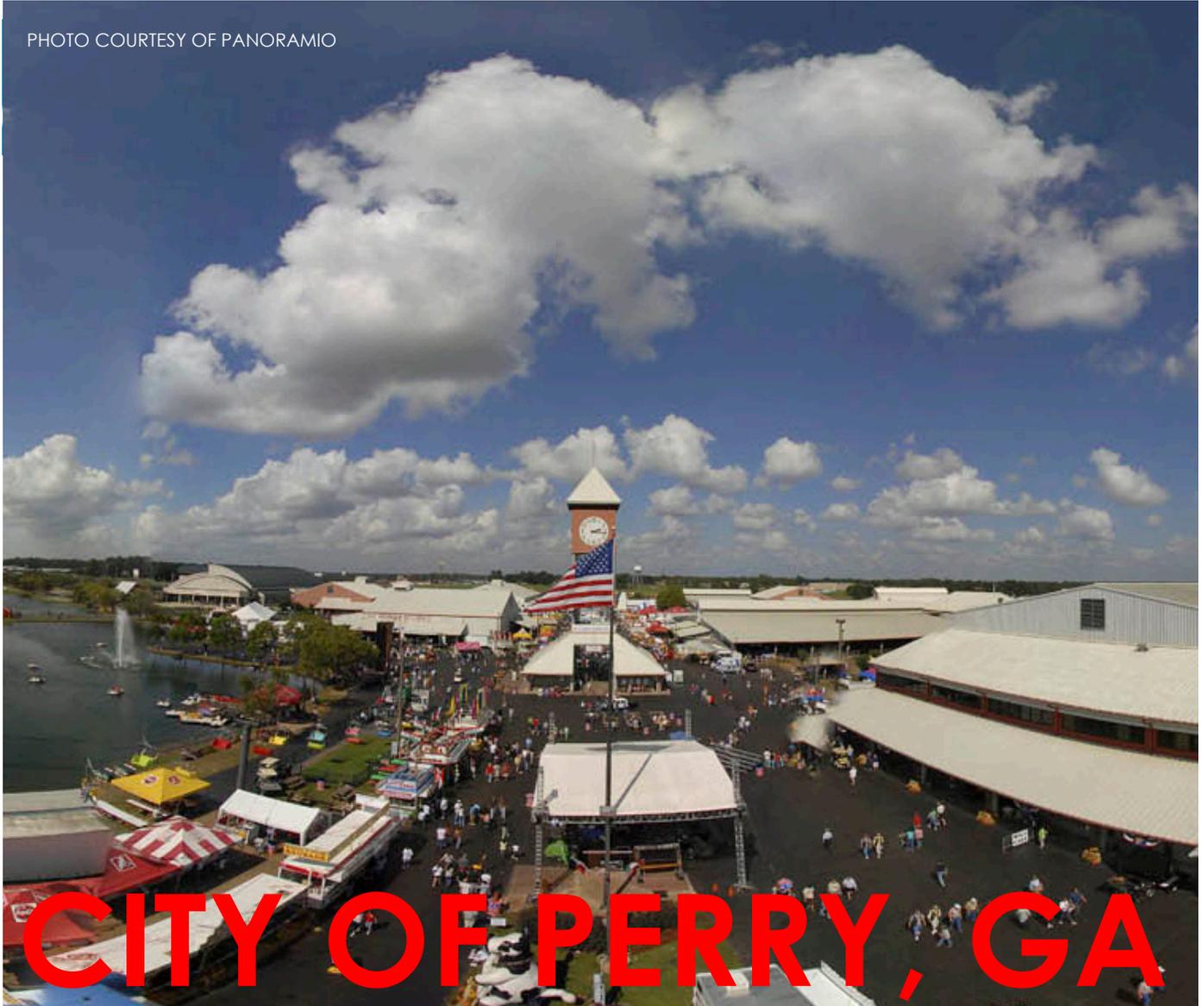


PHOTO COURTESY OF PANORAMIO



# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED**

**JUNE 30, 2015**

**CITY OF  
PERRY, GEORGIA**

**COMPREHENSIVE ANNUAL FINANCIAL  
REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2015**

**PREPARED BY:**

**Director of Administration**

# CITY OF PERRY, GEORGIA

## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2015

---

### TABLE OF CONTENTS

#### INTRODUCTORY SECTION

Letter of Transmittal .....	1 - 4
GFOA Certificate of Achievement .....	5
Organization Chart.....	6
List of Principal Officials.....	7

#### FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT .....	8 - 10
------------------------------------	--------

MANAGEMENT'S DISCUSSION & ANALYSIS .....	11 - 21
--	---------

#### BASIC FINANCIAL STATEMENTS

##### Government-wide Financial Statements:

Statement of Net Position .....	22
Statement of Activities .....	23 and 24

##### Fund Financial Statements:

Balance Sheet – Governmental Funds .....	25
Reconciliation of the Balance Sheet of Governmental Funds to the Government-Wide Statement of Net Position .....	26
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	27
Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balances of Governmental Funds to the Statement of Activities.....	28
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund .....	29
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Fire Protection Fund.....	30
Statement of Net Position – Proprietary Funds .....	31
Statement of Revenues, Expenses and Changes in Fund Net Position – Proprietary Funds .....	32
Statement of Cash Flows – Proprietary Funds .....	33 and 34
Statement of Fiduciary Net Position – Fiduciary Fund .....	35

Notes to the Basic Financial Statements.....	36 - 67
--	---------

**CITY OF PERRY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

---

**TABLE OF CONTENTS (CONTINUED)**

**FINANCIAL SECTION (CONTINUED)**

**REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Changes in the City's Net Pension Asset and Related Ratios.....	68
Schedule of City Contributions .....	69

**SUPPLEMENTARY INFORMATION**

**Nonmajor Governmental Funds**

Combining Balance Sheet – Nonmajor Governmental Funds.....	70 and 71
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	72 and 73

**Special Revenue Funds**

**Confiscated Assets Fund:**

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual .....	74
--	----

**Hotel/Motel Tax Fund**

Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual .....	75
--	----

**Agency Fund**

**Police Pre-Confiscation Assets Fund:**

Statement of Changes in Assets and Liabilities .....	76
--	----

**Component Unit**

**Perry Industrial Building Authority**

Balance Sheet.....	77
Statement of Revenues, Expenditures and Changes in Fund Balance.....	78

**Schedule of Expenditures of 2012 Special Purpose**

Local Option Sales Tax Proceeds .....	79
---------------------------------------	----

**CITY OF PERRY, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

---

**TABLE OF CONTENTS (CONTINUED)**

**STATISTICAL SECTION**

**Fund Information:**

***Financial Trends***

Net Position by Component .....	80
Changes in Net Position .....	81 - 83
Program Revenues by Function/Program .....	84
Fund Balances of Governmental Funds .....	85
Changes in Fund Balances of Governmental Funds .....	86 and 87

***Revenue Capacity***

Tax Revenues by Source, Governmental Funds.....	88
Assessed Value and Estimated Actual Value of Taxable Property .....	89
Direct and Overlapping Governments Property Tax Rates.....	90
Principal Property Taxpayers.....	91
Property Tax Levies and Collections .....	92
Taxable Sales by Category .....	93
Direct and Overlapping Sales Tax Rates .....	94

***Debt Capacity***

Ratios of Outstanding Debt by Type .....	95
Direct and Overlapping Governmental Activities Debt .....	96
Legal Debt Margin Information.....	97 and 98
Pledged-Revenue Coverage .....	99

***Demographic and Economic Information***

Demographic and Economic Statistics .....	100
Principal Employers .....	101
Full-time Equivalent City Government Employees by Function/Program.....	102 and 103

***Operating Information***

Operating Indicators by Function/Program .....	104
Capital Asset Statistics by Function/Government.....	105

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 <i>Government Auditing Standards</i> .....	106 and 107
--	-------------

Schedule of Findings and Responses .....	108 and 109
--	-------------

Summary Schedule of Prior Year Findings .....	110 and 111
---	-------------

## **INTRODUCTORY SECTION**

# 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](http://www.perry-ga.gov)

December 28, 2015

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, 2015. 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.

Mauldin & Jenkins, Certified Public Accountants, LLC, has issued an unmodified ("clean") opinion on the City of Perry's financial statements for the fiscal year ended June 30, 2015. 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, 2015, the City did not expend more than \$500,000 in federal funds; therefore, a single audit was not completed.

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 27.829 square miles. Perry, the county seat for Houston County, serves a population of 15,610, 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 of Perry maintains a strong economic base with a focus on sustainable, well-rounded economic growth. With a healthy mix of small business and large scale manufacturers, the City benefits from a varied employment base. According to current business license data, the City has approximately 641 businesses that account for the employment of 7,874 persons.

Robins Air Force Base, located in nearby Warner Robins, employs an astounding 22,259 persons and is the principal economic driver for not only Perry, but the Middle Georgia region. Perry's largest economic sectors continue to be the service and retail industries.

Much of this economic growth can be attributed to unique assets that put Perry in an advantageous position when it comes to attracting people and business to the community. Houston County Schools are one of the best school systems in the state and they continue to attract families while producing well-educated young people. Coupled with Perry's access to higher education, the local workforce remains strong and is only getting better. Located in Middle Georgia along I-75, Perry's proximity to major transportation assets (e.g. Hartsfield-Jackson International Airport, Port of Savannah, I-16, I-85, etc.) and centers of population throughout the Southeast make it an attractive location for prospective businesses.

Tourism continues to be a major economic sector for the City of Perry with the City, Discover Perry, Perry Downtown Merchants Association, Perry Area Chamber of Commerce, and the rest of our community partners focused on leveraging and marketing our unique assets to take advantage of the nearly \$54 billion statewide industry. The Georgia National Fairgrounds and Agricenter (GNFA) continue to be the City's largest attraction with nearly 1 million people per year visiting for a variety of events including, of course, the Georgia National Fair. This year the Georgia National Fair set an attendance record with 501,628 people visiting over the course of the eleven-day event. Downtown Perry continues to develop as an important economic asset with its historic charm and unique shops and restaurants attracting people from all over Middle Georgia.

The City of Perry is growing at a rate exceeding that of Houston County, the Middle Georgia Region, the State of Georgia, and the U.S. In regards to population, the City of Perry is expected to grow at a rate of 1.5% per year for the next four (4) years and an even higher 1.6% per year in regards to households in our community. In addition to population growth, even more significant growth will be seen relating to income. By 2018, it is expected that the per capita income in Perry will increase an astonishing 13.1%. Compare this to projected income growth in Houston County (7.4%), Georgia (4.8%), and the U.S. (3.7%). With this growth in income comes additional disposable income and, hopefully, more spending within the City. Interestingly, and likely a product of population growth and income growth, median housing values within a three (3) mile radius of downtown are set to skyrocket from \$163,779 currently to \$204,978 by 2019.

The City of Perry issued 248 new building permits with an estimated construction cost of \$38,315,296.

## Long-term Financial Planning

The City met or took into consideration the following fiscal challenges in developing the 2016 budget:

- Include a one percent cost of living adjustment and a one percent merit adjustment for all employees.
- No increase in millage rate.
- Increase fire protection fee.
- Increase stormwater utility fee.

## Major Initiatives

Led by the Mayor and Council's directions, several tasks were undertaken this fiscal year 2015, which included:

- Annexed 18.642 acres into the City
- Sam Nunn Boulevard sidewalk improvements
- Commerce Street sidewalk improvements
- W F Ragin sidewalk improvements
- Third Street improvements
- Idle Pines drainage improvements
- Perimeter Road culvert improvements
- General Courtney Hodges Boulevard lighting improvements
- Fairview Drive water main extension
- Expansion of Downtown Development District to include General Courtney Hodges Boulevard

## 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 Mauldin & Jenkins, Certified Public Accountants, 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**

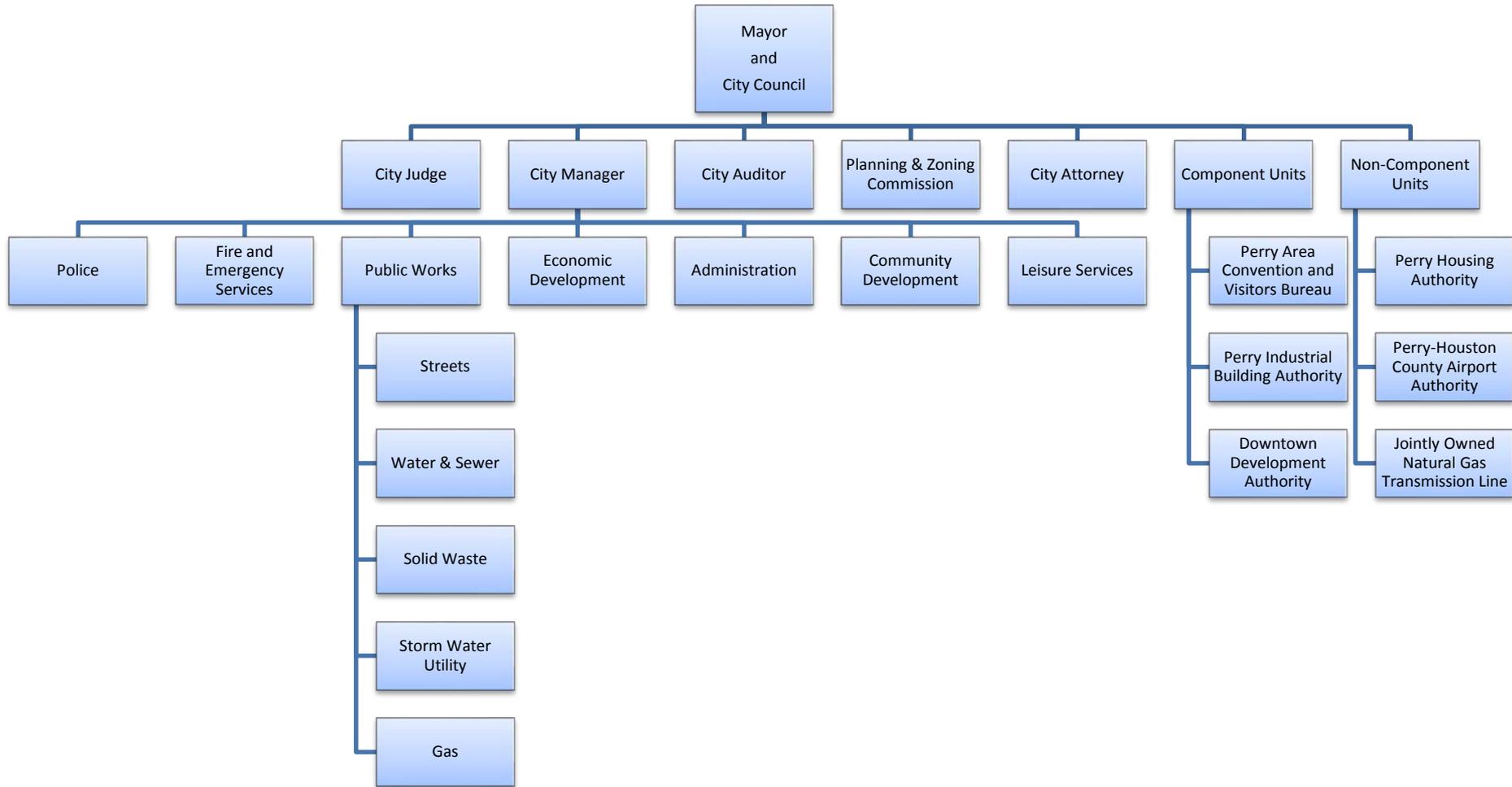
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2014**

Executive Director/CEO

# CITY OF PERRY, GEORGIA

## ORGANIZATION CHART



City of Perry, Georgia  
List of Principal Officials  
June 30, 2015

Mayor	James E. Faircloth, Jr.
Mayor Pro-Tempore	Phyllis A. Bynum-Grace
Council Members	
District 1	
Post 1	Phyllis A. Bynum-Grace
Post 2	Willie J. King
District 2	
Post 1	Robert Jones
Post 2	William R. Jackson
District 3	
Post 1	Randall 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	Kevin Dye
Economic Development Director	Robert Smith
Fire Chief	Joel W. Gray
Police Chief	Stephen D. Lynn

## **FINANCIAL SECTION**



## 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** (the "City"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Perry, Georgia's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

---

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

**Opinions**

In our opinion, 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund and Fire Protection Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As described in Note 10, the City of Perry, Georgia implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, as of July 1, 2014. 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 Management's Discussion and Analysis (on pages 11 through 21) and the Schedule of Changes in the City's Net Pension Asset and Related Ratios and the Schedule of City Contributions (on pages 68 and 69) 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 and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Perry, Georgia. The accompanying schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-121, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules and schedule of expenditures of special purpose local option sales tax proceeds (collectively "the supplementary information") 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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements 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 28, 2015, on our consideration of the City'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 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.

