(16,668)	156,193	(9,989)	(71,634)	(262,804)	(419,453)	(178,704)
Total primary government	\$ 5,765,860	\$ 7,207,087	\$ 4,820,967	\$ 8,360,800	\$ 8,917,038	\$ 8,124,397	\$ 8,122,439	\$ 8,509,981	\$ 8,850,624	\$ 8,879,259
Change in Net Position										
Governmental activities	\$ 426,028	\$ 318,489	\$ (1,998,931)	\$ 1,498,369	\$ 3,171,644	\$ 10,394,026	\$ 240,377	\$ 1,593,044	\$ 3,384,621	\$ 1,808,924
Business-type activities	254,702	496,151	728,786	1,909,562	4,374,759	7,696,169	1,302,057	2,489,600	1,478,831	982,359
Total primary government	\$ 680,730	\$ 814,640	\$ (1,270,145)	\$ 3,407,931	\$ 7,546,403	\$ 18,090,195	\$ 1,542,434	\$ 4,082,644	\$ 4,863,452	\$ 2,791,283

Notes: In fiscal year 2006, the City combined fire and law enforcement into one function/program, public safety.
In fiscal year 2009, grants and contributions increased for governmental and business-type activities due to the City's acceptance of donated infrastructure from
In fiscal year 2009, the City began reporting sales taxes received from Houston County as intergovernmental revenue.
In fiscal year 2013, the City created a Storm Water Utility Fund.

City of Perry, Georgia
Program Revenues by Function/Program
Last Ten Fiscal Years
(accrual basis of accounting)

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities:										
General government	\$ 1,956,477	\$ 789,362	\$ 1,418,164	\$ 2,155,620	\$ 2,456,921	\$ 2,888,938	\$ 2,576,860	\$ 3,330,499	\$ 4,009,325	\$ 4,066,703
Fire	-	-	-	-	-	-	-	-	-	-
Law enforcement	631,319	599,520	-	-	-	-	-	-	-	-
Public safety	-	-	664,887	1,319,266	889,272	955,828	1,165,993	1,018,400	901,757	1,287,121
Public works	190,397	198,912	179,121	150,310	3,940,097	12,458,044	2,003,189	2,212,991	3,822,039	2,403,338
Recreation	88,152	79,886	78,698	95,038	129,948	207,015	193,452	200,931	221,752	142,695
Subtotal governmental activities	2,866,345	1,667,680	2,340,870	3,720,234	7,416,238	16,509,825	5,939,494	6,762,821	8,954,873	7,899,857
Business-type activities:										
Water and Sewerage system	2,814,742	3,438,578	4,164,438	4,880,537	8,161,276	12,270,293	5,114,192	6,850,168	6,881,450	6,256,924
Stormwater Utility Fund	-	-	-	-	-	-	-	-	-	117,974
Gas system	3,720,156	4,155,094	4,932,443	4,355,278	4,582,797	4,198,216	3,865,318	3,565,558	2,780,202	3,538,534
Solid Waste	653,789	751,487	828,672	943,459	970,881	1,108,597	1,150,433	1,114,365	1,128,539	1,200,899
Revolving Loan Fund	-	-	-	-	-	-	-	63,928	35,072	-
Subtotal business-type activities	7,188,687	8,345,159	9,925,553	10,179,274	13,714,954	17,577,106	10,129,943	11,594,019	10,825,263	11,114,331
Total primary government	\$ 10,055,032	\$ 10,012,839	\$ 12,266,423	\$ 13,899,508	\$ 21,131,192	\$ 34,086,931	\$ 16,069,437	\$ 18,356,840	\$ 19,780,136	\$ 19,014,188

Notes: In fiscal year 2006, the City combined fire and law enforcement into one function/program, public safety, on the statement of activities. The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.
In fiscal year 2009, public works and water and sewerage system includes contributions from developers accepted by the City.
In fiscal year 2010, development in the City of Perry slowed down dramatically.
In fiscal year 2011, the City received a grant from GEFA for a revolving loan fund.
In fiscal year 2012, the City created a housing and development department for economic development.
In fiscal year 2013, the City created a Stormwater Utility Fund.

City of Perry, Georgia
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Fund										
Reserved	\$ 25,670	\$ 37,731	\$ 31,208	\$ 44,799	\$ 40,427	\$ 32,629	\$ 21,165	\$ -	\$ -	\$ -
Unreserved	2,039,253	2,397,224	2,797,089	3,446,767	3,210,623	2,257,538	1,787,001	-	-	-
Nonspendable	-	-	-	-	-	-	-	27,462	22,224	22,324
Restricted	-	-	-	-	-	-	-	49,986	135,262	127,082
Assigned	-	-	-	-	-	-	-	367,338	429,994	1,013,702
Unassigned	-	-	-	-	-	-	-	1,788,898	2,330,679	2,005,129
Total General Fund	\$ 2,064,923	\$ 2,434,955	\$ 2,828,297	\$ 3,491,566	\$ 3,251,050	\$ 2,290,167	\$ 1,808,166	\$ 2,233,684	\$ 2,918,159	\$ 3,168,237
All Other Governmental Funds										
Reserved	\$ 42,760	\$ 45,997	\$ 48,098	\$ 24,408	\$ 413,827	\$ 584,954	\$ 1,229,204	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	47,477	61,972	67,312	432,139	32,602	41,342	(13,504)	-	-	-
Capital Projects Funds	399,883	12,464	333,403	(276,631)	(303,850)	-	-	-	-	-
Debt Service Fund	56,982	59,481	62,896	64,657	68,125	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	1,732,185	1,883,548	775,153
Assigned	-	-	-	-	-	-	-	40,703	93,633	122,867
Total all other governmental funds	\$ 547,102	\$ 179,914	\$ 511,709	\$ 244,573	\$ 210,704	\$ 626,296	\$ 1,215,700	\$ 1,772,888	\$ 1,977,181	\$ 898,020