*Mauldin & Jenkins, LLC*

Macon, Georgia  
December 28, 2015

# CITY OF PERRY, GEORGIA

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

Management's Discussion and Analysis of the City of Perry Georgia'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, 2015. 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 2015 by \$86,983,961 (net position). Of this amount \$7,875,520 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors.
- During the year ended June 30, 2015, the City's net position increased by \$3,623,047.
- As of June 30, 2015, the City's governmental funds reported combined fund balances of \$4,893,553, an increase of \$191,826 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,954,387, or twenty-three percent (23%) of total general fund expenditures.
- During fiscal year 2015, the City's capital assets increased by approximately \$3,869,000 while the net decrease in long-term debt was \$1,165,518.

### 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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 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, stormwater 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, 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 22 through 24 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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

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 ten 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 fund balances for the general fund, the SPLOST 2012 fund and the fire protection fund. Data from the other seven 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 and the fire protection fund to demonstrate compliance with its budget.

The basic governmental funds financial statements can be found on pages 25 through 28 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, stormwater 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, stormwater 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 31 through 34 of this report.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

### ***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 35 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 36 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 net pension liability (asset) and City contributions. Required supplementary information can be found on pages 68 and 69 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 70 through 76 of this report.

### **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 \$86,983,961 at June 30, 2015.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following table provides a summary of the City's net position for fiscal years 2014 and 2015.

### City of Perry - Net Position

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and Other Assets	\$ 6,660,416	\$ 6,000,455	\$ 7,316,323	\$ 9,470,173	\$ 13,976,739	\$ 15,470,628
Capital Assets	48,723,288	47,124,100	44,588,557	42,318,745	93,311,845	89,442,845
	<b>55,383,704</b>	<b>53,124,555</b>	<b>51,904,880</b>	<b>51,788,918</b>	<b>107,288,584</b>	<b>104,913,473</b>
<b>Deferred Outflows of Resources</b>						
Pension	87,912	-	-	-	87,912	-
Deferred charge on refunding	-	-	293,468	330,152	293,468	330,152
	<b>87,912</b>	<b>-</b>	<b>293,468</b>	<b>330,152</b>	<b>381,380</b>	<b>330,152</b>
<b>Liabilities</b>						
Current and Other Liabilities	2,136,174	1,360,375	1,874,938	890,769	4,011,112	2,251,144
Long-Term Liabilities	1,563,876	2,307,878	14,801,773	17,084,320	16,365,649	19,392,198
	<b>3,700,050</b>	<b>3,668,253</b>	<b>16,676,711</b>	<b>17,975,089</b>	<b>20,376,761</b>	<b>21,643,342</b>
<b>Deferred Inflows of Resources</b>						
Pension	309,242	-	-	-	309,242	-
	<b>309,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>309,242</b>	<b>-</b>
<b>Net Position</b>						
Net Investment in Capital Assets	46,900,636	45,321,336	28,678,359	25,323,141	75,578,995	70,644,477
Capital Outlay	506,339	-	-	-	506,339	-
Debt Service	-	-	1,647,358	1,691,609	1,647,358	1,691,609
Restricted	381,798	432,514	993,951	3,445,188	1,375,749	3,877,702
Unrestricted	3,673,551	3,702,452	4,201,969	3,684,043	7,875,520	7,386,495
	<b>\$ 51,462,324</b>	<b>\$ 49,456,302</b>	<b>\$ 35,521,637</b>	<b>\$ 34,143,981</b>	<b>\$ 86,983,961</b>	<b>\$ 83,600,283</b>

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 87% of the City's total net position. Net investments in capital assets for governmental activities increased by \$1,579,300 in fiscal year 2015. 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.

Approximately four (4) 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.

The City finished strong at the close of the fiscal year. Governmental activities net position increased by \$2,262,581 in fiscal year 2015. Whereas, the net position of the business-type activities increased \$1,360,466. Combined, the City's total net position increased by \$3,623,047.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Program Revenues						
Charges for services	\$ 5,059,302	\$ 3,809,303	\$ 11,512,798	\$ 10,923,578	\$ 16,572,100	\$ 14,732,881
Operating Grants and Contributions	21,917	27,094	-	-	21,917	27,094
Capital Grants and Contributions	1,937,557	1,475,645	755,661	1,152,368	2,693,218	2,628,013
General Revenues						
Property Taxes	6,354,007	6,261,530	-	-	6,354,007	6,261,530
Hotel/Motel Taxes	943,752	777,462	-	-	943,752	777,462
Franchise Taxes	1,141,340	1,035,669	-	-	1,141,340	1,035,669
Alcoholic Beverage Taxes	262,646	259,529	-	-	262,646	259,529
Insurance Premium Taxes	745,918	713,871	-	-	745,918	713,871
Occupational Taxes	190,072	179,117	-	-	190,072	179,117
Unrestricted Investment Earnings	6,840	5,881	38,901	30,297	45,741	36,178
	<b>16,663,351</b>	<b>14,545,101</b>	<b>12,307,360</b>	<b>12,106,243</b>	<b>28,970,711</b>	<b>26,651,344</b>
<b>Expenses</b>						
General Government	4,454,832	5,361,965	-	-	4,454,832	5,361,965
Public Safety	6,401,412	5,344,131	-	-	6,401,412	5,344,131
Public Works	3,219,647	3,420,399	-	-	3,219,647	3,420,399
Recreation	757,513	673,069	-	-	757,513	673,069
Housing and Development	133,169	164,912	-	-	133,169	164,912
Interest on Long-Term Debt	43,804	25,337	-	-	43,804	25,337
Water and Sewerage System	-	-	5,641,228	5,185,739	5,641,228	5,185,739
Stormwater Utility	-	-	177,743	110,590	177,743	110,590
Gas System	-	-	3,386,102	3,368,442	3,386,102	3,368,442
Solid Waste	-	-	1,131,538	1,096,567	1,131,538	1,096,567
Revolving Loan Fund	-	-	676	3,117	676	3,117
	<b>15,010,377</b>	<b>14,989,813</b>	<b>10,337,287</b>	<b>9,764,455</b>	<b>25,347,664</b>	<b>24,754,268</b>
<b>Increase in Net Position, before transfers</b>	<b>1,652,974</b>	<b>(444,712)</b>	<b>1,970,073</b>	<b>2,341,788</b>	<b>3,623,047</b>	<b>1,897,076</b>
Transfers	609,607	258,501	(609,607)	(258,501)	-	-
	<b>609,607</b>	<b>258,501</b>	<b>(609,607)</b>	<b>(258,501)</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>2,262,581</b>	<b>(186,211)</b>	<b>1,360,466</b>	<b>2,083,287</b>	<b>3,623,047</b>	<b>1,897,076</b>
<b>Net Position - Beginning of year, as restated</b>	<b>49,199,743</b>	<b>49,642,513</b>	<b>34,161,171</b>	<b>32,060,694</b>	<b>83,360,914</b>	<b>81,703,207</b>
<b>Net Position - End of year</b>	<b>\$ 51,462,324</b>	<b>\$ 49,456,302</b>	<b>\$ 35,521,637</b>	<b>\$ 34,143,981</b>	<b>\$ 86,983,961</b>	<b>\$ 83,600,283</b>

### Governmental Activities

Governmental activities increased the City's net position by \$2,262,581. Although revenues and expenditures increased for the year when compared with 2014, approximately seventy-five percent is a result of the implementation and collection of the fire protection fee to fund a portion of the fire department expenses needed to adequately staff and operate the new fire station.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

### **Business-Type Activities**

The business-type activities followed the same pattern of the governmental activities and increased the City's net position by \$1,360,466. In 2015, there was an increase in charges for services, particularly the water and sewerage revenue system. 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, 2015, the City's governmental funds reported combined fund balances of \$4,893,553, an increase of \$191,826 over the prior year. Approximately 59.5 percent of the combined fund balances, (\$2,910,907) is classified as unassigned. The remaining amounts are classified as nonspendable (\$5,134), restricted (\$888,137) and assigned (\$1,089,375).

The general fund is the chief operating fund of the City. At June 30, 2015, the unassigned fund balance of the general fund was \$2,954,387, while total fund balance was \$3,898,193. 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 twenty-three (23%) percent of total fund expenditures, while total fund balance represents thirty-one (31%) percent of the same amount.

During the current fiscal year, the fund balance of the general fund decreased by \$166,436. The primary reason for such reduction was the transfer of assets to the Fire Protection Fund in the amount of \$751,289.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

### 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.

Unrestricted net position of proprietary funds ended on a positive note in the amount of \$4,201,969. 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 2015, the primary differences between the original and the final amended budget can be summarized as follows:

- Increase property tax to reflect actual receipts
- Increase insurance premium tax to reflect actual receipts
- Increase franchise tax to reflect actual receipts
- Increase fines and forfeitures to reflect actual receipts
- Increase licenses and permits to reflect actual receipts
- Adjust for donations and contributions for downtown corridor master plan
- Adjust for prior year rollover capital expenditures
- Adjust for additional plans reviews due to growth
- Adjust for shifting park costs from public works to recreation
- Adjust for Ball Street Extension improvement expenditures
- Adjust for animal shelter and Jaycee Building maintenance costs
- Adjust for asset transfer from General to Fire Protection

### Capital Assets and Debt Administration

#### Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2015 total \$93,311,845 (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.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The total increase in the City's net investment in capital assets for the current period was \$4,934,518. Detailed information regarding the capital asset activity for 2015 can be found on pages 49 and 50 of this report.

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

Project	Cost
<b>Vehicles and Equipment</b>	\$ 552,439
<b>Wastewater Treatment Plant Upgrades</b>	\$ 2,652,255
<b>Ball Street Improvements</b>	\$ 652,618
<b>Creekwood Drive Drainage &amp; Sidewalk</b>	\$ 322,649
<b>Perimeter Road Culvert</b>	\$ 254,824
<b>Water Plant #2 Generator</b>	\$ 196,713
<b>Sidewalk Improvements</b>	\$ 110,810
<b>Third Street Improvements</b>	\$ 236,432
<b>Commerce Street Improvements</b>	\$ 115,067
<b>Courtney Hodges Blvd Improvements</b>	\$ 158,252

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

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 9,586,271	\$ 9,586,276	\$ 305,283	\$ 301,973	\$ 9,891,554	\$ 9,888,249
Land improvements	398,608	453,291	-	-	398,608	453,291
Buildings and Improvements	4,922,626	5,018,299	-	-	4,922,626	5,018,299
Infrastructure	30,633,470	30,192,623	-	-	30,633,470	30,192,623
Machinery and Equipment	2,353,341	1,431,598	-	-	2,353,341	1,431,598
Structures, Equipment and Lines	-	-	39,172,400	39,793,669	39,172,400	39,793,669
Construction in Progress	828,972	442,013	5,110,874	2,223,103	5,939,846	2,665,116
	<b>\$ 48,723,288</b>	<b>\$ 47,124,100</b>	<b>\$ 44,588,557</b>	<b>\$ 42,318,745</b>	<b>\$ 93,311,845</b>	<b>\$ 89,442,845</b>

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### Long-Term Debt

At June 30, 2015, the City had total long-term debt outstanding of \$17,732,850 as compared to \$18,898,368 at the end of the prior year. This amount is comprised of \$14,215,000 in water and sewerage system revenue bonds, \$3,275,550 in capital lease agreements, and \$242,300 in GEFA loans.

#### City of Perry - Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenue Bonds	\$ -	\$ -	\$ 14,215,000	\$ 14,754,000	\$ 14,215,000	\$ 14,754,000
Loans	-	100,000	242,300	336,921	242,300	436,921
Capital Leases	1,822,652	1,802,764	1,452,898	1,904,683	3,275,550	3,707,447
	<b>\$ 1,822,652</b>	<b>\$ 1,902,764</b>	<b>\$ 15,910,198</b>	<b>\$ 16,995,604</b>	<b>\$ 17,732,850</b>	<b>\$ 18,898,368</b>

Debt issued in 2015 amounted to \$552,439 compared to \$1,438,942 in the previous year. The capital leases the City entered into were for machinery and equipment for the public works, water and sewer, and public safety.

State statutes limit the amount of general obligation debt a governmental entity may issue to ten (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 \$44,083,274.

Additional information on the City's long-term debt can be found in Note 7 on pages 52 through 55 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.

As of June 30, 2015, the unemployment rate for Houston County was 6.4 percent compared to the State of Georgia rate of 6.1 percent. Management has estimated the service population for the City to be 15,610 at June 30, 2015, which is based on the average household of 2.14 persons.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---

The following factors were considered in preparation of the City budget for 2016:

- No millage rate increase
- Adjust fire protection fee to reflect fire roll history
- Replace aging vehicles and equipment
- Increase stormwater utility fee
- Increase gas meter base charge to cover administrative cost

### **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**

# CITY OF PERRY, GEORGIA

## STATEMENT OF NET POSITION JUNE 30, 2015

ASSETS	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
Cash and cash equivalents	\$ 2,647,501	\$ 1,669,300	\$ 4,316,801	\$ 270,522	\$ 45,427	\$ 238,096
Investments	2,662,981	829,206	3,492,187	-	-	-
Taxes receivable	171,121	-	171,121	-	-	-
Accounts receivable, net of allowances	61,524	1,036,884	1,098,408	-	-	-
Mortgage receivable	2,500	-	2,500	-	-	-
Other receivable	232,046	-	232,046	-	-	-
Due from other governments	321,694	-	321,694	100,811	-	-
Internal balances	285,158	(285,158)	-	-	-	-
Inventories	2,634	-	2,634	-	-	-
Prepaid expenses	15,977	38,372	54,349	1,595	-	-
Net pension asset	257,280	-	257,280	-	-	-
Restricted assets:						
Cash and cash equivalents	-	226,814	226,814	-	-	-
Investments	-	3,072,150	3,072,150	-	-	-
Loans receivable	-	66,360	66,360	-	-	-
Investment in Jointly-Owned Natural Gas Transmission Line	-	662,395	662,395	-	-	-
Capital assets:						
Nondepreciable	10,415,243	5,416,157	15,831,400	492,893	-	-
Depreciable, net of accumulated depreciation	38,308,045	39,172,400	77,480,445	461,109	-	-
Total assets	<u>55,383,704</u>	<u>51,904,880</u>	<u>107,288,584</u>	<u>1,326,930</u>	<u>45,427</u>	<u>238,096</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension contributions subsequent to measurement date	87,912	-	87,912	-	-	-
Deferred charges on bond issuance	-	293,468	293,468	-	-	-
Total deferred outflows of resources	<u>87,912</u>	<u>293,468</u>	<u>381,380</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>LIABILITIES</b>						
Accounts payable	815,894	502,670	1,318,564	23,534	-	-
Line of credit payable	210,550	-	210,550	-	-	-
Accrued liabilities	478,260	189,109	667,369	-	-	-
Capital leases due within one year	455,332	557,361	1,012,693	-	-	-
Capital leases due in more than one year	1,367,320	895,537	2,262,857	-	-	-
Loans payable due within one year	-	58,081	58,081	-	-	-
Loans payable due in more than one year	-	184,219	184,219	-	-	-
Bonds payable due within one year	-	555,000	555,000	-	-	-
Bonds payable due in more than one year net of unamortized premiums and discounts	-	13,660,000	13,660,000	-	-	-
Compensated absences due within one year	176,138	9,217	185,355	667	-	-
Compensated absences due in more than one year	196,556	5,274	201,830	665	-	-
Landfill postclosure care costs due in less than one year	-	3,500	3,500	-	-	-
Landfill postclosure care costs due in more than one year	-	56,743	56,743	-	-	-
Total liabilities	<u>3,700,050</u>	<u>16,676,711</u>	<u>20,376,761</u>	<u>24,866</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>						
Pension - net difference in projected and actual investment earnings	309,242	-	309,242	-	-	-
<b>NET POSITION</b>						
Net investment in capital assets	46,900,636	28,678,359	75,578,995	954,002	-	-
Restricted for:						
Capital outlay	506,339	897,195	1,403,534	-	-	-
Debt service	-	1,647,358	1,647,358	-	-	-
Capital projects	-	96,756	96,756	-	-	-
Public safety purposes	133,076	-	133,076	-	-	-
Culture and beautification	248,722	-	248,722	-	-	-
Other purposes	-	-	-	-	3,000	-
Unrestricted	3,673,551	4,201,969	7,875,520	348,062	42,427	238,096
Total net position	<u>\$ 51,462,324</u>	<u>\$ 35,521,637</u>	<u>\$ 86,983,961</u>	<u>\$ 1,302,064</u>	<u>\$ 45,427</u>	<u>\$ 238,096</u>

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

**CITY OF PERRY, GEORGIA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>	<b>Program Revenues</b>	
			<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 4,454,832	\$ 2,792,988	\$ 5,003	\$ 1,386,901
Public safety	6,401,412	1,681,058	100	7,099
Public works	3,219,647	39,255	-	543,557
Recreation	757,513	287,624	16,814	-
Housing and development	133,169	258,377	-	-
Interest on long-term debt	43,804	-	-	-
Total governmental activities	<u>15,010,377</u>	<u>5,059,302</u>	<u>21,917</u>	<u>1,937,557</u>
Business-type activities:				
Water and sewerage system	5,641,228	6,105,689	-	753,431
Stormwater utility fund	177,743	265,005	-	-
Gas system	3,386,102	3,942,241	-	2,230
Solid waste	1,131,538	1,199,863	-	-
Revolving loan fund	676	-	-	-
Total business-type activities	<u>10,337,287</u>	<u>11,512,798</u>	<u>-</u>	<u>755,661</u>
Total primary government	<u>\$ 25,347,664</u>	<u>\$ 16,572,100</u>	<u>\$ 21,917</u>	<u>\$ 2,693,218</u>
<b>Component units:</b>				
Perry Area Convention and Visitors Bureau	\$ 335,261	\$ 25,734	\$ 415,646	\$ -
Perry Downtown Development Authority	20,713	-	3,053	-
Perry Industrial Building Authority	-	-	-	-
Total component units	<u>\$ 355,974</u>	<u>\$ 25,734</u>	<u>\$ 418,699</u>	<u>\$ -</u>

General revenues:  
 Property taxes  
 Franchise taxes  
 Insurance premium tax  
 Occupational taxes  
 Alcoholic beverage taxes  
 Hotel/Motel taxes  
 Financial institution taxes  
 Restricted investment earnings  
 Unrestricted investment earnings  
 Transfers  
 Total general revenue and transfers  
 Change in net position  
 Net position, beginning of year, as restated  
 Net position, end of year

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

**CITY OF PERRY, GEORGIA**

**STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Net (Expenses) Revenues and Changes in Net Position			Component Units		
Governmental Activities	Business-type Activities	Total	Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
\$ (269,940)	\$ -	\$ (269,940)	\$ -	\$ -	\$ -
(4,713,155)	-	(4,713,155)	-	-	-
(2,636,835)	-	(2,636,835)	-	-	-
(453,075)	-	(453,075)	-	-	-
125,208	-	125,208	-	-	-
(43,804)	-	(43,804)	-	-	-
<u>(7,991,601)</u>	<u>-</u>	<u>(7,991,601)</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	1,217,892	1,217,892	-	-	-
-	87,262	87,262	-	-	-
-	558,369	558,369	-	-	-
-	68,325	68,325	-	-	-
-	(676)	(676)	-	-	-
<u>-</u>	<u>1,931,172</u>	<u>1,931,172</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(7,991,601)</u>	<u>1,931,172</u>	<u>(6,060,429)</u>	<u>-</u>	<u>-</u>	<u>-</u>
			106,119	-	-
			-	(17,660)	-
			-	-	-
			<u>\$ 106,119</u>	<u>\$ (17,660)</u>	<u>\$ -</u>
6,354,007	-	6,354,007	-	-	-
1,141,340	-	1,141,340	-	-	-
745,918	-	745,918	-	-	-
190,072	-	190,072	-	-	-
262,646	-	262,646	-	-	-
943,752	-	943,752	-	-	-
-	-	-	-	-	-
-	1,530	1,530	-	-	-
6,840	37,371	44,211	261	192	949
609,607	(609,607)	-	-	-	-
<u>10,254,182</u>	<u>(570,706)</u>	<u>9,683,476</u>	<u>261</u>	<u>192</u>	<u>949</u>
<u>2,262,581</u>	<u>1,360,466</u>	<u>3,623,047</u>	<u>106,380</u>	<u>(17,468)</u>	<u>949</u>
<u>49,199,743</u>	<u>34,161,171</u>	<u>83,360,914</u>	<u>1,195,684</u>	<u>62,895</u>	<u>237,147</u>
<u>\$ 51,462,324</u>	<u>\$ 35,521,637</u>	<u>\$ 86,983,961</u>	<u>\$ 1,302,064</u>	<u>\$ 45,427</u>	<u>\$ 238,096</u>

**CITY OF PERRY, GEORGIA**

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>General Fund</b>	<b>Fire Protection Fund</b>	<b>SPLOST 2012 Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,631,563	\$ -	\$ 283,892	\$ 732,046	\$ 2,647,501
Investments	2,662,981	-	-	-	2,662,981
Taxes receivable, net	75,855	-	-	95,266	171,121
Accounts receivable, net	-	61,524	-	-	61,524
Due from other funds	426,983	305,720	-	178,074	910,777
Due from other governments	-	-	228,542	93,152	321,694
Mortgages receivable	2,500	-	-	-	2,500
Other receivables	232,046	-	-	-	232,046
Inventories	2,634	-	-	-	2,634
Prepaid expenditures	-	15,977	-	-	15,977
<b>Total assets</b>	<b>\$ 5,034,562</b>	<b>\$ 383,221</b>	<b>\$ 512,434</b>	<b>\$ 1,098,538</b>	<b>\$ 7,028,755</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 429,882	\$ 15,064	\$ 176,986	\$ 193,962	\$ 815,894
Line of credit payable	210,550	-	-	-	210,550
Accrued liabilities	441,303	23,814	-	2,376	467,493
Deposits	6,662	-	-	-	6,662
Due to other funds	38,988	387,823	-	198,808	625,619
<b>Total liabilities</b>	<b>1,127,385</b>	<b>426,701</b>	<b>176,986</b>	<b>395,146</b>	<b>2,126,218</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	8,984	-	-	-	8,984
<b>Total deferred inflows of resources</b>	<b>8,984</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,984</b>
<b>FUND BALANCES</b>					
Nonspendable:					
Inventory	2,634	-	-	-	2,634
Long-term receivables	2,500	-	-	-	2,500
Restricted for:					
Public safety - police services	-	-	-	133,076	133,076
Culture and beautification	-	-	-	248,722	248,722
Capital outlay	-	-	335,448	170,891	506,339
Assigned:					
Self insurance	891,945	-	-	-	891,945
Culture and beautification	44,284	-	-	-	44,284
Administrative	2,443	-	-	-	2,443
Capital outlay	-	-	-	150,703	150,703
Unassigned:					
General Fund	2,954,387	-	-	-	2,954,387
Special Revenue Funds	-	(43,480)	-	-	(43,480)
<b>Total fund balances</b>	<b>3,898,193</b>	<b>(43,480)</b>	<b>335,448</b>	<b>703,392</b>	<b>4,893,553</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 5,034,562</b>	<b>\$ 383,221</b>	<b>\$ 512,434</b>	<b>\$ 1,098,538</b>	<b>\$ 7,028,755</b>

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

**CITY OF PERRY, GEORGIA**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO  
THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2015**

---

Total fund balances of governmental funds	\$	4,893,553
---	----	-----------

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources; therefore, they are not reported in the respective governmental funds:

	\$	75,421,226	
Cost of capital assets			
Accumulated depreciation		(26,697,938)	48,723,288

Certain long-term assets are not available to pay for current-period expenditures		
Unavailable revenue in the funds		8,984
Net pension asset		257,280

Deferred outflow of resources		
Pension contributions subsequent to measurement date		87,912

Deferred inflow of resources		
Pension investment earnings		(309,242)

Long-term liabilities are not due and payable in the current period; therefore, they are not reported in governmental funds:

		(4,105)	
Accrued interest			
Compensated absences		(372,694)	
Capital leases		(1,822,652)	(2,199,451)

Net position of governmental activities	\$	51,462,324
---	----	------------

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

**CITY OF PERRY, GEORGIA**

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Fire Protection Fund</u>	<u>SPLOST Construction Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes:					
Property	\$ 6,387,352	\$ -	\$ -	\$ -	\$ 6,387,352
Franchise	1,141,340	-	-	-	1,141,340
Insurance premium	745,918	-	-	-	745,918
Occupational	190,072	-	-	-	190,072
Alcoholic beverage	262,646	-	-	-	262,646
Hotel/motel	-	-	-	943,752	943,752
Licenses and permits	333,856	-	-	-	333,856
Intergovernmental	52,365	-	1,386,516	503,294	1,942,175
Fines and forfeitures	551,348	-	-	133,278	684,626
Fire protection fees	-	923,271	-	-	923,271
Charges for services	1,900,896	-	-	-	1,900,896
Administrative	804,700	-	-	-	804,700
Contributions from private sources	16,914	-	-	-	16,914
Investment earnings	6,250	8	385	582	7,225
Miscellaneous	257,152	-	-	154,801	411,953
Total revenues	<u>12,650,809</u>	<u>923,279</u>	<u>1,386,901</u>	<u>1,735,707</u>	<u>16,696,696</u>
<b>EXPENDITURES</b>					
Current:					
General government	4,120,817	-	-	915,502	5,036,319
Public safety	5,417,153	1,942,923	-	34,085	7,394,161
Public works	2,033,410	-	58,450	-	2,091,860
Recreation	628,057	-	-	-	628,057
Housing and development	92,401	-	-	-	92,401
Capital outlay	-	-	1,348,543	416,813	1,765,356
Debt service:					
Principal	375,600	52,589	-	100,000	528,189
Interest and other fees	19,319	22,536	-	1,820	43,675
Total expenditures	<u>12,686,757</u>	<u>2,018,048</u>	<u>1,406,993</u>	<u>1,468,220</u>	<u>17,580,018</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(35,948)</u>	<u>(1,094,769)</u>	<u>(20,092)</u>	<u>267,487</u>	<u>(883,322)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	155,260	1,051,289	-	156,120	1,362,669
Transfers out	(751,289)	-	-	(1,773)	(753,062)
Capital lease	448,077	-	-	-	448,077
Sale of capital assets	17,464	-	-	-	17,464
Total other financing sources (uses)	<u>(130,488)</u>	<u>1,051,289</u>	<u>-</u>	<u>154,347</u>	<u>1,075,148</u>
Net change in fund balances	<u>(166,436)</u>	<u>(43,480)</u>	<u>(20,092)</u>	<u>421,834</u>	<u>191,826</u>
Fund balances, beginning of year	<u>4,064,629</u>	<u>-</u>	<u>355,540</u>	<u>281,558</u>	<u>4,701,727</u>
Fund balances (deficit), end of year	<u>\$ 3,898,193</u>	<u>\$ (43,480)</u>	<u>\$ 335,448</u>	<u>\$ 703,392</u>	<u>\$ 4,893,553</u>

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

## 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, 2015

Net change in fund balances of total governmental funds as noted in the statement of revenues, expenditures and changes in fund balances \$ 191,826

Amounts reported for governmental activities in the statement of activities are different from the statement of revenues, expenditures and changes in fund balances because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital outlay	\$	3,612,050	
Depreciation		<u>(2,011,197)</u>	1,600,853

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, donations, transfers from enterprise funds) is to decrease net position. (1,665)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Deferred inflows of resources in the prior year	\$	(42,329)	
Deferred inflows of resources in the current year		<u>8,984</u>	(33,345)

The issuance of long-term debt provides current financial resources to governmental funds, but increases liabilities in the statement of net position. Repayment of debt is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position.

Proceeds from capital lease obligations	\$	(448,077)	
Payment of long-term debt and note payable		<u>528,189</u>	80,112

The effect of changes in net pension asset and related deferred inflows and outflows of pension resources 494,973

Some expenses reported in the statement of activities do not require the use of current financial resources, and are not reported as expenditures in governmental funds.

Current year change in compensated absences		(70,044)	
Change in accrued interest	\$	<u>(129)</u>	(70,173)

Net change in net position of governmental activities as noted in the statement of activities \$ 2,262,581

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

**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, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 6,218,400	\$ 6,387,500	\$ 6,387,352	\$ (148)
Franchise	1,015,100	1,141,300	1,141,340	40
Insurance premium	713,800	745,900	745,918	18
Occupational	185,900	190,000	190,072	72
Alcoholic beverage	261,300	262,600	262,646	46
Licenses and permits	248,700	333,800	333,856	56
Intergovernmental	4,400	45,200	52,365	7,165
Fines and forfeitures	455,000	551,300	551,348	48
Charges for services	1,708,600	1,918,100	1,900,896	(17,204)
Administrative	743,000	785,800	804,700	18,900
Contributions from private sources	-	16,900	16,914	14
Investment earnings	4,000	6,200	6,250	50
Miscellaneous	81,500	283,600	257,152	(26,448)
Total revenues	<u>11,639,700</u>	<u>12,668,200</u>	<u>12,650,809</u>	<u>(17,391)</u>
<b>EXPENDITURES:</b>				
<b>Current:</b>				
<b>General government</b>				
Mayor	53,600	57,600	57,593	7
City Council	96,900	103,900	103,811	89
City Attorney	54,000	56,100	56,026	74
Municipal Court	232,200	280,500	280,486	14
Administrative	2,460,500	2,696,500	2,696,089	411
City Manager	378,600	391,900	391,805	95
Community Development	504,000	534,100	533,726	374
Elections	400	1,300	1,281	19
Total general government	<u>3,780,200</u>	<u>4,121,900</u>	<u>4,120,817</u>	<u>1,083</u>
<b>Public safety</b>	5,272,300	5,418,000	5,417,153	847
<b>Public works</b>	2,031,800	2,033,700	2,033,410	290
<b>Recreation</b>	496,600	629,300	628,057	1,243
<b>Housing and development</b>	108,400	92,500	92,401	99
<b>Debt service</b>				
Principal	564,400	375,600	375,600	-
Interest and other fees	22,500	19,500	19,319	181
Total expenditures	<u>12,276,200</u>	<u>12,690,500</u>	<u>12,686,757</u>	<u>3,743</u>
Deficiencies of revenues under expenditures	<u>(636,500)</u>	<u>(22,300)</u>	<u>(35,948)</u>	<u>(13,648)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	143,700	155,300	155,260	(40)
Transfers out	-	(751,300)	(751,289)	11
Capital leases	413,000	448,100	448,077	(23)
Sale of capital assets	-	17,400	17,464	64
Total other financing sources (uses)	<u>556,700</u>	<u>(130,500)</u>	<u>(130,488)</u>	<u>12</u>
Net change in fund balances	<u>(79,800)</u>	<u>(152,800)</u>	<u>(166,436)</u>	<u>(13,636)</u>
<b>Fund balances, beginning of year</b>	<u>4,064,629</u>	<u>4,064,629</u>	<u>4,064,629</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 3,984,829</u>	<u>\$ 3,911,829</u>	<u>\$ 3,898,193</u>	<u>\$ (13,636)</u>

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

**CITY OF PERRY, GEORGIA  
FIRE PROTECTION FUND**

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>			
Fire protection fees	\$ 923,200	\$ 923,271	\$ 71
Interest	-	8	8
Other revenues	-	-	-
Total revenues	<u>923,200</u>	<u>923,279</u>	<u>79</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	1,935,900	1,942,923	(7,023)
Debt service:			
Principal	52,600	52,589	11
Interest	22,600	22,536	64
Total expenditures	<u>2,011,100</u>	<u>2,018,048</u>	<u>(6,948)</u>
Deficiency of revenues under expenditures	<u>(1,087,900)</u>	<u>(1,094,769)</u>	<u>(6,869)</u>
<b>Other financing sources</b>			
Transfers in	1,051,200	1,051,289	89
Total other financing sources	<u>1,051,200</u>	<u>1,051,289</u>	<u>89</u>
Net change in fund balance	(36,700)	(43,480)	(6,780)
<b>FUND BALANCES, beginning of year</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND DEFICITS, end of year</b>	<u>\$ (36,700)</u>	<u>\$ (43,480)</u>	<u>\$ (6,780)</u>