Notes: In 2007, the General Fund unreserved fund balance increase was due to additional property tax revenues received due to reassessments.
In 2007, the Special Revenue fund balance increase was due to increased fines and forfeitures received from major case being solved.
Deficit in Capital Projects fund balance resulted from expenditures incurred prior to receipt of 06 SPLOST funds.
In 2009, the debt service fund was closed.
The City implemented GASB 54 during 2011, prior years have not been restated.

City of Perry, Georgia
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Property taxes	\$ 3,030,212	\$ 3,440,818	\$ 3,827,785	\$ 4,465,123	\$ 4,953,388	\$ 5,292,733	\$ 5,633,582	\$ 5,941,516	\$ 5,958,216	\$ 6,059,085
Sales taxes	-	-	-	925,377	915,829	-	-	-	-	-
Other taxes	2,280,702	2,274,985	2,312,231	2,352,903	2,536,208	2,542,800	2,493,154	2,606,058	2,806,947	2,835,731
Licenses and permits	169,507	219,697	407,822	482,776	348,795	208,075	232,539	182,226	248,058	246,401
Impact fees	-	-	-	-	-	-	59,534	46,200	64,273	34,348
Charges for services	409,744	440,698	463,399	804,398	1,311,747	1,637,319	1,413,291	1,588,335	1,497,634	1,980,238
Administrative	551,481	397,546	329,417	377,926	369,646	629,966	407,827	476,623	493,474	531,459
Intergovernmental	750,311	861,250	1,108,449	473,520	604,118	1,713,841	1,399,561	2,072,920	2,262,764	3,293,411
Contributions from private sources	7,379	10,191	12,554	12,734	41,532	98,183	48,022	49,757	33,321	23,755
Fines and forfeitures	517,111	474,572	515,913	1,045,739	660,217	515,697	655,688	582,025	486,462	399,543
Investment earnings	17,928	46,200	96,784	116,545	115,489	30,823	9,426	7,127	7,888	6,583
Other revenues	288,939	376,896	361,604	523,140	489,730	590,401	536,518	946,235	1,315,754	869,530
Total revenues	8,023,314	8,542,853	9,435,958	11,580,181	12,346,699	13,259,838	12,889,142	14,499,022	15,174,791	16,280,084
Expenditures										
General government	3,044,074	2,617,844	2,897,604	3,698,682	4,302,030	4,881,075	4,850,229	4,113,182	4,703,862	5,325,293
Fire	609,980	728,832	-	-	-	-	-	-	-	-
Law Enforcement	2,021,961	2,280,288	-	-	-	-	-	-	-	-
Public Safety	-	-	3,301,474	3,834,182	4,251,243	4,746,345	4,401,840	4,758,653	4,598,028	4,842,018
Public Works	959,581	1,038,822	1,175,482	1,303,550	1,873,886	2,424,146	1,930,565	2,567,801	3,042,621	2,750,883
Recreation	463,729	395,868	458,311	508,089	508,473	667,007	1,117,245	672,863	626,369	457,770
Debt service										
Principal	470,716	374,128	354,017	363,285	391,033	449,827	343,427	379,709	326,848	436,281
Interest	51,782	37,384	30,162	43,377	38,424	30,390	21,382	20,357	25,678	25,461
Capital outlay	825,219	1,363,244	1,251,678	2,157,499	1,836,662	1,011,443	784,545	1,710,093	1,871,249	4,123,862
Miscellaneous	1,012	1,272	-	16,211	12,549	-	-	-	-	-
Pass-through grants	25,000	-	-	-	-	-	-	-	-	-
Total expenditures	8,473,054	8,837,682	9,468,728	11,924,875	13,214,300	14,210,233	13,449,233	14,222,658	15,194,655	17,961,568
Excess of revenues over (under) expenditures	(449,740)	(294,829)	(32,770)	(344,694)	(867,601)	(950,395)	(560,091)	276,364	(19,864)	(1,681,484)

City of Perry, Georgia
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Other Financing Sources (Uses)										
Transfers from other funds	219,083	213,002	253,618	372,811	567,338	441,767	430,262	317,264	501,294	325,380
Transfers to other funds	(191,595)	(185,543)	(155,343)	(248,298)	(392,472)	(269,333)	(292,135)	(15,364)	(47,683)	(130,463)
Sale of capital assets	31,388	85,023	15,125	635,070	13,760	16,475	10,260	15,168	26,390	26,823
Capital leases	197,246	185,191	644,507	207,091	404,590	216,195	19,107	389,275	428,631	630,661
Issuance of debt	-	-	-	-	-	-	500,000	-	-	-
Total other financing sources (uses)	256,122	297,673	757,907	966,674	593,216	405,104	667,494	706,343	908,632	852,401
Net change in fund balances	\$ (193,618)	\$ 2,844	\$ 725,137	\$ 621,980	\$ (274,385)	\$ (545,291)	\$ 107,403	\$ 982,707	\$ 888,768	\$ (829,083)
Debt service as a percentage of noncapital expenditures	6.8%	5.5%	4.7%	4.2%	3.77%	3.64%	2.88%	3.20%	2.65%	3.34%

Notes: In fiscal year 2009, the City began reporting sales taxes received from Houston County as intergovernmental revenues.
In fiscal year 2010, the City began charges for impact fees.
In fiscal year 2013, the City ceased charging impact fees with the completion of fire station #2.