**CITY OF PERRY, GEORGIA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2015**

	Water and Sewerage System	Stormwater Utility Fund	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Totals
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ 503,427	\$ 111,218	\$ 779,364	\$ 275,291	\$ -	\$ 1,669,300
Investments	829,206	-	-	-	-	829,206
Accounts receivable, net of allowances	635,727	26,301	241,634	133,222	-	1,036,884
Loans receivable, current portion	-	-	-	-	24,475	24,475
Due from other funds	49,110	4,428	-	12,596	-	66,134
Prepaid expenses	22,194	1,584	5,317	9,277	-	38,372
Total current assets	<u>2,039,664</u>	<u>143,531</u>	<u>1,026,315</u>	<u>430,386</u>	<u>24,475</u>	<u>3,664,371</u>
<b>NONCURRENT ASSETS</b>						
Restricted assets, cash	188,923	-	2,921	-	34,970	226,814
Restricted assets, investments	2,469,553	-	602,597	-	-	3,072,150
Loans receivable	-	-	-	-	41,885	41,885
Investment in Jointly-Owned Natural Gas Transmission Line	-	-	662,395	-	-	662,395
Capital assets:						
Land and easements	149,913	3,311	62,164	89,895	-	305,283
Structures, equipment and lines	56,288,734	206,653	3,771,521	618,804	-	60,885,712
Construction in progress	5,107,326	3,548	-	-	-	5,110,874
Less: accumulated depreciation	(19,246,937)	(21,218)	(1,924,554)	(520,603)	-	(21,713,312)
Total noncurrent assets	<u>44,957,512</u>	<u>192,294</u>	<u>3,177,044</u>	<u>188,096</u>	<u>76,855</u>	<u>48,591,801</u>
Total assets	<u>46,997,176</u>	<u>335,825</u>	<u>4,203,359</u>	<u>618,482</u>	<u>101,330</u>	<u>52,256,172</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred charges on bond issuances	293,468	-	-	-	-	293,468
Total deferred outflows of resources	<u>293,468</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,468</u>
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts payable	314,790	2,762	163,686	16,858	4,574	502,670
Salaries payable	-	1,048	-	5,892	-	6,940
Accrued interest payable	173,386	-	11	91	-	173,488
Due to other funds	-	6,904	344,388	-	-	351,292
Compensated absences	-	1,769	-	7,448	-	9,217
Customer deposits payable	5,748	-	2,933	-	-	8,681
Landfill postclosure care costs	-	-	-	3,500	-	3,500
Revenue bonds payable, current portion	555,000	-	-	-	-	555,000
Notes payable, current portion	58,081	-	-	-	-	58,081
Capital leases, current portion	524,865	26,059	6,437	-	-	557,361
Total current liabilities	<u>1,631,870</u>	<u>38,542</u>	<u>517,455</u>	<u>33,789</u>	<u>4,574</u>	<u>2,226,230</u>
<b>NONCURRENT LIABILITIES</b>						
Compensated absences, net of current portion	-	1,595	-	3,679	-	5,274
Revenue bonds	13,660,000	-	-	-	-	13,660,000
Notes payable	184,219	-	-	-	-	184,219
Capital leases	862,725	26,457	6,355	-	-	895,537
Landfill postclosure care costs	-	-	-	56,743	-	56,743
Total long-term liabilities	<u>14,706,944</u>	<u>28,052</u>	<u>6,355</u>	<u>60,422</u>	<u>-</u>	<u>14,801,773</u>
Total liabilities	<u>16,338,814</u>	<u>66,594</u>	<u>523,810</u>	<u>94,211</u>	<u>4,574</u>	<u>17,028,003</u>
<b>NET POSITION</b>						
Net investment in capital assets	26,454,146	139,778	1,896,339	188,096	-	28,678,359
Restricted for capital outlay	897,195	-	-	-	-	897,195
Restricted for debt service	1,647,358	-	-	-	-	1,647,358
Restricted for loans receivable	-	-	-	-	96,756	96,756
Unrestricted	1,953,131	129,453	1,783,210	336,175	-	4,201,969
Total net position	<u>\$ 30,951,830</u>	<u>\$ 269,231</u>	<u>\$ 3,679,549</u>	<u>\$ 524,271</u>	<u>\$ 96,756</u>	<u>35,521,637</u>

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

**CITY OF PERRY, GEORGIA**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Water and Sewerage System</b>	<b>Stormwater Utility Fund</b>	<b>Gas System</b>	<b>Solid Waste</b>	<b>(Nonmajor) Revolving Loan Fund</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>						
Charges for services	\$ 6,091,734	\$ 265,005	\$ 3,940,133	\$ 1,199,863	\$ -	\$ 11,496,735
Miscellaneous	13,955	-	2,108	-	-	16,063
Total operating revenues	<u>6,105,689</u>	<u>265,005</u>	<u>3,942,241</u>	<u>1,199,863</u>	<u>-</u>	<u>11,512,798</u>
<b>OPERATING EXPENSES</b>						
Cost of sales and services	3,627,389	41,181	3,079,712	628,880	651	7,377,813
Salaries and benefits	-	83,786	-	355,290	-	439,076
Administration	358,381	35,200	229,201	112,100	25	734,907
Depreciation	1,433,017	16,670	76,946	35,070	-	1,561,703
Total operating expenses	<u>5,418,787</u>	<u>176,837</u>	<u>3,385,859</u>	<u>1,131,340</u>	<u>676</u>	<u>10,113,499</u>
Operating income (loss)	<u>686,902</u>	<u>88,168</u>	<u>556,382</u>	<u>68,523</u>	<u>(676)</u>	<u>1,399,299</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>						
Net income from joint venture	-	-	20,396	-	-	20,396
Interest income - nonrestricted assets	14,957	85	1,678	255	-	16,975
Interest income - restricted assets	-	-	-	-	1,530	1,530
Interest expense	(222,441)	(906)	(243)	(198)	-	(223,788)
Total non-operating revenues (expenses)	<u>(207,484)</u>	<u>(821)</u>	<u>21,831</u>	<u>57</u>	<u>1,530</u>	<u>(184,887)</u>
Income before capital contributions and transfers	<u>479,418</u>	<u>87,347</u>	<u>578,213</u>	<u>68,580</u>	<u>854</u>	<u>1,214,412</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>753,431</u>	<u>-</u>	<u>2,230</u>	<u>-</u>	<u>-</u>	<u>755,661</u>
<b>TRANSFERS</b>						
Transfers out	(1,786)	-	(727,965)	-	-	(729,751)
Transfers in	120,144	-	-	-	-	120,144
Total transfers	<u>118,358</u>	<u>-</u>	<u>(727,965)</u>	<u>-</u>	<u>-</u>	<u>(609,607)</u>
Change in net position	<u>1,351,207</u>	<u>87,347</u>	<u>(147,522)</u>	<u>68,580</u>	<u>854</u>	<u>1,360,466</u>
<b>NET POSITION, beginning of year, as restated</b>	<u>29,600,623</u>	<u>181,884</u>	<u>3,827,071</u>	<u>455,691</u>	<u>95,902</u>	<u>34,161,171</u>
<b>NET POSITION, end of year</b>	<u>\$ 30,951,830</u>	<u>\$ 269,231</u>	<u>\$ 3,679,549</u>	<u>\$ 524,271</u>	<u>\$ 96,756</u>	<u>\$ 35,521,637</u>

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

**CITY OF PERRY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Water and Sewerage System	Stormwater Utility Fund	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers and users	\$ 6,076,600	\$ 278,582	\$ 3,974,965	\$ 1,204,256	\$ -	\$ 11,534,403
Payments to suppliers	(3,826,901)	(104,109)	(2,736,846)	(806,366)	(6,228)	(7,480,450)
Payments to employees	(358,381)	(79,374)	(229,201)	(353,364)	-	(1,020,320)
Net cash provided by (used in) operating activities	1,891,318	95,099	1,008,918	44,526	(6,228)	3,033,633
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers in	120,144	-	-	-	-	120,144
Transfers out	(1,786)	-	(727,965)	-	-	(729,751)
Net cash provided by (used in) noncapital financing activities	118,358	-	(727,965)	-	-	(609,607)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(3,030,194)	(16,299)	(29,362)	-	-	(3,075,855)
Principal paid on bonds	(539,000)	-	-	-	-	(539,000)
Principal paid on notes payable and capital leases	(591,588)	(25,667)	(8,641)	(24,870)	-	(650,766)
Proceeds from capital lease financing	104,360	-	-	-	-	104,360
Interest paid	(145,006)	(1,043)	(278)	(239)	-	(146,566)
Net cash used in capital and related financing activities	(4,201,428)	(43,009)	(38,281)	(25,109)	-	(4,307,827)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Purchase of investments	(500,893)	-	(300,696)	-	-	(801,589)
Proceeds from investments	2,496,342	-	-	-	-	2,496,342
Proceeds from revolving loans	-	-	-	-	34,760	34,760
Cash disbursed for new revolving loans	-	-	-	-	(9,974)	(9,974)
Interest received	14,957	85	1,678	255	1,530	18,505
Net cash provided by (used in) investing activities	2,010,406	85	(299,018)	255	26,316	1,738,044
Increase (decrease) in cash and cash equivalents	(181,346)	52,175	(56,346)	19,672	20,088	(145,757)
<b>Cash and cash equivalents:</b>						
Beginning of year	873,696	59,043	838,631	255,619	14,882	2,041,871
End of year	<u>\$ 692,350</u>	<u>\$ 111,218</u>	<u>\$ 782,285</u>	<u>\$ 275,291</u>	<u>\$ 34,970</u>	<u>\$ 1,896,114</u>
<b>Classified as:</b>						
Cash and cash equivalents	\$ 503,427	\$ 111,218	\$ 779,364	\$ 275,291	\$ -	\$ 1,669,300
Restricted assets, cash	188,923	-	2,921	-	34,970	226,814
Total cash and cash equivalents	<u>\$ 692,350</u>	<u>\$ 111,218</u>	<u>\$ 782,285</u>	<u>\$ 275,291</u>	<u>\$ 34,970</u>	<u>\$ 1,896,114</u>

(Continued)

**CITY OF PERRY, GEORGIA**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Water and Sewerage System	Stormwater Utility Fund	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Totals
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	\$ 686,902	\$ 88,168	\$ 556,382	\$ 68,523	\$ (676)	\$ 1,399,299
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation	1,433,017	16,670	76,946	35,070	-	1,561,703
Provision for landfill closure / postclosure care costs	-	-	-	(2,408)	-	(2,408)
Changes in assets and liabilities:						
(Increase) decrease in:						
Accounts receivable	4,126	(1,567)	32,724	4,393	-	39,676
Prepaid expenses	342	(673)	(2,498)	(391)	-	(3,220)
Due from other funds	(29,402)	15,144	8,151	(12,596)	-	(18,703)
Increase (decrease) in:						
Accounts payable	(18,436)	2,368	(1,513)	(34,662)	(2,775)	(55,018)
Retainage payable	(151,213)	-	-	-	-	(151,213)
Accrued liabilities	(34,018)	1,048	-	(326)	-	(33,296)
Compensated absences payable	-	3,364	-	2,252	-	5,616
Due to other funds	-	(29,423)	338,726	(15,329)	(2,777)	291,197
Net cash provided by (used in) operating activities	<u>\$ 1,891,318</u>	<u>\$ 95,099</u>	<u>\$ 1,008,918</u>	<u>\$ 44,526</u>	<u>\$ (6,228)</u>	<u>\$ 3,033,633</u>
<b>Noncash capital and related financing activities:</b>						
Contributions of capital assets	\$ 753,431	\$ -	\$ 2,230	\$ -	\$ -	\$ 755,661
<b>Noncash investing activities:</b>						
Change in investment in JOTL	-	-	20,396	-	-	20,396

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

**CITY OF PERRY, GEORGIA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUND**  
**JUNE 30, 2015**

---

	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash	\$ 3,698
Total assets	<u>\$ 3,698</u>
<b>LIABILITY</b>	
Payable from assets	
Confiscated assets pending disposition	<u>3,698</u>
Total liabilities	<u>\$ 3,698</u>

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

## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CITY OF PERRY, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

---

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Perry, Georgia (hereinafter the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

**A. The Financial Reporting Entity**

The City of Perry, Georgia was reincorporated by the General Assembly of Georgia in 1983 by Georgia Laws (Act No. 444) through 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 four major utilities.

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational and financial relationship with the City.

In conformity with generally accepted accounting principles, as set forth in the Statement of Governmental Accounting Standards Board (the "GASB") No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, the component units' financial statements have been included as discretely presented. All of the City's component units have a June 30 year-end.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### A. The Financial Reporting Entity (Continued)

##### 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. The Mayor and City Council of the City appoint the regular 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. Complete financial statements for the Visitors Bureau may be obtained at the entity's administrative offices:

Perry Area Convention and Visitors Bureau  
101 Courtney Hodges Boulevard  
Perry, Georgia 31069

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 Authority relative to the yearly operating budget requirements. The Authority is reported as a governmental fund type. Complete financial statements for the Authority may be obtained at the entity's administrative offices:

Perry Downtown Development Authority  
1211 Washington Street  
Perry, Georgia 31069

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 its will on the Building Authority relative to the use of existing funds. The Building Authority's financial statements consist of a general fund only and is reported as a governmental fund type. The Building Authority has not issued separate financial statements for the current fiscal year.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its discretely presented 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.

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the 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 within 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.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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 revenue items 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.

**Fire Protection Fund** – The Fire Protection Fund accounts for the fire protection fee used to fund maintenance, operation and staff expenses associated with the Davis Farm fire station.

**SPLOST 2012 Fund** – 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 and Houston County.

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.

**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 and leaf and limb collections to the residents and businesses of the City.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

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.

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* 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 the 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 non-operating revenues and expenses.

#### D. Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### E. 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 are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### F. 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.

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

#### G. 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".

#### H. 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.

#### I. Prepaid Items

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

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### J. Restricted Assets

Resources set aside in proprietary funds for repayment of bonds, and renewal and extension in the amounts of \$1,647,358 are classified as restricted assets because their use is limited by bond covenants. A corresponding portion of net position is segregated by its classification as "restricted for debt service".

Resources set aside in proprietary funds for proceeds of revenue bond issuances that are restricted for use in construction are in the amount of \$897,195. A corresponding portion of net position 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 \$5,748 and \$2,921, respectively.

#### K. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (i.e., 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". Costs 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 on proprietary fund assets. The amount of interest capitalized depends on the specific circumstances. During the fiscal year ended June 30, 2015, the amount of interest capitalized was \$373,037.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### K. Capital Assets (Continued)

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

Furniture and fixtures	5-7 years
Machinery and equipment	3-10 years
Lines and Mains	50 years
Buildings and improvements	10-50 years
Land Improvements	10-25 years
Infrastructure	50 years

#### L. Compensated Absences

Annual leave is earned by all permanent City employees and may be accumulated and carried over to a maximum of 240 hours per employee (366 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.

Sick leave is earned by all full-time City employees and 1,280 hours may be accumulated (1,792 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.

#### M. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### N. Deferred Outflows / Inflows of Resources

In addition to assets, the statement of net 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 future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and being amortized over the life of the refunding debt. The second item of deferred outflows of resources relates to pensions. Any contributions made by the City to the pension plan before year-end but subsequent to the measurement date of the City's net pension asset are reported as deferred outflows of resources.

In addition to liabilities, the statement of net 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 fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. The first 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 the amounts become available. The second item of deferred inflows of resources relates to pensions. Certain changes in the net pension asset are recognized as pension expense over time instead of all being recognized in the year of occurrence. The difference between projected investment return on pension investments and actual return on those investments is deferred and amortized against pension expense over a five year period.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### O. Pensions

For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Perry Retirement Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### P. Fund Equity

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

##### Fund Balance

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the Mayor and City Council through the adoption of a resolution. The Mayor and City Council may modify or rescind the commitment.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the Mayor and City Council have authorized the City Manager or his designee to assign fund balance.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### P. Fund Equity (Continued)

##### Fund Balance (Continued)

- **Unassigned** – Fund balances are reported as unassigned when the balances have not been assigned to other funds and that are not restricted, committed, or assigned to specific purposes with the General Fund.

##### Fund Balance 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.

##### Net Position

Net position represents the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net investment in capital assets consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e. the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

#### Q. 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.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

An annual appropriated budget is adopted by ordinance for all fund types except fiduciary funds, which are not budgeted and capital projects funds, which have project length budgets. The 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 each year, all departments of the City 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 not 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.