City of Perry, Georgia
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

Fiscal Year	Tax Revenues								Total
	General Property	Franchise	Insurance Premium	Occupational	Alcoholic Beverage	Hotel/Motel	Sales Tax	Other	
2004	3,030,212	815,715	412,455	112,047	248,868	615,510	522,232	76,107	5,833,146
2005	3,440,818	788,386	446,989	114,982	259,068	665,560	652,045	-	6,367,848
2006	3,827,785	770,168	480,902	122,273	254,392	684,496	786,583	-	6,926,599
2007	4,465,123	787,041	503,143	126,372	256,111	680,236	925,377	-	7,743,403
2008	4,953,388	868,100	524,835	135,256	263,447	744,570	915,829	-	8,405,425
2009	5,292,733	940,461	537,406	136,652	266,795	661,485	-	-	7,835,532
2010	5,633,582	898,714	532,365	130,721	255,007	676,347	-	-	8,126,736
2011	5,941,516	963,109	516,863	159,777	245,627	720,652	-	-	8,547,544
2012	5,958,216	1,016,175	649,107	172,437	257,945	711,283	-	-	8,765,163
2013	6,059,085	974,874	689,460	186,884	261,496	723,017	-	-	8,894,816
Change 2004-2013	100.0%	19.5%	67.2%	66.8%	5.1%	17.5%	-100.0%	-100.0%	52.5%

Notes: Property tax increase due to reassessments.
Other revenues zero in 2005, 2006 and 2007 due to change in grouping.
In fiscal year 2009, the City began reporting sales taxes received from Houston County as intergovernmental revenues.

City of Perry, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2004	185,201,889	40,359,080	4,195,150	221,365,819	13.38	563,902,422	39.256%
2005	200,156,129	58,897,388	6,449,156	252,604,361	14.34	647,633,793	39.004%
2006	208,865,890	59,090,357	13,912,759	254,043,488	14.33	669,890,617	37.923%
2007	269,436,514	67,734,337	11,471,386	325,699,465	13.05	842,927,128	38.639%
2008	306,613,840	78,560,801	12,518,981	372,655,660	13.01	962,936,603	38.700%
2009	338,403,541	80,328,285	12,700,789	406,031,037	13.01	1,046,829,565	38.787%
2010	352,257,662	77,828,489	17,061,821	413,024,330	13.01	1,075,215,378	38.413%
2011	350,456,427	76,679,917	18,216,629	408,919,715	13.81	1,067,840,860	38.294%
2012	345,088,679	87,961,380	22,187,782	410,862,277	14.13	1,082,625,148	37.951%
2013	349,547,799	87,818,594	20,882,818	416,483,574	14.13	1,093,415,981	38.090%

Source: Based on information obtained from Houston County Tax Assessor's Office.

Notes: Property in the City is reassessed once every five years on average. The City assesses property at 40 percent of actual value for commercial, industrial and residential property.

City of Perry, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rates			Overlapping Rates			Total
	Basic Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	Houston County	School System	
2004	13.38	0.00	13.38	0.25	9.31	13.67	36.61
2005	14.34	0.00	14.34	0.25	9.28	13.63	37.50
2006	14.33	0.00	14.33	0.25	9.82	13.48	37.88
2007	13.05	0.00	13.05	0.25	9.32	12.50	35.12
2008	13.01	0.00	13.01	0.25	9.45	12.47	35.18
2009	13.01	0.00	13.01	0.25	9.45	12.47	35.18
2010	13.01	0.00	13.01	0.25	10.45	13.34	37.05
2011	13.81	0.00	13.81	0.25	9.95	13.34	37.35
2012	14.13	0.00	14.13	0.25	9.95	13.34	37.94
2013	14.13	0.00	14.13	0.20	9.95	13.34	37.62

Source: Houston County Tax Commissioner's Office

Notes: The City's basic property tax rate is established by the City Council each year in July. The overlapping rates are those of State and County governments that apply to property owners within the City.

**City of Perry, Georgia
Principal Property Tax Payers
Current Year and Nine Years Ago**

Taxpayer	2004			2013		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Tolleson Lumber Co	\$ 5,674,846	1	2.56%	\$ 4,017,501	4	0.96%
Graphic Packaging, Inc	5,164,150	2	2.33%	19,252,701	1	4.62%
Alltel GA Communications	4,556,565	3	2.06%	-		0.00%
Excel Realty Trust, Inc	3,376,800	4	1.53%	-		0.00%
American Real Estate Investments	3,289,644	5	1.49%	-		0.00%
HT Perry WM, LLC	2,982,480	6	1.35%	-		0.00%
Wal-Mart	2,590,078	7	1.17%	-		0.00%
North Hampton Development	2,438,523	8	1.10%	-		0.00%
Georgia Power Company	2,362,652	9	1.07%	3,621,357	7	0.87%
Donald J. Svoboda	2,043,840	10	0.92%	-		0.00%
Houston Lake Apartments, LLC	-		0.00%	7,054,560	2	1.69%
Guardian Centers of Georgia	-		0.00%	5,449,400	3	1.31%
Strawser Construction Company	-		0.00%	3,997,451	5	0.96%
Advanced Drainage Systems, Inc	-		0.00%	3,447,056	8	0.83%
TSC Apparel	-		0.00%	3,629,986	6	0.87%
Valley Drive Development LLC	-		0.00%	3,132,497	9	0.75%
Galileo Apollo IV Sub LLC	-		0.00%	3,017,899	10	0.72%
Total	<u>\$ 34,479,578</u>		<u>15.58%</u>	<u>\$ 56,620,408</u>		<u>13.59%</u>

Source: Based on information obtained from the Houston County Tax Assessor's Office.

Notes: Information above is presented with a comparison to 2004, information for years prior to 2004 is unavailable.

**City of Perry, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years**

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	2,961,876	2,941,637	99.32%	10,358	2,951,995	99.67%
2005	3,387,802	3,319,988	98.00%	23,014	3,343,002	98.68%
2006	3,839,605	3,828,157	99.70%	10,547	3,838,704	99.98%
2007	4,250,908	4,209,774	99.03%	21,277	4,231,051	99.53%
2008	4,902,917	4,768,840	97.27%	55,039	4,823,879	98.39%
2009	5,282,265	5,054,162	95.68%	124,985	5,179,147	98.05%
2010	5,458,340	5,244,733	96.09%	178,526	5,423,259	99.36%
2011	5,673,974	5,645,733	99.50%	28,241	5,673,974	100.00%
2012	5,886,680	5,736,280	97.45%	11,427	5,747,707	97.64%
2013	5,965,028	5,814,628	97.48%	114,053	5,928,681	99.39%

Source: Based on information obtained from the Houston County Tax Assessors' Office.

City of Perry, Georgia
Taxable Sales by Category
Last Nine Fiscal Years

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Food/Bar	\$ 4,008,971	\$ 4,803,632	\$ 4,895,056	\$ 5,461,198	\$ 4,727,703	\$ 3,965,041	\$ 3,683,588	\$ 3,845,547	\$ 4,001,399
Apparel	384,512	395,314	423,596	474,055	495,419	235,240	-	-	-
General Merchandise	3,303,606	3,664,725	3,606,384	3,898,290	3,825,492	3,972,158	3,682,705	3,672,160	3,674,175
Accommodations	-	-	-	-	-	211,664	268,864	282,642	262,637
Automotive	3,333,644	3,351,086	2,942,864	3,230,691	3,755,849	2,803,430	2,640,637	2,839,526	2,385,052
Home	973,690	1,012,129	895,746	991,129	988,571	402,067	-	-	-
Home Furnishings	-	-	-	-	-	1,218,091	1,734,592	1,641,700	1,556,730
Lumber	1,995,345	2,317,922	1,912,085	2,068,930	1,605,587	537,436	-	-	-
Construction	-	-	-	-	-	61,701	92,418	47,097	97,736
Miscellaneous Service	738,168	825,695	811,950	887,104	947,422	1,708,119	1,320,676	1,327,266	1,367,688
Manufacturers	578,959	667,972	600,161	637,046	714,017	931,572	1,098,305	1,220,506	968,689
Utilities	2,107,551	2,211,689	2,156,136	2,326,061	2,636,011	2,380,863	1,945,292	1,867,826	1,848,610
Wholesale	-	-	-	-	-	878,678	1,618,654	1,967,526	2,083,892
Miscellaneous Other-Retail	1,318,361	1,551,123	1,458,975	1,591,049	1,449,586	1,793,066	3,337,212	3,603,710	3,900,181
Total	<u>\$ 18,742,807</u>	<u>\$ 20,801,287</u>	<u>\$ 19,702,953</u>	<u>\$ 21,565,553</u>	<u>\$ 21,145,657</u>	<u>\$ 21,099,126</u>	<u>\$ 21,422,943</u>	<u>\$ 22,315,505</u>	<u>\$ 22,146,789</u>

Source: Georgia Dept of Revenue, Local Government Services Division

Notes: Since the City of Perry does not have a city sales tax, all sales tax reported to the Georgia Department of Revenue is accumulated by commodity as Houston County. The above numbers are taken from commodity reports issued by the Georgia Department of Revenue for Houston County and represents the county as a whole.

Category reporting format changed in May 2010.

City of Perry, Georgia
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Houston County</u>
2004	0.00%	7.00%
2005	0.00%	7.00%
2006	0.00%	7.00%
2007	0.00%	7.00%
2008	0.00%	7.00%
2009	0.00%	7.00%
2010	0.00%	7.00%
2011	0.00%	7.00%
2012	0.00%	7.00%
2013	0.00%	7.00%

Source: Local sales tax is imposed countywide (Houston County).

Notes: In 2001 the citizens voted to imposed a 1% SPLOST. A portion of this 1% is shared by all the cities in Houston County.