For fiscal year ending June 30, 2015, expenditures exceeded final amended budgets in the following funds:

	<u>Excess</u>
Fire Protection Fund	\$ 7,023
Confiscated Assets	4,897

The Fire Protection Fund had a deficit fund balance at June 30, 2015 in the amount of \$43,480. The City plans to reduce future expenditures in order to eliminate the deficit.

### NOTE 3. DEPOSITS AND INVESTMENTS

#### 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, 2015, the City's investment in the Georgia Fund 1 was rated AAf by Standard & Poor's. Shares sold and redeemed are based on \$1 per share. The reported value of the pool is the same as the fair value of the pool shares. The Georgia Fund 1 is managed by the Office of the State Treasurer.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

#### Custodial Credit Risk – Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of June 30, 2015, the City's bank balances of deposits are entirely covered under insurance or collateralization with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure the 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.

As of June 30, 2015, the City had the following investments:

<u>Investment Type</u>	<u>Maturities (Days)</u>	<u>Fair Value</u>
Georgia Fund 1	56	\$ 4,991,979
U.S. Treasury Bills	92	<u>1,572,358</u>
Total Fair Value		<u>\$ 6,564,337</u>

State statute authorizes the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and the local government investment pool (Georgia Fund 1).

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS

Capital asset activity for the primary government for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>					
Capital Assets, not being depreciated:					
Land and land improvements	\$ 9,586,276	\$ -	\$ (5)	\$ -	\$ 9,586,271
Construction in progress	442,013	559,638	-	(172,679)	828,972
Total capital assets, not being depreciated	<u>10,028,289</u>	<u>559,638</u>	<u>(5)</u>	<u>(172,679)</u>	<u>10,415,243</u>
Capital assets, being depreciated:					
Buildings and improvements	6,860,082	60,518	-	-	6,920,600
Land improvements	1,281,051	-	(1,660)	-	1,279,391
Furnitures and fixtures	34,441	-	-	-	34,441
Machinery and equipment	5,159,107	1,479,824	-	-	6,638,931
Infrastructure	48,447,871	1,512,070	-	172,679	50,132,620
Total capital assets, being depreciated	<u>61,782,552</u>	<u>3,052,412</u>	<u>(1,660)</u>	<u>172,679</u>	<u>65,005,983</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,841,783)	(156,191)	-	-	(1,997,974)
Land improvements	(827,760)	(53,023)	-	-	(880,783)
Furnitures and fixtures	(34,441)	-	-	-	(34,441)
Machinery and equipment	(3,727,509)	(558,081)	-	-	(4,285,590)
Infrastructure	(18,255,248)	(1,243,902)	-	-	(19,499,150)
Total accumulated depreciation	<u>(24,686,741)</u>	<u>(2,011,197)</u>	<u>-</u>	<u>-</u>	<u>(26,697,938)</u>
Total capital assets, being depreciated, net	<u>37,095,811</u>	<u>1,041,215</u>	<u>(1,660)</u>	<u>172,679</u>	<u>38,308,045</u>
Governmental activities capital assets, net	<u>\$ 47,124,100</u>	<u>\$ 1,600,853</u>	<u>\$ (1,665)</u>	<u>\$ -</u>	<u>\$ 48,723,288</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital Assets, not being depreciated:					
Land and easements	\$ 301,973	\$ 3,310	\$ -	\$ -	\$ 305,283
Construction in progress	2,223,103	2,887,771	-	-	5,110,874
Total capital assets, not being depreciated	<u>2,525,076</u>	<u>2,891,081</u>	<u>-</u>	<u>-</u>	<u>5,416,157</u>
Capital assets, being depreciated:					
Structures, equipment and lines	59,945,278	940,434	-	-	60,885,712
Less accumulated depreciation for:					
Structures, equipment and lines	<u>(20,151,609)</u>	<u>(1,561,703)</u>	<u>-</u>	<u>-</u>	<u>(21,713,312)</u>
Total capital assets, being depreciated, net	<u>39,793,669</u>	<u>(621,269)</u>	<u>-</u>	<u>-</u>	<u>39,172,400</u>
Business-type activities capital assets, net	<u>\$ 42,318,745</u>	<u>\$ 2,269,812</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,588,557</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 106,061
Public safety	479,578
Public works	1,258,171
Parks and recreation	133,502
Housing and development	33,885
Total depreciation expense - governmental activities	<u>\$ 2,011,197</u>
Business-type activities:	
Water and sewerage system	\$ 1,433,017
Stormwater utility fund	16,670
Gas system	76,946
Solid waste	35,070
Total depreciation expense - business-type activities	<u>\$ 1,561,703</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

	Receivable Fund:						Total
	Governmental Funds			Enterprise Funds			
	General	Fire Protection	Nonmajor	Solid Waste	Water and Sewerage System	Stormwater Utility Fund	
<b>Payable Fund:</b>							
General	\$ -	\$ -	\$ 7,184	\$ 12,596	\$ 19,208	\$ -	\$ 38,988
Fire Protection Fund	385,795					2,028	387,823
Nonmajor Governmental	-	5,720	170,890	-	19,798	2,400	198,808
Stormwater Utility Fund	6,904	-	-	-	-	-	6,904
Gas System	34,284	300,000	-	-	10,104	-	344,388
	<u>\$ 426,983</u>	<u>\$ 305,720</u>	<u>\$ 178,074</u>	<u>\$ 12,596</u>	<u>\$ 49,110</u>	<u>\$ 4,428</u>	<u>\$ 976,911</u>

These amounts represent short-term receivables and payables. The balances resulted 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, 2015 is as follows:

	Fund Transfers Out:				Total
	General Fund	Water and Sewerage System	Gas System	Nonmajor Governmental	
<b>Fund Transfers In:</b>					
General	\$ -	\$ 1,786	\$ 151,701	\$ 1,773	\$ 155,260
Fire Protection	751,289	-	300,000	-	1,051,289
Water and Sewerage System	-	-	120,144	-	120,144
Nonmajor Governmental	-	-	156,120	-	156,120
	<u>\$ 751,289</u>	<u>\$ 1,786</u>	<u>\$ 727,965</u>	<u>\$ 1,773</u>	<u>\$ 1,482,813</u>

Transfers are used to (1) move revenues from the fund that the statute or budget requires to collect them to the fund that the statute or budget requires to expend them, (2) close out funds no longer used by the City, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6. 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 \$60,243 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 2015, the City increased/adjusted these closure costs for inflation by \$50.

### NOTE 7. 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 payments as of the date of their inception. Interest rates vary from 1.52% to 4.05%. Total cost of assets acquired under these capital leases, governmental activities and business-type activities, as of June 30, 2015 is \$9,091,611. Total accumulated depreciation on assets acquired under capital lease as of June 30, 2015 is \$4,050,460. Cost of equipment included in the governmental activities statement of net position is \$1,502,521, which includes \$2,578,001 of accumulated depreciation. Cost of equipment and system expansion and refunding included in the business-type activities statement of net position is \$3,538,630, which includes \$1,472,459 of accumulated depreciation. Depreciation expense on assets acquired under capital lease for the year ending June 30, 2015 is \$395,085 for governmental activities and \$300,756 for business-type activities.

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

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 455,332	\$ 37,865	\$ 493,197	\$ 557,361	\$ 39,217	\$ 596,578
2017	510,534	28,643	539,177	585,140	20,715	605,855
2018	325,636	21,058	346,694	310,397	3,703	314,100
2019	59,455	15,670	75,125	-	-	-
2020	61,308	13,816	75,124	-	-	-
2021-2025	336,644	39,210	375,854	-	-	-
2026	73,743	1,424	75,167	-	-	-
<b>Total</b>	<b>\$ 1,822,652</b>	<b>\$ 157,686</b>	<b>\$ 1,980,338</b>	<b>\$ 1,452,898</b>	<b>\$ 63,635</b>	<b>\$ 1,516,533</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Capital Leases (Continued)

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.

#### 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 10 days after the respective due date of May 31, shall accrue a late fee of 5% of the respective payment amount. The promissory note was paid in full during fiscal year ending June 30, 2015.

#### Loans – General Obligation Debt

The City's 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
2016	\$ 58,081	\$ 8,098	\$ 66,179
2017	46,632	6,258	52,890
2018	48,406	4,484	52,890
2019	50,246	2,643	52,889
2020	38,935	732	39,667
Total	<u>\$ 242,300</u>	<u>\$ 22,215</u>	<u>\$ 264,515</u>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (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 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 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 was 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 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. The advanced refunding resulted in an economic gain of approximately \$284,000. 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 year 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.

Fiscal Year Ending June 30,	2005 Revenue Bonds		2007 Revenue Bonds		2013 Revenue Bonds		Total	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2016	\$ 180,000	\$ 8,316	\$ 50,000	\$ 375,442	\$ 325,000	\$ 89,616	\$ 555,000	\$ 473,374
2017	-	-	55,000	373,552	521,000	81,494	576,000	455,046
2018	-	-	55,000	371,572	530,000	71,404	585,000	442,976
2019	-	-	60,000	369,412	540,000	61,332	600,000	430,744
2020	-	-	65,000	366,974	562,000	50,553	627,000	417,527
2021-2025	-	-	1,010,000	1,780,592	2,352,000	91,259	3,362,000	1,871,851
2026-2030	-	-	4,040,000	1,234,888	-	-	4,040,000	1,234,888
2031-2034	-	-	3,870,000	333,139	-	-	3,870,000	333,139
<b>Total</b>	<b>\$ 180,000</b>	<b>\$ 8,316</b>	<b>\$ 9,205,000</b>	<b>\$ 5,205,571</b>	<b>\$ 4,830,000</b>	<b>\$ 445,658</b>	<b>\$ 14,215,000</b>	<b>\$ 5,659,545</b>

## NOTES TO FINANCIAL STATEMENTS

### NOTE 7. LONG-TERM DEBT (CONTINUED)

#### Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities:</b>					
Notes payable	\$ 100,000	\$ -	\$ (100,000)	\$ -	\$ -
Capital leases payable	1,802,764	448,077	(428,189)	1,822,652	455,332
Compensated absences	302,650	178,212	(108,168)	372,694	176,138
	<u>\$ 2,205,414</u>	<u>\$ 626,289</u>	<u>\$ (636,357)</u>	<u>\$ 2,195,346</u>	<u>\$ 631,470</u>
<b>Business-type activities:</b>					
Revenue bonds	\$ 14,754,000	\$ -	\$ (539,000)	\$ 14,215,000	\$ 555,000
Notes payable	336,921	-	(94,621)	242,300	58,081
Capital lease payable	1,904,683	104,360	(556,145)	1,452,898	557,361
Compensated absences	8,875	10,249	(4,633)	14,491	9,217
Landfill postclosure care costs	62,651	-	(2,408)	60,243	3,500
	<u>\$ 17,067,130</u>	<u>\$ 114,609</u>	<u>\$ (1,196,807)</u>	<u>\$ 15,984,932</u>	<u>\$ 1,183,159</u>

For governmental activities, compensated absences are generally liquidated by the General Fund. For business-type activities, compensated absences and landfill postclosure care costs are generally paid for by the Solid Waste Fund.

### NOTE 8. SHORT-TERM BORROWINGS

In December 2014, the City renewed its line of credit with a local financial institution for a total amount of \$500,000. The City made total draws on the line of credit of \$269,232. The line of credit is due December 31, 2015 and carries interest at 1.60%.

Short-term borrowing activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Short-term borrowings	\$ 269,232	\$ 210,550	\$ (269,232)	\$ 210,550
	<u>\$ 269,232</u>	<u>\$ 210,550</u>	<u>\$ (269,232)</u>	<u>\$ 210,550</u>

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 9. TAX REVENUE

#### Property Tax

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) are valued as of January 1 of each year and personal property tax returns must be filed for tax purposes by 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 State Revenue Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The property tax calendar is as follows:

	<u>Real/Personal Property (Excluding Vehicles)</u>	<u>Motor Vehicles</u>
Assessment date	January 1	January 1
Levy date	October 7	January 1
Due dates and collection dates	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.

#### Hotel/Motel Excise Tax

The City levies and collects a 7% 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 Visitors Bureau relative to the annual allocation. Under the terms of the new contract, the City is to pay the Visitors Bureau an annual allocation the City determines to be appropriate based on the Visitors 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 the total tax collections. The allocations are paid in monthly installments. The contract may be canceled by either party upon a 90-day notice.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 9. TAX REVENUE (CONTINUED)

#### Hotel/Motel Excise Tax (Continued)

A summary of the hotel/motel excise tax expenditures and receipts for the fiscal year ended June 30, 2015 is as follows:

<u>Expenditure by Purpose</u>	<u>Amount</u>	<u>Tax Receipts</u>	<u>Percentage</u>
Perry Area Convention and Visitors Bureau	\$ 409,511	\$ 409,511	43%
General Fund	534,241	534,241	57%
Total	<u>\$ 943,752</u>	<u>\$ 943,752</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.

### NOTE 10. PENSION PLAN

#### Plan Description

The City, as authorized by the City Council, has established a non-contributory defined benefit pension plan (the City of Perry Retirement Plan), covering substantially all of the City's employees. The City's pension plan is administered through the Georgia Municipal Employee Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Plan provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries. Benefits are provided by the Plan whereby retirees receive between 1% and 1.75% multiplied by the average of the five highest years of regular earnings multiplied by the total credited years of service. The City Council, in its role as the Plan sponsor, has the governing authority to establish and amend, from time to time, the benefits provided and the contribution rates of the City and its employees. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information for GMEBS. That report may be obtained at [www.gmanet.com](http://www.gmanet.com) or by writing to Georgia Municipal Association, Risk Management and Employee Benefit Services, 201 Pryor Street, Atlanta, Georgia 30303 or by calling (404) 688-0472.

#### 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 the assets to exceed 120% of market value. There were no other changes in plan provisions, methods, or assumptions in this valuation.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 10. PENSION PLAN (CONTINUED)

#### Contributions

The Plan is subject to minimum funding standards of the Georgia Public Retirement Systems Standards law. The Board of Trustees of GMEBS has adopted a recommended actuarial funding policy for the plan which meets state minimum requirements and will accumulate sufficient funds to provide the benefits under the plan. The funding policy for the Plan, as adopted by the City Council, is to contribute an amount equal to or greater than the actuarially recommended contribution rate. This rate is based on the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of plan members, as determined by the City Council. For the year ended June 30, 2015, the active member contribution rate was 0.00% of annual pay and the City's contribution rate was 0.00% of annual payroll due to the Plan being frozen as of January 1, 2012. City contributions to the Plan were \$117,216 for the year ended June 30, 2015.

#### Net Pension Asset of the City

Effective July 1, 2014, the City implemented the provision of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, which significantly changed the City's accounting for pension amounts. The information disclosed below is presented in accordance with this new standard.

The City's net pension asset was measured as of September 30, 2014. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2014 with update procedures performed by the actuary to roll forward to the total pension asset measured as of September 30, 2014.

*Actuarial Assumptions* – The total pension asset in the January 1, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Salary increases	N/A – Plan benefits frozen as of January 1, 2012
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Healthy Mortality Table with sex-distinct rates, set forward two years for males and one year for females.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLAN (CONTINUED)

*Actuarial Assumptions (Continued)* – The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – June 30, 2013.

Cost of living adjustments were assumed to be 3.25% although the Plan allowance for annual cost of living adjustment is variable, as established by the City Council, in an amount not to exceed 5%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major class included in the pension plan's target asset allocation as of September 30, 2014 are summarized in the following table:

Asset class	Target allocation	Long-term expected real rate of return*
Domestic equity	50%	5.95%
International equity	15%	6.45%
Fixed income	25%	1.55%
Real estate	10%	3.75%
Total	100%	

\*Rates shown are net of the 3.25% assumed rate of inflation.

*Discount Rate* – The discount rate used to measure the total pension asset was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension's plan fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all of the projected benefit payments to determine the total pension asset.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLAN (CONTINUED)

*Changes in the Net Pension Asset of the City* – The changes in the components of the net pension asset of the City for the year ended June 30, 2015, were as follows:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension (Asset) Liability (a) - (b)</b>
<b>Balances at June 30, 2014</b>	\$ 10,974,945	\$ 10,411,675	\$ 563,270
<b>Changes for the year:</b>			
Interest	829,065	-	829,065
Differences between expected and actual experience	(169,961)	-	(169,961)
Contributions - employer	-	134,631	(134,631)
Net investment income	-	1,176,223	(1,176,223)
Benefit payments, including refunds of employee contributions	(554,664)	(554,664)	-
Administrative expenses	-	(24,707)	24,707
Other	(193,507)	-	(193,507)
<b>Net changes</b>	<b>(89,067)</b>	<b>731,483</b>	<b>(820,550)</b>
<b>Balances at June 30, 2015</b>	<b>\$ 10,885,878</b>	<b>\$ 11,143,158</b>	<b>\$ (257,280)</b>

The required schedule of changes in the City's net pension asset and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of plan assets is increasing or decreasing over time relative to the total pension asset.