City of Perry, Georgia
Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Certificates of Participation	Capital Leases	Note Payable	Water/Sewer Revenue Bonds	Water/Sewer Georgia Revolving Loan	Capital Leases			
2004	-	525,000	524,032	-	4,570,000	1,377,442	1,185,733	8,182,207	3.52%	954
2005	-	430,000	430,095	-	8,170,000	1,258,393	900,786	11,189,274	2.82%	804
2006	-	330,000	820,585	-	7,875,000	1,133,849	661,715	10,821,149	3.30%	988
2007	-	225,000	769,391	-	7,570,000	1,003,350	711,584	10,279,325	4.15%	1,301
2008	-	115,000	892,948	-	16,695,000	867,225	3,714,177	22,284,350	2.03%	651
2009	-	-	774,316	-	13,360,000	758,836	3,162,988	18,056,140	2.49%	782
2010	-	-	449,996	500,000	15,960,000	680,849	2,717,549	20,308,394	2.43%	826
2011	-	-	559,562	400,000	15,570,000	599,786	2,558,923	19,688,271	2.13%	705
2012	-	-	761,345	300,000	15,160,000	515,529	2,232,374	18,969,248	2.24%	749
2013	-	-	1,055,725	200,000	15,124,000	427,951	2,172,918	18,980,594	2.49%	536

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

¹See the Schedule of Demographic and Economic Statistics on page 100 for personal income and population data.

City of Perry, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>	<u>Percentage Applicable to Government</u>
Direct		
Intergovernmental	\$ 200,000	
Capital Leases	1,055,725	
Total Direct Debt	1,255,725	
Overlapping ¹		
Intergovernmental Trust Certificates	-	100%
Capital Leases	368,255	100%
General Obligation Debt	43,560,000	100%
Total Overlapping Debt	43,928,255	100%
Total Direct and Overlapping Debt	\$ 45,183,980	

¹ Houston County Board of Education

The percentage of overlapping debt applicable is calculated by taking the share of each individual project that Perry participates in and multiplying that share percentage by the total principal outstanding in each project.

**City of Perry, Georgia
 Legal Debt Margin Information
 Last Ten Fiscal Years**

	Fiscal Year		
	2004	2005	2006
Net Assessed Value	\$ 221,365,819	\$ 252,604,361	\$ 267,956,247
Debt Limit-10% of Assessed Value	<u>22,136,582</u>	<u>25,260,436</u>	<u>26,795,625</u>
Debt Applicable to Debt Limit:			
General obligation bonds	-	-	-
Net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 22,136,582</u>	<u>\$ 25,260,436</u>	<u>\$ 26,795,625</u>
Legal debt margin as a percentage of the debt limit	100%	100%	100%

City of Perry, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years
(Continued)

Fiscal Year						
2007	2008	2009	2010	2011	2012	2013
\$ 325,699,465	\$ 372,655,660	\$ 406,031,037	\$ 419,549,528	\$ 410,842,338	\$ 416,633,952	\$ 422,152,830
32,569,947	37,265,566	40,603,104	41,954,953	41,084,234	41,663,395	42,215,283
-	-	-	-	-	-	-
-	-	-	-	-	-	-
\$ 32,569,947	\$ 37,265,566	\$ 40,603,104	\$ 41,954,953	\$ 41,084,234	\$ 41,663,395	\$ 42,215,283
100%	100%	100%	100%	100%	100%	100%

City of Perry, Georgia
Pledged-Revenue Coverage
Last Ten Fiscal Years

Water and Sewerage System Revenue Bonds

Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service			Coverage
				Principal	Interest	Total	
2004	3,037,308	2,137,550	899,758	270,000	195,922	465,922	1.93
2005	3,450,211	2,193,362	1,256,849	280,000	185,610	465,610	2.70
2006	4,167,316	2,379,212	1,788,104	295,000	383,887	678,887	2.63
2007	4,690,505	2,911,470	1,779,035	305,000	347,535	652,535	2.73
2008	4,015,826	3,157,973	857,853	320,000	522,912	842,912	1.02
2009	3,840,234	3,308,201	532,033	335,000	701,115	1,036,115	0.51
2010	4,748,904	3,267,378	1,481,526	400,000	687,327	1,087,327	1.36
2011	5,503,160	3,268,544	2,234,616	390,000	671,780	1,061,780	2.10
2012	5,381,152	3,383,602	1,997,550	410,000	655,250	1,065,250	1.88
2013	5,294,439	3,674,954	1,619,485	425,000	637,737	1,062,737	1.52

Notes: Gross revenue equals operating and non-operating revenues of the Water and Sewerage System. Operating expenses do not include bond interest, depreciation or amortization expenses.