*Sensitivity of the Net Pension Asset to Changes in the Discount Rate* – The following presents the net pension (asset) liability of the City, calculated using the discount rate of 7.75%, as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate:

	<b>1% Decrease (6.75%)</b>	<b>Current Discount Rate (7.75%)</b>	<b>1% Increase (8.75%)</b>
City's net pension (asset) liability	\$ 1,062,162	\$ (257,280)	\$ (1,353,939)

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 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 September 30, 2014 and the current sharing pattern of costs between employer and employee.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 10. PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2015, the City recognized pension expense of \$376,677. At June 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ 309,242
City contributions subsequent to the measurement date	87,912	-
Total	\$ 87,912	\$ 309,242

City contributions subsequent to the measurement date of \$87,912 are reported as deferred outflows of resources and will be recognized as an increase of the net pension asset in the year ending June 30, 2016. The deferred inflow of resources related to the net difference between projected and actual earnings on pension plan investment of \$309,342 will be recognized in pension expense as follows:

Year ending June 30,	
2016	\$ 77,310
2017	77,310
2018	77,310
2019	77,312
Total	\$ 309,242

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 11. 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 full-time 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 full-time 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 fiscal year ended June 30, 2015 were \$126,156.

#### **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 pretax contributions to the plan, subject to the limitations. Participant loans are permitted under the Plan, subject to Plan provisions.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 12. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and losses resulting from providing accident and health benefits to employees, retirees, and their dependents.

The City provides a self-insurance 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 consist of claims incurred but not yet paid as of June 30, 2015 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:

	<b>Year Ended June 30,</b>		
	<u>2015</u>	<u>2014</u>	<u>2013</u>
Beginning	\$ 121,793	\$ 17,881	\$ 109,074
Claims incurred	1,034,704	1,055,066	1,089,749
Claims paid	<u>(830,682)</u>	<u>(951,154)</u>	<u>(1,180,942)</u>
Ending	<u>\$ 325,815</u>	<u>\$ 121,793</u>	<u>\$ 17,881</u>

The City has property and liability insurance coverage with the Georgia Interlock 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.

The City has obtained workers' compensation insurance through a third-party private insurance company. The policy provides for workers' compensation coverage for claims in excess of the City's deductible of \$2,500.

## NOTES TO FINANCIAL STATEMENTS

---

### NOTE 13. CONTRACTS

The City has a contract with the Perry Area Convention and Visitors Bureau whereby the Visitors Bureau 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 Visitors Bureau 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.

The City has a contract with the Perry Area Chamber of Commerce whereby the Chamber will promote and publicize the City of Perry. Under 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 annually.

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.

### NOTE 14. 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 City 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 City's counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

### NOTE 15. JOINT VENTURES

Under Georgia law, the City, in conjunction with other cities and counties in the 11 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

## NOTES TO FINANCIAL STATEMENTS

### NOTE 15. JOINT VENTURES (CONTINUED)

The City of Perry, together with the cities of Warner Robins, Hawkinsville and Cochran, Georgia formed the Jointly-Owned Natural Gas Transmission Line (the "JOTL") 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  
200 Dunbar Road  
Byron, Georgia 31008

The following is a summary schedule of the JOTL's basic financial statements for the year ending September 30, 2014:

Cash and cash equivalents	\$ 80,360
Other assets	321,967
Property and equipment, net	<u>4,006,479</u>
Total assets	<u>\$ 4,408,806</u>
Liabilities	\$ 567,632
Net position - unrestricted	<u>3,841,174</u>
Total liabilities and net position	<u>\$ 4,408,806</u>

As of June 30, 2015, the City has an approximate 15.97% interest in current operations of the JOTL. The City's overall equity interest in the JOTL is approximately 17.24%. This equity interest is recorded in the Gas System Fund's statement of net position.

In March 1994, the Perry-Houston County Airport Authority (the "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 City Council and County Commissioners. Appointment of a majority of the Airport Authority members alternates between the City of Perry and Houston County. Separate financial statements may be obtained from:

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

## NOTES TO FINANCIAL STATEMENTS

---

### **NOTE 15. JOINT VENTURES (CONTINUED)**

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 Airport Authority's continued operations at current levels depend on the City's financial support. For the fiscal year ended June 30, 2015, the City contributed \$44,604 relative to this support.

### **NOTE 16. 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.

### **NOTE 17. COMMITMENTS**

As of June 30, 2015, 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 the fiscal year ended June 30, 2015, drawdowns of \$87,155 were made relative to this project. The City expended \$91,449 in capital outlays relative to this project.
- A Transportation Enhancement Grant awarded to the City by the Georgia Department of Transportation (DOT) in the original amount of \$250,000. During the fiscal year ended June 30, 2015, drawdowns of \$157,810 were made relative to this project. The City expended \$158,002 in capital outlays relative to 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 18. NET INVESTMENT IN CAPITAL ASSETS

Net investment in capital assets on the Government-wide statement of net position as of June 30, 2015 is as follows:

	Governmental Activities	Business-type Activities
Cost of capital assets	\$ 75,421,226	\$ 66,301,869
Less accumulated depreciation	(26,697,938)	(21,713,312)
Book value	48,723,288	44,588,557
Less all capital related debt	(1,822,652)	(15,910,198)
Net investment in capital assets	\$ 46,900,636	\$ 28,678,359

### NOTE 19. CHANGES IN ACCOUNTING PRINCIPLES

The City has determined that a restatement to the July 1, 2014 beginning net position was required to recognize the changes in accounting principles for implementation of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*, through which accounting for pension plans and the related disclosure requirements were modified. This adjustment resulted in a change to the beginning net position of the City's governmental activities, business-type activities, and Solid Waste Fund as follows:

	Governmental Activities	Business-type Activities	
Net Position July 1, 2014, as previously reported	\$ 49,456,302	\$ 34,143,981	
Change in accounting principle due to implementation of GASB Statement No. 68	(256,559)	17,190	
Net Position July 1, 2014, as restated	\$ 49,199,743	\$ 34,161,171	
			<b>Solid Waste Fund</b>
Net Position July 1, 2014, as previously reported			\$ 438,501
Change in accounting principle due to implementation of GASB Statement No. 68			17,190
Net Position July 1, 2014, as restated			\$ 455,691

## **REQUIRED SUPPLEMENTARY INFORMATION**

# CITY OF PERRY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE CITY'S NET PENSION ASSET AND RELATED RATIOS

	2015
<b>Total pension liability</b>	
Service cost	\$ -
Interest on total pension asset	829,065
Changes of benefit terms	-
Differences between expected and actual experience	(169,961)
Changes of assumptions	(193,507)
Benefit payments, including refunds of employee contributions	(554,664)
<b>Net change in total pension asset</b>	(89,067)
<b>Total pension liability - beginning</b>	10,974,945
<b>Total pension liability - ending (a)</b>	\$ 10,885,878
<b>Plan fiduciary net position</b>	
Contributions - employer	134,631
Contributions - employee	-
Net investment income	1,176,223
Benefit payments, including refunds of employee contributions	(554,664)
Administrative expenses	(24,707)
Other	-
<b>Net change in plan fiduciary net position</b>	731,483
<b>Plan fiduciary net position - beginning</b>	10,411,675
<b>Plan fiduciary net position - ending (b)</b>	\$ 11,143,158
<b>City's net pension asset - ending (a) - (b)</b>	\$ (257,280)
<b>Plan fiduciary net position as a percentage of the total pension asset</b>	102.4%
<b>Covered-employee payroll</b>	N/A
<b>City's net pension liability as a percentage of covered-employee payroll</b>	N/A

### Notes to the Schedule

The schedule will present 10 years of information once it is accumulated.

# CITY OF PERRY, GEORGIA

## REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CITY CONTRIBUTIONS

---

	2015	2014
Actuarially determined contribution	\$ 117,216	\$ 134,631
Contributions in relation to the actuarially determined contribution	117,216	134,631
Contribution deficiency (excess)	\$ -	\$ -
Covered-employee payroll	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A

### Notes to the Schedule

Valuation date	January 1, 2015
Actuarial cost method	Projected unit credit
Actuarial 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 20% of market value.
Assumed rate of return on investments	7.75%
Projected salary increases	N/A
Cost of living adjustments	3.50%
Amortization method	Closed level dollar for unfunded liability
Remaining amortization period	None remaining

## **SUPPLEMENTARY INFORMATION**

# CITY OF PERRY, GEORGIA

## NONMAJOR GOVERNMENTAL FUNDS

---

### SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for 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 related to tourism.

### 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.

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

**Courtney Hodges Boulevard Lighting** – This fund is used to account for the construction and improvements to street lights along Courtney Hodges Boulevard.

**TE Construction 2006 and 2001 Funds** – These funds account for the activities related to the Transportation Enhancement Projects.

**CITY OF PERRY, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

	<b>Special Revenue Funds</b>		
	<b>Confiscated Assets</b>	<b>Hotel/Motel Tax</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 133,076	\$ 277,377	\$ 410,453
Taxes receivable	-	95,266	95,266
Due from other governments	-	-	-
Due from other funds	-	7,184	7,184
	-	7,184	7,184
Total assets	\$ 133,076	\$ 379,827	\$ 512,903
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 100,811	\$ 100,811
Accrued liabilities	-	2,376	2,376
Due to other funds	-	27,918	27,918
	-	27,918	27,918
Total liabilities	-	131,105	131,105
<b>FUND BALANCES</b>			
Restricted for:			
Public safety - police services	133,076	-	133,076
Culture and beautification	-	248,722	248,722
Capital outlay	-	-	-
Assigned:			
Capital outlay	-	-	-
Total fund balances	133,076	248,722	381,798
Total liabilities and fund balances	\$ 133,076	\$ 379,827	\$ 512,903

**CITY OF PERRY, GEORGIA**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2015**

<b>Capital Projects Funds</b>							<b>Total Nonmajor Governmental Funds</b>
<b>Capital Projects</b>	<b>LMIG Program</b>	<b>Courtney Hodges Boulevard Lighting</b>	<b>TE Construction 2006</b>	<b>TE Construction 2001</b>	<b>Total</b>		
\$ 321,593	\$ -	\$ -	\$ -	\$ -	\$ 321,593	\$ 732,046	
-	-	-	-	-	-	95,266	
-	-	61,701	-	31,451	93,152	93,152	
-	144,433	-	-	26,457	170,890	178,074	
<u>\$ 321,593</u>	<u>\$ 144,433</u>	<u>\$ 61,701</u>	<u>\$ -</u>	<u>\$ 57,908</u>	<u>\$ 585,635</u>	<u>\$ 1,098,538</u>	
\$ -	\$ -	\$ 61,701	\$ -	\$ 31,450	\$ 93,151	\$ 193,962	
-	-	-	-	-	-	2,376	
170,890	-	-	-	-	170,890	198,808	
170,890	-	61,701	-	31,450	264,041	395,146	
-	-	-	-	-	-	133,076	
-	-	-	-	-	-	248,722	
-	144,433	-	-	26,458	170,891	170,891	
150,703	-	-	-	-	150,703	150,703	
150,703	144,433	-	-	26,458	321,594	703,392	
<u>\$ 321,593</u>	<u>\$ 144,433</u>	<u>\$ 61,701</u>	<u>\$ -</u>	<u>\$ 57,908</u>	<u>\$ 585,635</u>	<u>\$ 1,098,538</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, 2015**

	<u>Special Revenue Funds</u>		
	<u>Confiscated Assets</u>	<u>Hotel/Motel Tax</u>	<u>Total</u>
<b>Revenues:</b>			
Hotel/motel taxes	\$ -	\$ 943,752	\$ 943,752
Fines and forfeitures	133,278	-	133,278
Intergovernmental	-	-	-
Interest revenue	135	203	338
Other revenues	-	154,801	154,801
Total revenues	<u>133,413</u>	<u>1,098,756</u>	<u>1,232,169</u>
<b>Expenditures:</b>			
General government	-	915,502	915,502
Public safety	34,085	-	34,085
Capital outlay	12,312	8,860	21,172
Debt service:			
Principal	-	100,000	100,000
Interest and other charges	-	1,820	1,820
Total expenditures	<u>46,397</u>	<u>1,026,182</u>	<u>1,072,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>87,016</u>	<u>72,574</u>	<u>159,590</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	(1,773)	(1,773)
Total other financing sources (uses)	<u>-</u>	<u>(1,773)</u>	<u>(1,773)</u>
Net change in fund balances	87,016	70,801	157,817
<b>Fund balances, beginning of year</b>	<u>46,060</u>	<u>177,921</u>	<u>223,981</u>
<b>Fund balances, end of year</b>	<u>\$ 133,076</u>	<u>\$ 248,722</u>	<u>\$ 381,798</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, 2015**

Capital Project Funds						Total Nonmajor Governmental Funds
Capital Projects	LMIG Program	Courtney Hodges Boulevard Lighting	TE Construction 2006	TE Construction 2001	Total	
\$ -	\$ -	\$ -	\$ -	\$ -	-	\$ 943,752
-	-	-	-	-	-	133,278
-	144,353	113,976	87,155	157,810	503,294	503,294
134	80	-	6	24	244	582
-	-	-	-	-	-	154,801
<u>134</u>	<u>144,433</u>	<u>113,976</u>	<u>87,161</u>	<u>157,834</u>	<u>503,538</u>	<u>1,735,707</u>
-	-	-	-	-	-	915,502
-	-	-	-	-	-	34,085
32,214	-	113,976	91,449	158,002	395,641	416,813
-	-	-	-	-	-	100,000
-	-	-	-	-	-	1,820
<u>32,214</u>	<u>-</u>	<u>113,976</u>	<u>91,449</u>	<u>158,002</u>	<u>395,641</u>	<u>1,468,220</u>
(32,080)	144,433	-	(4,288)	(168)	107,897	267,487
156,120	-	-	-	-	156,120	156,120
-	-	-	-	-	-	(1,773)
<u>156,120</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>156,120</u>	<u>154,347</u>
124,040	144,433	-	(4,288)	(168)	264,017	421,834
26,663	-	-	4,288	26,626	57,577	281,558
<u>\$ 150,703</u>	<u>\$ 144,433</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,458</u>	<u>\$ 321,594</u>	<u>\$ 703,392</u>

**CITY OF PERRY, GEORGIA**  
**CONFISCATED ASSETS SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>			
Fines and forfeitures	\$ 133,200	\$ 133,278	\$ 78
Interest revenue	100	135	35
Total revenues	<u>133,300</u>	<u>133,413</u>	<u>113</u>
<b>EXPENDITURES</b>			
Current:			
Public safety	29,188	34,085	(4,897)
Capital outlay	12,312	12,312	-
Total expenditures	<u>41,500</u>	<u>46,397</u>	<u>(4,897)</u>
Excess of revenues over expenditures	<u>91,800</u>	<u>87,016</u>	<u>(4,784)</u>
<b>FUND BALANCES, beginning of year</b>	<u>46,060</u>	<u>46,060</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 137,860</u>	<u>\$ 133,076</u>	<u>\$ (4,784)</u>

**CITY OF PERRY, GEORGIA**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2015**

	Final Budgeted Amounts	Actual	Variance
<b>REVENUES</b>			
Taxes	\$ 943,700	\$ 943,752	\$ 52
Interest	200	203	3
Other revenues	154,700	154,801	101
Total revenues	<u>1,098,600</u>	<u>1,098,756</u>	<u>156</u>
<b>EXPENDITURES</b>			
Current:			
General government	916,240	915,502	738
Capital outlay	8,860	8,860	-
Debt service:			
Principal	100,000	100,000	-
Interest	1,900	1,820	80
Total expenditures	<u>1,027,000</u>	<u>1,026,182</u>	<u>818</u>
Excess of revenues over expenditures	<u>71,600</u>	<u>72,574</u>	<u>974</u>
<b>Other financing uses</b>			
Transfers out	<u>(1,800)</u>	<u>(1,773)</u>	<u>27</u>
Total other financing uses	<u>(1,800)</u>	<u>(1,773)</u>	<u>27</u>
Net change in fund balance	69,800	70,801	1,001
<b>FUND BALANCES, beginning of year</b>	<u>177,921</u>	<u>177,921</u>	<u>-</u>
<b>FUND BALANCES, end of year</b>	<u>\$ 247,721</u>	<u>\$ 248,722</u>	<u>\$ 1,001</u>