**City of Perry, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population¹	Personal Income (amounts expressed in thousands)	Per Capita Personal Income^{2, 3, 7}	Median Age^{3, 5}	School Enrollment⁶	Unemployment Rate^{3, 4}
2004	10,654	288,340	27,064	34.4	23,998	3.3%
2005	11,071	315,601	28,507	38.2	24,608	5.2%
2006	11,916	356,884	29,950	35.1	25,193	5.0%
2007	13,573	426,097	31,393	35.9	25,921	4.1%
2008	14,128	452,675	32,041	34.4	26,287	5.1%
2009	14,295	449,278	31,429	35.1	26,115	7.7%
2010	14,520	493,448	33,984	35.0	26,672	7.6%
2011	13,839	418,877	33,114	34.6	27,014	8.0%
2012	14,516	424,202	33,505	34.6	27,435	8.0%
2013	14,786	499,043	34,674	37.2	27,610	8.3%

¹ Per 2000 Census and the City's estimate

² Middle Georgia Regional Commission

³ Information available at the county level only (Houston County)

⁴ Data obtained from Georgia Department of Labor

⁵ Estimate per census taken every 10 years

⁶ Houston County Board of Education

⁷ BEA Regional Economic Analysis

Note: Personal income information is a total for the year

**City of Perry, Georgia
Principal Employers
Current and Nine Years Ago**

2004 Employers	2013 Employers
Anchor Glass Container Corp.	Robins Air Force Base
Robins Air Force Base	Houston Medical Center
Frito Lay, Inc.	Utility Service Company Inc.
Houston County	Perdue Farms Inc.
Houston County Hospital Authority	Frito Lay, Inc.
Houston County School System	WalMart
Perdue Farms, Inc.	Graphic Packaging International
Southeast Administrative Services	US Air Force Reserve Unit
Walmart Associates, Inc.	Ardagh Group - Glass
City of Warner Robins	Houston County

Source: Georgia Department of Labor

Notes: Employers are listed in alphabetical order only, and are not ranked in any way.

Number of employees cannot be listed due to privacy issues.

Information available at county level only (Houston County).

Information above is presented with a comparison to 2004, information for years prior to 2004 is unavailable.

City of Perry, Georgia
Full-time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
City Manager	2	2	2	2	3	3	2.5	2.5	3	3
Administrative										
Finance	5	5	5	5	5	5	5	5	5	5
Human Resources	1	1	1	1	1	1	1	1	1	1
Information Technology	1	1	1	1	1	1	1	1	0	0
Purchasing/Bldg. Maintenance	4	3	3	3	5	4	4	4	4.5	3
Community Development	4	5	5	6	5	5	4	4	5	5
Economic Development	-	-	-	-	-	-	-	-	1	1.5
Public Safety										
Police										
Officers	39	39	38	39	39	38	37	37	35	35
Civilians	4	4	5	5	5	5	5	5	6	6.5
Fire Department										
Firefighters	13	16	17	19	19	21	21	21	20	20
Civilians			1	1	1	1	1	1	1	1
Public Works Department	15	14	12	15	20	20	16	16	15	14
Recreation Department	5	5	6	6	6	7	7	7	7	7

City of Perry, Georgia
Full-time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Water Department										
Water Treatment	6	6	6	6	0	0	0	0	0	0
Water Administrative	8	8	8	7	7	4	5	5	3.5	4
Line Maintenance	10	6	6	6	7	0	0	0	0	0
Sewer Department	6	5	5	0	0	0	0	0	0	0
Solid Waste	6	7	7	8	8	8	7	7	7	7
Gas	5	5	5	5	5	5	4	4	0	0
Total	134	132	133	135	137	128	120.5	120.5	114	113

Source: Payroll records.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).

Full-time equivalent employment is calculated by dividing total labor hours by 2,080.

July 1999 - Residential trash pick-up contracted out.

March 2004 - Jail closed - Detention Officers transferred to Houston County.

July 2006 - Wastewater Treatment operations contracted out to ESG.

July 2007 - Water Treatment Plant operations contracted out to ESG.

November 2008 Line Maintenance contracted out to ESG

November 2011 Gas Operations contracted out of ESG

June 26, 2012 Meter Readers contracted out to ESG

In 2012, the city created an economic development department

City of Perry, Georgia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Government										
Building permits issued-commercial	44	38	46	43	44	52	30	40	29	36
Building permits issued-residential	119	196	393	387	270	129	130	133	147	155
Police										
Physical arrests	1,646	1,302	1,336	1,423	1540	1655	1965	1634	1249	1693
Parking violations	74	76	126	174	111	85	25	24	13	16
Traffic violations	3297	2124	2566	2968	2602	4090	2507	3194	2035	3751
Fire										
Emergency responses	806	829	774	1005	1692	1546	1498	1430	1134	1778
Fires extinguished	73	66	72	95	96	100	82	105	102	90
Public Works										
Streets resurfaced (miles)	1.25	1.13	0.97	1.58	1.58	1.03	1.233	0.47	2.4	2.11
Water										
Service connections	4271	4903	5347	6071	6375	6000	5896	6408	6497	6883
Water main breaks	1	2	3	6	1	12	9	23	16	9
Average daily consumption (million gallons)	1.8	1.94	2.19	2.54	2.41	2.39	2.33	2.134	2.02	1.8
Wastewater										
Average daily sewage treatment (million gallons)	2.50	2.75	2.27	1.97	2	2	3.04	1.987	1.748	2.1
Service Connections	3674	4158	4270	4401	4881	4643	4790	4848	4974	5147
Gas System										
Service Connections	2716	2735	2789	2807	2783	2792	2792	3168	3203	2439
Average daily consumption (MCF)	866	984	855	806	906	869	947	929	800	1531

Source: Various City departments.

¹ Jointly Owned Natural Gas Transmission Line
customers transferred to City of Warner Robins

Note: The 2010 number of water and wastewater connections has been restated.

City of Perry, Georgia
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police										
Stations	1	1	1	1	1	1	1	1	1	4
Patrol cars	25	30	30	30	30	30	29	27	28	41
Fire										
Stations	1	1	1	1	1	1	1	1	1	2
Trucks	3	3	4	3	3	4	4	4	4	4
Fire hydrants	623	632	701	750	814	917	923	923	923	923
Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Parks	14	15	15	15	15	15	15	15	15	17
Park Acreage	93.42	97.14	97.14	97.14	97.14	97.14	97.14	97.14	97.14	99.81
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Public Works										
Streets (miles)	173	177.58	181.85	186.81	190.22	205.42	206.7	207.6	207.6	207.8
Sidewalks (miles)	28	29.5	31	32.63	34.16	34.55	34.55	34.55	34.55	34.55
Number of Streets	263	282	306	335	351	420	428	438	438	439
Number of Streets Lights	1746	1757	1835	1885	1955	2220	2246	2277	2298	2301
Water										
Miles of Water Mains	114	118.58	122.85	127.81	131.67	148	148.57	150.59	151.22	151.22
Water tanks	5	5	5	5	5	5	5	5	5	5
Storage capacity (million gallons)	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Wastewater										
Miles of Sewers	70	73.74	78.01	82.97	85.57	99.92	100.49	104.38	106	106.5
Treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment capacity (million gal)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.8	3.0
Gas System										
Miles of Gas Lines	72.0	74.0	76.0	76.0	76.6	77.1	77.1	80.4	81.1	81.1

Source: Various City departments.

GOVERNMENTAL REPORTS

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STATE COMPLIANCE SECTION

CITY OF PERRY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2006
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Road, Street and Bridge and Sidewalk Projects	\$ 1,500,000	\$ 1,453,904	\$ 2,110	\$ 1,456,014
Public Safety:				
Facilities	1,100,000	112,317	964,805	1,077,122
Water and Sewer System Improvements	2,500,000	1,795,907	484,694	2,280,601
Recreation Facilities and Equipment	400,000	380,718	10,961	391,679
	<u>\$ 5,500,000</u>	<u>\$ 3,742,846</u>	<u>\$ 1,462,570</u>	<u>\$ 5,205,416</u>

CITY OF PERRY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2012
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Road, Street and Bridge and Sidewalk Projects	\$ 3,000,000	\$ -	\$ 2,732	\$ 2,732
Public Safety Facilities and Equipment	1,800,000			
Facilities		-	271,762	271,762
Equipment		-	-	-
Water and Sewer System Improvements and Debt Retirement	4,100,000	-	248,588	248,588
Recreation Facilities and Equipment	900,000	-	12,984	12,984
	<u>\$ 9,800,000</u>	<u>\$ -</u>	<u>\$ 536,066</u>	<u>\$ 536,066</u>

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III. SINGLE AUDIT SECTION

CITY OF PERRY, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

Federal/Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Housing and Urban Development</u>			
Pass-Through Program from:			
Georgia Department of Community Affairs			
Grace Recovery Center	08-P-X-073-2-5061	19.228	\$ 127,420
Total U.S. Department of Housing and Urban Development			<u>127,420</u>
<u>U.S. Department of Transportation</u>			
Pass-Through Program from:			
Georgia Department of Natural Resources			
Recreational Trails Program	NRT-8(15)	20.219	<u>30,295</u>
Total U.S. Department of Transportation			<u>30,295</u>
<u>U.S. Department of Energy</u>			
Pass-through Program from:			
Georgia Environmental Facilities Authority			
Energy Efficiency and Conservation Block Grant-ARRA	DE-EE0000806	81.128	<u>100,016</u>
Total U.S. Department of Energy			<u>100,016</u>
<u>U.S. Department of Health and Human Services</u>			
Pass-through Program from:			
Governor's Office for Children and Families			
Caring Communities Grant	CC10-03-008	93.590	94,717
Nurse Family Partnership Grant	HV12-008	93.505	<u>341,741</u>
Total U.S. Department of Health and Human Services			<u>436,458</u>
<u>U.S. Department of Homeland Security</u>			
Pass-through Program from:			
Federal Emergency Management Agency			
	EMW-2011-F0-08971	97.044	<u>56,810</u>
Total U.S. Department of Homeland Security			<u>56,810</u>
Total Expenditures of Federal Awards			<u>\$ 750,999</u>

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

CITY OF PERRY, GEORGIA

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the City of Perry, Georgia under programs of the federal government for the year ended June 30, 2013. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the schedule presents only a selected portion of the operations of the City of Perry, Georgia, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City of Perry, Georgia.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

NOTE 3 – SUBRECIPIENTS

Of the federal expenditures presented in the schedule, the City of Perry, Georgia provided federal awards to subrecipients as follows:

CFDA Number	Program Name	Amount Provided to Subrecipients
93.590	Caring Communities	\$ 94,717
81.128	Conservation Block Grants	11,755
93.505	Nurse Family Partnership	341,741

CITY OF PERRY, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

FEDERAL AWARD FINDINGS

Findings noted on the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with *OMB Circular A-133*:

NONE REPORTED



J. Russell Lipford, Jr., CPA
Mark O. Hardison, CPA
Terry I. Parker, CPA
Christopher S. Edwards, CPA
Lynn S. Hudson, CPA
Kevin E. Lipford, CPA

Member of
American Institute of
Certified Public Accountants
Truman W. Clifton (1902-1989)

**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**

Honorable Mayor and Members of City Council
The City of Perry, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Perry, Georgia as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the City of Perry, Georgia's basic financial statements, and have issued our report thereon dated December 19, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Perry, 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 Perry, Georgia's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Perry, Georgia's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be material weaknesses (2013-001, 2013-002 and 2013-003)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Perry, 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

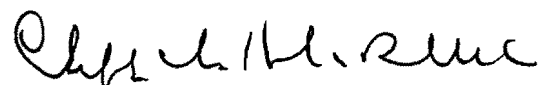
City of Perry, Georgia's Response to Findings

City of Perry, Georgia's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of Perry, 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 result 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.