**CITY OF PERRY, GEORGIA  
AGENCY FUND**

**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
JUNE 30, 2015**

---

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
<b><u>Police Pre-Confiscation Assets Fund</u></b>				
<b>ASSETS</b>				
Cash	\$ 2,859	\$ 23,210	\$ 22,371	\$ 3,698
<b>LIABILITIES</b>				
Payable from assets				
Confiscated assets pending disposition	\$ 2,859	\$ 23,210	\$ 22,371	\$ 3,698

**CITY OF PERRY, GEORGIA  
COMPONENT UNIT  
PERRY INDUSTRIAL BUILDING AUTHORITY  
BALANCE SHEET  
JUNE 30, 2015**

---

	<u>General Fund</u>
<b><u>ASSETS</u></b>	
Cash and cash equivalents	\$ 238,096
Total assets	<u>\$ 238,096</u>
<b><u>LIABILITIES AND FUND BALANCE</u></b>	
Liabilities	<u>\$ -</u>
Total liabilities	<u>-</u>
Fund balance:	
Unassigned	<u>238,096</u>
Total fund balance	<u>238,096</u>
Total liabilities and fund balance	<u>\$ 238,096</u>

**CITY OF PERRY, GEORGIA  
 COMPONENT UNIT  
 PERRY INDUSTRIAL BUILDING AUTHORITY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>General Fund</b>
<b><u>REVENUES</u></b>	
Interest earnings	\$ 949
Total revenues	949
<b><u>EXPENDITURES</u></b>	
Current:	
General government	-
Total expenditures	-
Net change in fund balance	949
<b>FUND BALANCE, beginning of year</b>	237,147
<b>FUND BALANCE, end of year</b>	\$ 238,096

**CITY OF PERRY, GEORGIA**  
**SCHEDULE OF EXPENDITURES OF**  
**2012 SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS**  
**FOR THE YEAR ENDED JUNE 30, 2015**

<u>Project Description</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Road, Street and Bridge and Sidewalk Projects	\$ 3,000,000	\$ 506,068	\$ 932,313	\$ 1,438,381
Public Safety Facilities and Equipment	1,800,000	-	-	-
Facilities	-	365,604	5,541	371,145
Equipment	-	-	-	-
Water and Sewer System Improvements and Debt Retirement	4,100,000	1,069,752	442,471	1,512,223
Recreation Facilities and Equipment	900,000	49,094	26,668	75,762
	<u>\$ 9,800,000</u>	<u>\$ 1,990,518</u>	<u>\$ 1,406,993</u>	<u>\$ 3,397,511</u>

## **STATISTICAL SECTION**

**CITY OF PERRY, GEORGIA  
STATISTICAL SECTION**

---

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

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> .....	<b>80 - 87</b>
<i>These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.</i>	
<b>Revenue Capacity</b> .....	<b>88 - 94</b>
<i>These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales tax.</i>	
<b>Debt Capacity</b> .....	<b>95 - 99</b>
<i>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.</i>	
<b>Demographic and Economic Information</b> .....	<b>100 - 103</b>
<i>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.</i>	
<b>Operating Information</b> .....	<b>104 and 105</b>
<i>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 City provides and the activities it performs.</i>	

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

**CITY OF PERRY, GEORGIA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 20,177,671	\$ 21,101,737	\$ 24,520,365	\$ 39,638,909	\$ 40,372,191	\$ 41,158,197	\$ 43,486,281	\$ 46,096,524	\$ 45,321,336	\$ 46,900,636
Restricted	-	69,207	522,379	617,583	1,250,369	1,782,171	2,018,810	902,235	432,514	888,137
Unrestricted	3,217,689	3,496,938	2,796,782	2,232,820	1,107,129	1,382,365	2,202,263	2,517,519	3,702,452	3,673,551
Total governmental activities net position	<u>\$23,395,360</u>	<u>\$24,667,882</u>	<u>\$ 27,839,526</u>	<u>\$ 42,489,312</u>	<u>\$ 42,729,689</u>	<u>\$ 44,322,733</u>	<u>\$ 47,707,354</u>	<u>\$ 49,516,278</u>	<u>\$ 49,456,302</u>	<u>\$ 51,462,324</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 9,887,570	\$ 11,245,295	\$ 14,956,655	\$ 23,957,133	\$ 24,782,664	\$ 26,112,142	\$ 27,206,012	\$ 22,842,720	\$ 25,323,141	\$ 28,678,359
Restricted	947,450	1,020,843	1,530,836	1,297,318	1,401,716	1,572,771	1,705,382	5,881,479	5,136,797	2,641,309
Unrestricted	1,517,544	2,053,888	2,207,294	1,136,503	1,508,631	2,497,698	2,750,048	3,704,445	3,684,043	4,201,969
Total business-type activities net position	<u>\$ 12,352,564</u>	<u>\$14,320,026</u>	<u>\$ 18,694,785</u>	<u>\$ 26,390,954</u>	<u>\$ 27,693,011</u>	<u>\$ 30,182,611</u>	<u>\$ 31,661,442</u>	<u>\$ 32,428,644</u>	<u>\$ 34,143,981</u>	<u>\$ 35,521,637</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 30,065,241	\$ 32,347,032	\$ 39,477,020	\$ 63,596,042	\$ 65,154,855	\$ 67,270,339	\$ 70,692,293	\$ 68,939,244	\$ 70,644,477	\$ 75,578,995
Restricted	947,450	1,090,050	2,053,215	1,914,901	2,652,085	3,354,942	3,724,192	6,783,714	5,569,311	3,529,446
Unrestricted	3,217,689	5,550,826	5,004,076	3,369,323	2,615,760	3,880,063	4,952,311	6,221,964	7,386,495	7,875,520
Total primary government net position	<u>\$ 34,230,380</u>	<u>\$38,987,908</u>	<u>\$ 46,534,311</u>	<u>\$ 68,880,266</u>	<u>\$ 70,422,700</u>	<u>\$ 74,505,344</u>	<u>\$ 79,368,796</u>	<u>\$ 81,944,922</u>	<u>\$ 83,600,283</u>	<u>\$ 86,983,961</u>

**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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses:</b>										
Governmental activities:										
General government	\$ 3,020,811	\$ 3,830,972	\$ 4,782,640	\$ 5,005,881	\$ 4,909,398	\$ 5,400,595	\$ 5,727,426	\$ 5,268,547	\$ 5,361,965	\$ 4,454,832
Fire	-	-	-	-	-	-	-	-	-	-
Law enforcement	-	-	-	-	-	-	-	-	-	-
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	5,344,131	6,401,412
Public works	1,993,266	2,022,636	3,058,101	3,502,393	3,077,136	2,938,046	3,696,463	4,059,039	3,420,399	3,219,647
Recreation	547,300	600,695	604,578	762,759	1,214,175	754,375	628,819	591,901	673,069	757,513
Housing and Development	-	-	-	-	-	-	98,417	92,998	164,912	133,169
Interest on long-term debt	33,942	43,377	38,424	30,390	24,206	26,979	24,824	18,431	25,337	43,804
Depreciation-unallocated	-	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	9,175,986	10,599,333	13,005,439	14,250,185	13,893,190	13,942,562	14,840,328	15,148,896	14,989,813	15,010,377
Business-type activities:										
Water and sewerage system	3,416,440	3,723,435	4,289,140	4,711,813	4,435,805	4,726,726	5,318,365	5,776,214	5,185,739	5,641,228
Storm Water Utility	-	-	-	-	-	-	-	29,818	110,590	177,743
Gas system	5,006,767	3,606,156	4,136,258	4,045,331	3,288,164	3,018,220	2,553,870	2,993,365	3,368,442	3,386,102
Solid Waste	758,342	923,453	1,070,990	1,113,804	1,032,283	1,095,164	1,053,980	1,151,240	1,096,567	1,131,538
Revolving Loan Fund	-	-	-	-	-	1,505	764	2,631	3,117	676
Total business-type activities expense	9,181,549	8,253,044	9,496,388	9,870,948	8,756,252	8,841,615	8,926,979	9,953,268	9,764,455	10,337,287
Total primary government expenses	\$ 18,357,535	\$ 18,852,377	\$ 22,501,827	\$ 24,121,133	\$ 22,649,442	\$ 22,784,177	\$ 23,767,307	\$ 25,102,164	\$ 24,754,268	\$ 25,347,664
<b>Program Revenues:</b>										
Governmental activities:										
Charges for services:										
General government	\$ 949,719	\$ 1,979,950	\$ 2,280,826	\$ 2,824,202	\$ 2,576,860	\$ 2,977,195	\$ 3,341,070	\$ 3,413,900	\$ 2,622,425	\$ 2,792,988
Public safety	645,073	1,167,014	843,957	668,410	832,034	745,912	679,303	567,396	608,906	1,681,058
Public works	158,649	7,668	20,733	28,864	36,589	727,413	12,748	-	91,613	39,255
Recreation	78,698	79,348	52,798	59,982	71,595	84,496	79,323	80,223	274,263	287,624
Housing & Development	-	-	-	-	-	-	-	-	212,096	258,377
Operating grants and contributions	213,682	-	-	39,611	59,660	353,326	511,899	250,710	27,094	21,917
Capital grants and contributions	295,049	486,254	4,217,924	12,888,756	2,362,756	1,874,479	4,330,530	3,587,628	1,475,645	1,937,557
Total governmental activities program revenues	2,340,870	3,720,234	7,416,238	16,509,825	5,939,494	6,762,821	8,954,873	7,899,857	5,312,042	7,018,776

**CITY OF PERRY, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Charges for services:										
Water and sewerage	\$ 4,164,438	\$ 4,690,505	\$ 4,015,826	\$ 3,840,234	\$ 4,748,904	\$ 5,503,160	\$ 5,381,152	\$ 5,294,439	\$ 5,439,779	\$ 6,105,689
Stormwater Utility	-	-	-	-	-	-	-	80,474	204,290	265,005
Gas	4,932,443	4,355,278	4,582,797	4,198,216	3,865,318	3,553,258	2,777,812	3,538,054	4,065,207	3,942,241
Solid waste	828,672	943,459	970,881	1,108,597	1,150,433	1,114,365	1,128,539	1,200,899	1,214,302	1,199,863
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	1,152,368	755,661
Total business-type activities program revenues	9,925,553	10,179,274	13,714,954	17,577,106	10,129,943	11,594,019	10,825,263	11,114,331	12,075,946	12,268,459
Total primary government program revenues	\$12,266,423	\$13,899,508	\$21,131,192	\$34,086,931	\$16,069,437	\$18,356,840	\$19,780,136	\$19,014,188	\$17,387,988	\$19,287,235
<b>Net (Expenses)/Revenue</b>										
Governmental activities	\$ (6,835,116)	\$ (6,879,099)	\$ (5,589,201)	\$ 2,259,640	\$ (7,953,696)	\$ (7,179,741)	\$ (5,885,455)	\$ (7,249,039)	\$ (9,677,771)	\$ (7,991,601)
Business-type activities	744,004	1,926,230	4,218,566	7,706,158	1,373,691	2,752,404	1,898,284	1,161,063	2,311,491	1,931,172
Total primary government net (expense)/revenue	\$ (6,091,112)	\$ (4,952,869)	\$ (1,370,635)	\$ 9,965,798	\$ (6,580,005)	\$ (4,427,337)	\$ (3,987,171)	\$ (6,087,976)	\$ (7,366,280)	\$ (6,060,429)
<b>General Revenue and Other Changes in Net Assets</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 3,765,951	\$ 4,420,608	\$ 5,018,453	\$ 5,388,329	\$ 5,553,366	\$ 5,858,558	\$ 6,003,452	\$ 6,022,167	\$ 6,261,530	\$ 6,354,007
Sales taxes	786,583	925,377	915,829	-	-	-	-	-	-	-
Occupational taxes	122,273	126,372	135,256	136,652	130,721	159,777	172,437	186,884	179,117	190,072
Franchise taxes	770,168	787,041	868,100	940,461	898,714	963,109	1,016,175	974,874	1,035,669	1,141,340
Insurance premium taxes	480,902	503,143	524,835	537,407	532,365	516,893	649,107	689,460	713,871	745,918
Hotel/motel taxes	684,496	680,236	744,570	661,485	676,347	720,652	711,283	723,017	777,462	943,752
Alcoholic beverage taxes	254,392	256,111	263,447	266,795	255,007	245,627	257,945	261,496	259,529	262,646
Grants and contributions not restricted	12,554	-	-	-	-	-	-	-	-	-
Interest revenue	96,784	116,545	115,489	30,823	9,426	6,269	6,067	5,148	5,881	6,840
Miscellaneous	248,910	-	-	-	-	-	-	-	-	-
Gain on sale of capital assets	15,114	437,522	-	-	-	-	-	-	-	-
Transfers	98,275	124,513	174,866	172,434	138,127	301,900	453,611	194,917	258,501	609,607
Total governmental activities	4,836,185	8,377,468	8,760,845	8,134,386	8,194,073	8,772,785	9,270,077	9,057,963	9,491,560	10,254,182

**CITY OF PERRY, GEORGIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type activities:										
Grants and contributions not restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest revenue	78,979	107,845	331,059	162,445	66,493	39,096	34,158	16,213	30,297	38,901
Miscellaneous	4,078	-	-	-	-	-	-	-	-	-
Transfers	(98,275)	(124,513)	(174,866)	(172,434)	(138,127)	(301,900)	(453,611)	(194,917)	(258,501)	(609,607)
Total business-type activities	(15,218)	(16,668)	156,193	(9,989)	(71,634)	(262,804)	(419,453)	(178,704)	(228,204)	(570,706)
Total primary government	\$ 4,820,967	\$ 8,360,800	\$ 8,917,038	\$ 8,124,397	\$ 8,122,439	\$ 8,509,981	\$ 8,850,624	\$ 8,879,259	\$ 9,263,356	\$ 9,683,476
<b>Change in Net Assets</b>										
Governmental activities	\$ (1,998,931)	\$ 1,498,369	\$ 3,171,644	\$ 10,394,026	\$ 240,377	\$ 1,593,044	\$ 3,384,622	\$ 1,808,924	\$ (186,211)	\$ 2,262,581
Business-type activities	728,786	1,909,562	4,374,759	7,696,169	1,302,057	2,489,600	1,478,831	982,359	2,083,287	1,360,466
Total primary government	\$ (1,270,145)	\$ 3,407,931	\$ 7,546,403	\$ 18,090,195	\$ 1,542,434	\$ 4,082,644	\$ 4,863,453	\$ 2,791,283	\$ 1,897,076	\$ 3,623,047

**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 developers.  
In fiscal year 2009, the City began reporting sales taxes received from Houston County as intergovernmental revenue.

**CITY OF PERRY, GEORGIA**  
**PROGRAM REVENUES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
General government	\$ 1,418,164	\$ 2,155,620	\$ 2,456,921	\$ 2,888,938	\$ 2,576,860	\$ 3,330,499	\$ 4,009,325	\$ 4,066,703	\$ 4,098,070	\$ 4,184,892
Law enforcement	-	-	-	-	-	-	-	-	-	-
Public safety	664,887	1,319,266	889,272	955,828	1,165,993	1,018,400	901,757	1,287,121	617,770	1,688,257
Public works	179,121	150,310	3,940,097	12,458,044	2,003,189	2,212,991	3,822,039	2,403,338	91,613	582,812
Recreation	78,698	95,038	129,948	207,015	193,452	200,931	221,752	142,695	292,493	304,438
Housing & Development	-	-	-	-	-	-	-	-	212,096	258,377
<b>Subtotal governmental activities</b>	<b>2,340,870</b>	<b>3,720,234</b>	<b>7,416,238</b>	<b>16,509,825</b>	<b>5,939,494</b>	<b>6,762,821</b>	<b>8,954,873</b>	<b>7,899,857</b>	<b>5,312,042</b>	<b>7,018,776</b>
<b>Business-type activities:</b>										
Water and Sewerage system	4,164,438	4,880,537	8,161,276	12,270,293	5,114,192	6,850,168	6,881,450	6,256,924	6,534,147	6,859,120
Stormwater Utility	-	-	-	-	-	-	-	117,974	204,290	265,005
Gas system	4,932,443	4,355,278	4,582,797	4,198,216	3,865,318	3,565,558	2,780,202	3,538,534	4,123,207	3,944,471
Solid Waste	828,672	943,459	970,881	1,108,597	1,150,433	1,114,365	1,128,539	1,200,899	1,214,302	1,199,863
Revolving Loan Fund	-	-	-	-	-	63,928	35,072	-	-	-
<b>Subtotal business-type activities</b>	<b>9,925,553</b>	<b>10,179,274</b>	<b>13,714,954</b>	<b>17,577,106</b>	<b>10,129,943</b>	<b>11,594,019</b>	<b>10,825,263</b>	<b>11,114,331</b>	<b>12,075,946</b>	<b>12,268,459</b>
<b>Total primary government</b>	<b>\$ 12,266,423</b>	<b>\$ 13,899,508</b>	<b>\$ 21,131,192</b>	<b>\$ 34,086,931</b>	<b>\$ 16,069,437</b>	<b>\$ 18,356,840</b>	<b>\$ 19,780,136</b>	<b>\$ 19,014,188</b>	<b>\$ 17,387,988</b>	<b>\$ 19,287,235</b>

**Notes:** In fiscal year 2006, the City combined fire and law enforcement into one function/program, public safety, on the statement of activities.  
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.  
In fiscal year 2015, the City created the Fire Protection Fund.