Macon, Georgia
December 19, 2013





J. Russell Lipford, Jr., CPA
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INDEPENDENT AUDITOR’S REPORT
ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM; REPORT ON INTERNAL CONTROL OVER
COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY OMB CIRCULAR A-133

Honorable Mayor and Council
City of Perry, Georgia

Report on Compliance for Each Major Federal Program

We have audited the City of Perry, Georgia’s compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Perry, Georgia’s major federal programs for the year ended June 30, 2013. The City of Perry, Georgia’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

Management’s Responsibility

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

Auditor’s Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Perry, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

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

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

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

CITY OF PERRY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2013

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	Yes
Significant deficiency(ies) identified that are not considered to be material weakness(es)	No
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None Reported
Type of auditor’s report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133?	No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
93.505	Affordable Care Act, Maternal, Infant, and Early Childhood Home Visiting Program
81.128	Energy Efficiency and Conservation Block Grants

Dollar threshold used to distinguish between Type A and Type B program	\$ 300,000
Auditee qualified as low-risk auditee	No

CITY OF PERRY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*.

2013-001 Capital Assets

CRITERIA

Accounting and control procedures should be designed to ensure that capital asset activity is recorded and reported properly for all capital assets.

CONDITION

During 2013, capital asset activity was not properly recorded in the City's records. Transactions not properly recorded consisted of:

- Capital assets purchased in governmental funds were not reconciled to the depreciation schedule.
- Water and Sewerage System capital assets purchased with SPLOST proceeds were recorded in the Gas System in error.
- Water and Sewerage projects were not transferred from construction-in-progress when the assets were placed in service.
- The City continued to capitalized interest on projects which had been substantially suspended.

CONTEXT

Material adjustments of \$864,614, \$212,005 and \$137,130, were required to correct the reporting of capital assets in the Water and Sewerage System Fund, Gas System and the Governmental Activities, respectively.

EFFECT

The City's accounting records for capital assets contained material errors which were identified and corrected during the annual audit.

CAUSE

The City did not properly review, record and reconcile the capital assets.

RECOMMENDATION

The City should ensure that the proper review and reconciling procedures are being performed monthly and at year-end.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

We concur with the finding. Projects will continue to be reviewed, reclassified and depreciated when completed. Capital assets will be recorded when notice of completion is received from project manager and final payment made for related expenditure. Projects will be reviewed monthly within management and responsible departments.

CITY OF PERRY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(CONTINUED)

2013-002 2013 Bond Issuance

CRITERIA

Accounting and control procedures should be designed to ensure that bond activity is properly recorded for all bond issuances, refundings and advance refundings.

CONDITION

During 2013, the City issued Series 2013, Water and Sewerage Refunding Revenue Bonds to refund the outstanding 1998 Revenue Bonds and advance refund/defeasement a portion of the outstanding 2005 Revenue Bonds. The City did not properly record all of the transactions.

CONTEXT

Material adjustments of \$3,620,936 were required to correct the reporting of the advance refunding of the bonds.

EFFECT

The City's accounting records did not reflect the correct balance of outstanding debt.

CAUSE

The City's accounting department lacked a complete understanding of the bond issuance and advance refunding/defeasement.

RECOMMENDATION

The City should ensure that all bond activity is properly recorded upon issuance.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION

We concur with the finding. Future bond issuances will be reviewed closely with bond placement and paying agent to clarify any issues or concerns.

CITY OF PERRY, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(CONTINUED)

2013-003 Accounts Payable / Expenditures

CRITERIA

In accordance with generally accepted accounting principles, expenditures are recognized as soon as a liability is incurred. Year-end procedures are necessary to insure that expenditures and accounts payable are recorded in the appropriate period.

CONDITION

The City does not have adequate accounting procedures to insure that expenditures are recorded and properly classified when a liability is incurred.

CONTEXT

The following adjustment was necessary:

- A material adjustment of \$33,870 was necessary to record additional expenditures for appropriations in the Hotel Motel Tax Fund.

EFFECT

The City's accounting records contained material errors which were identified and adjusted during the annual audit process.

CAUSE

The City lacked accounting procedures to insure the recording and proper classification of incurred expenditures at the end of the fiscal period.

RECOMMENDATION

The City should establish procedures to insure the proper accrual and classification of all liabilities incurred during the fiscal period.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

We concur with the finding. Procedures are in place to review and identify payables as paid at year-end. Such invoice was noted; however an error was made by the accounting technician in applying to the incorrect period when the invoice was keyed. Invoices and reports will continue to be reviewed for accuracy and completeness.