**CITY OF PERRY, GEORGIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved	\$ 31,208	\$ 44,799	\$ 40,427	\$ 32,629	\$ 21,165	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,797,089	3,446,767	3,210,623	2,257,538	1,787,001	-	-	-	-	-
Nonspendable	-	-	-	-	-	27,462	22,224	22,324	5,626	5,134
Restricted	-	-	-	-	-	49,986	135,262	127,082	-	-
Assigned	-	-	-	-	-	367,338	429,994	1,013,702	1,559,087	938,672
Unassigned	-	-	-	-	-	1,788,898	2,330,679	2,005,129	2,499,916	2,954,387
<b>Total General Fund</b>	<b>\$ 2,828,297</b>	<b>\$ 3,491,566</b>	<b>\$ 3,251,050</b>	<b>\$ 2,290,167</b>	<b>\$ 1,808,166</b>	<b>\$ 2,233,684</b>	<b>\$ 2,918,159</b>	<b>\$ 3,168,237</b>	<b>\$ 4,064,629</b>	<b>\$ 3,898,193</b>
All Other Governmental Funds										
Reserved	\$ 48,098	\$ 24,408	\$ 413,827	\$ 584,954	\$ 1,229,204	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved:										
Special Revenue Funds	67,312	432,139	32,602	41,342	(13,504)	-	-	-	-	-
Capital Projects Funds	333,403	(276,631)	(303,850)	-	-	-	-	-	-	-
Debt Service Fund	62,896	64,657	68,125	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	1,732,185	1,883,548	775,153	433,789	888,137
Assigned	-	-	-	-	-	40,703	93,633	122,867	203,309	150,703
Unassigned	-	-	-	-	-	-	-	-	-	(43,480)
<b>Total all other governmental funds</b>	<b>\$ 511,709</b>	<b>\$ 244,573</b>	<b>\$ 210,704</b>	<b>\$ 626,296</b>	<b>\$ 1,215,700</b>	<b>\$ 1,772,888</b>	<b>\$ 1,977,181</b>	<b>\$ 898,020</b>	<b>\$ 637,098</b>	<b>\$ 995,360</b>

**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 2006 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 OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Property taxes	\$ 3,827,785	\$ 4,465,123	\$ 4,953,388	\$ 5,292,733	\$ 5,633,582	\$ 5,941,516	\$ 5,958,216	\$ 6,059,085	\$ 6,246,778	\$ 6,387,352
Sales taxes	-	925,377	915,829	-	-	-	-	-	-	-
Other taxes	2,312,231	2,352,903	2,536,208	2,542,800	2,493,154	2,606,058	2,806,947	2,835,731	2,965,648	3,283,728
Licenses and permits	407,822	482,776	348,795	208,075	232,539	182,226	248,058	246,401	256,696	333,856
Impact fees	-	-	-	-	59,534	46,200	64,273	34,348	-	-
Charges for services	463,399	804,398	1,311,747	1,637,319	1,413,291	1,588,335	1,497,634	1,980,238	1,876,053	1,900,896
Administrative	329,417	377,926	369,646	629,966	407,827	476,623	493,474	531,459	722,681	804,700
Intergovernmental	1,108,449	473,520	604,118	1,713,841	1,399,561	2,072,920	2,262,764	3,293,411	1,484,509	1,942,175
Contributions from private sources	12,554	12,734	41,532	98,183	48,022	49,757	33,321	23,755	18,230	16,914
Fines and forfeitures	515,913	1,045,739	660,217	515,697	655,688	582,025	486,462	399,543	546,846	684,626
Fire protection fees	-	-	-	-	-	-	-	-	-	923,271
Investment earnings	96,784	116,545	115,489	30,823	9,426	7,127	7,888	6,583	5,881	7,225
Other revenues	361,604	523,140	489,730	590,401	536,518	946,235	1,315,754	869,530	407,027	411,953
<b>Total revenues</b>	<b>9,435,958</b>	<b>11,580,181</b>	<b>12,346,699</b>	<b>13,259,838</b>	<b>12,889,142</b>	<b>14,499,022</b>	<b>15,174,791</b>	<b>16,280,084</b>	<b>14,530,349</b>	<b>16,696,696</b>
<b>Expenditures</b>										
General government	2,897,604	3,698,682	4,302,030	4,881,075	4,850,229	4,113,182	4,703,862	5,325,293	4,789,974	5,036,319
Fire	-	-	-	-	-	-	-	-	-	-
Law Enforcement	-	-	-	-	-	-	-	-	-	-
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	5,271,581	7,394,161
Public Works	1,175,482	1,303,550	1,873,886	2,424,146	1,930,565	2,567,801	3,042,621	2,750,883	2,210,614	2,091,860
Recreation	458,311	508,089	508,473	667,007	1,117,245	672,863	626,369	457,770	556,432	628,057
Housing & Development	-	-	-	-	-	-	-	-	126,356	92,401
Debt service										
Principal	354,017	363,285	391,033	449,827	343,427	379,709	326,848	436,281	535,743	528,189
Interest	30,162	43,377	38,424	30,390	21,382	20,357	25,678	25,461	22,923	43,675
Capital outlay	1,251,678	2,157,499	1,836,662	1,011,443	784,545	1,710,093	1,871,249	4,123,862	1,960,218	1,765,356
Miscellaneous	-	16,211	12,549	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>9,468,728</b>	<b>11,924,875</b>	<b>13,214,300</b>	<b>14,210,233</b>	<b>13,449,233</b>	<b>14,222,658</b>	<b>15,194,655</b>	<b>17,961,568</b>	<b>15,473,841</b>	<b>17,580,018</b>
Excess (deficiency) of revenues over expenditures	(32,770)	(344,694)	(867,601)	(950,395)	(560,091)	276,364	(19,864)	(1,681,484)	(943,492)	(883,322)

**CITY OF PERRY, GEORGIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Other Financing Sources (Uses)</b>										
Transfers from other funds	\$ 253,618	\$ 372,811	\$ 567,338	\$ 441,767	\$ 430,262	\$ 317,264	\$ 501,294	\$ 325,380	\$ 290,901	\$ 1,362,669
Transfers to other funds	(155,343)	(248,298)	(392,472)	(269,333)	(292,135)	(15,364)	(47,683)	(130,463)	(32,400)	(753,062)
Sale of capital assets	15,125	635,070	13,760	16,475	10,260	15,168	26,390	26,823	11,444	17,464
Capital leases	644,507	207,091	404,590	216,195	19,107	389,275	428,631	630,661	1,182,782	448,077
Issuance of debt	-	-	-	-	500,000	-	-	-	-	-
Total other financing sources (uses)	757,907	966,674	593,216	405,104	667,494	706,343	908,632	852,401	1,452,727	1,075,148
Net change in fund balances	\$ 725,137	\$ 621,980	\$ (274,385)	\$ (545,291)	\$ 107,403	\$ 982,707	\$ 888,768	\$ (829,083)	\$ 509,235	\$ 191,826
Debt service as a percentage of noncapital expenditures	4.7%	4.2%	3.77%	3.64%	2.88%	3.20%	2.65%	3.34%	4.08%	4.09%

**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		
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	
2014	6,246,778	1,035,669	713,871	179,117	259,529	777,462	-	9,212,426	
2015	6,387,352	1,141,340	745,918	190,072	262,646	943,752	-	9,671,080	
Change 2006-2015	66.9%	48.2%	55.1%	55.4%	3.2%	37.9%	-100.0%	39.6%	

**Notes:** Property tax increase due to reassessments.  
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**

<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Taxable Assessed Value as a Percentage of Actual Taxable Value</b>
2006	\$ 208,865,890	\$ 59,090,357	\$ 13,912,759	\$ 254,043,488	14.33	\$ 669,890,618	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%
2014	339,209,653	87,493,518	18,134,196	408,568,975	14.08	1,066,757,927	38.300%
2015	346,001,684	99,448,161	20,636,156	424,813,689	14.05	1,113,624,613	38.147%

**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	
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
2014	14.08	0.00	14.08	0.15	9.95	13.34	37.52
2015	14.05	0.00	14.05	0.10	11.13	13.34	38.62

**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 TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	2006			2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Graphic Packaging, Inc	\$ 10,326,848	1	4.06%	\$ 17,650,394	1	4.155%
Woodland Property Partners Inc	6,696,360	2	2.64%	-		0.000%
Tolleson Lumber Co	6,355,155	3	2.50%	3,684,947	6	0.867%
American Real Estate Investments	4,290,320	4	1.69%	-		0.000%
Advanced Drainage Systems Inc	3,235,838	5	1.27%	3,298,691	8	0.777%
Galileo Apollo IV Sub LLC	3,113,840	6	1.23%	2,996,250	9	0.705%
HT Perry WM, LLC	3,010,680	7	1.19%	-		0.000%
North Hampton Development	2,801,640	8	1.10%	-		0.000%
Wal-Mart	2,321,891	9	0.91%	-		0.000%
Donald J Svoboda	2,073,960	10	0.82%	-		0.000%
Houston Lake Apartments, LLC	-		0.00%	7,054,560	3	1.661%
Guardian Centers of Georgia	-		0.00%	7,557,204	2	1.779%
Strawser Construction Company	-		0.00%	3,381,467	7	0.796%
Valley Drive Development LLC	-		0.00%	3,740,475	5	0.880%
GA Power Company	-		0.00%	4,325,861	4	1.018%
Perry WMSC LLC	-		0.00%	2,979,880	10	0.701%
<b>Total</b>	<b>\$ 44,226,532</b>		<b>13.34%</b>	<b>\$ 56,669,729</b>		<b>9.19%</b>

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

**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
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%
2014	5,853,182	5,779,232	98.74%	65,216	5,844,448	99.85%
2015	6,193,700	6,110,863	98.66%	77,951	6,188,814	99.92%

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

**CITY OF PERRY, GEORGIA**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Food/Bar	\$ 4,803,632	\$ 4,895,056	\$ 5,461,198	\$ 4,727,703	\$ 3,965,041	\$ 3,683,588	\$ 3,845,547	\$ 4,001,399	\$ 4,177,376	\$ 4,637,901
Apparel	395,314	423,596	474,055	495,419	235,240	-	-	-	-	-
General Merchandise	3,664,725	3,606,384	3,898,290	3,825,492	3,972,158	3,682,705	3,672,160	3,674,175	3,659,551	3,749,988
Accommodations	-	-	-	-	211,664	268,864	282,642	262,637	238,501	279,316
Automotive	3,351,086	2,942,864	3,230,691	3,755,849	2,803,430	2,640,637	2,839,526	2,385,052	500,137	501,373
Home	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	1,711,997	1,708,876
Lumber	2,317,922	1,912,085	2,068,930	1,605,587	537,436	-	-	-	-	-
Construction	-	-	-	-	61,701	92,418	47,097	97,736	108,684	148,069
Miscellaneous Service	825,695	811,950	887,104	947,422	1,708,119	1,320,676	1,327,266	1,367,688	1,453,489	1,505,708
Manufacturers	667,972	600,161	637,046	714,017	931,572	1,098,305	1,220,506	968,689	969,150	1,170,967
Utilities	2,211,689	2,156,136	2,326,061	2,636,011	2,380,863	1,945,292	1,867,826	1,848,610	1,894,010	2,079,355
Wholesale	-	-	-	-	878,678	1,618,654	1,967,526	2,083,892	2,188,118	2,316,101
Miscellaneous Other-Retail	1,551,123	1,458,975	1,591,049	1,449,586	1,793,066	3,337,212	3,603,710	3,900,181	3,942,872	3,825,100
<b>Total</b>	<b>\$20,801,287</b>	<b>\$19,702,953</b>	<b>\$21,565,553</b>	<b>\$21,145,657</b>	<b>\$21,099,126</b>	<b>\$21,422,943</b>	<b>\$22,315,505</b>	<b>\$22,146,787</b>	<b>\$20,843,885</b>	<b>\$21,922,754</b>

**Source:** Georgia Dept of Revenue, Local Government Services Division

**Notes:** Since the City of Perry does not have 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>
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%
2014	0.00%	7.00%
2015	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**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Certificates of Participation	Capital Leases	Note Payable	Water/Sewer Revenue Bonds	Water/Sewer Georgia Revolving Loan	Capital Leases			
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%	862
2014	-	-	1,802,764	100,000	14,754,000	336,921	1,904,683	18,898,368	2.50%	925
2015	-	-	1,822,652	-	14,215,000	242,300	1,452,898	17,732,850	2.88%	615

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

<sup>1</sup>See the Schedule of Demographic and Economic Statistics on page 97 for personal income and population data.

**CITY OF PERRY, GEORGIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2015**

<u>Category of Debt</u>	<u>Amount of Outstanding Debt</u>	<u>Percentage Applicable to Government</u>
Direct		
Intergovernmental	\$ -	
Capital Leases	1,822,652	
Total Direct Debt	<u>1,822,652</u>	
Overlapping <sup>1</sup>		
Capital Leases	2,845,754	100%
General Obligation Debt	30,275,000	100%
Total Overlapping Debt	<u>33,120,754</u>	100%
Total Direct and Overlapping Debt	<u>\$ 34,943,406</u>	

<sup>1</sup> 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			
	2006	2007	2008	2009
Net Assessed Value	\$ 267,956,247	\$ 325,699,465	\$ 372,655,660	\$ 406,031,037
Debt Limit-10% of Assessed Value	26,795,625	32,569,947	37,265,566	40,603,104
Debt Applicable to Debt Limit:				
General obligation bonds	-	-	-	-
Net debt applicable to limit	-	-	-	-
Legal Debt Margin	\$ 26,795,625	\$ 32,569,947	\$ 37,265,566	\$ 40,603,104
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%

<b>Fiscal Year</b>					
<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 419,549,528	\$ 410,842,338	\$ 416,633,952	\$ 422,152,830	\$ 415,489,773	\$ 440,832,739
41,954,953	41,084,234	41,663,395	42,215,283	41,548,977	44,083,274
-	-	-	-	-	-
-	-	-	-	-	-
<b>\$ 41,954,953</b>	<b>\$ 41,084,234</b>	<b>\$ 41,663,395</b>	<b>\$ 42,215,283</b>	<b>\$ 41,548,977</b>	<b>\$ 44,083,274</b>
100%	100%	100%	100%	100%	100%

**CITY OF PERRY, GEORGIA  
PLEGGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

<b>Water and Sewerage System Revenue Bonds</b>							
<b>Year</b>	<b>Gross Revenue</b>	<b>Less: Operating Expenses</b>	<b>Net Available Revenue</b>	<b>Debt Service</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2005	\$ 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
2014	5,439,779	3,562,569	1,877,210	370,000	487,207	857,207	2.19
2015	6,105,689	3,985,770	2,119,919	539,000	489,210	1,028,210	2.06

**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**

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income<sup>2, 3,7,8</sup></b>	<b>Median Age<sup>3, 5</sup></b>	<b>School Enrollment<sup>6</sup></b>	<b>Unemployment Rate<sup>3, 4</sup></b>
2005	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%
2014	15,094	479,453	37,042	32.4	27,948	7.3%
2015	15,610	511,521	21,306	32.8	28,146	6.4%

<sup>1</sup> Per 2000 Census and the City's estimate

<sup>2</sup> Middle Georgia Regional Commission

<sup>3</sup> Information available at the county level only (Houston County)

<sup>4</sup> Data obtained from Georgia Department of Labor

<sup>5</sup> Estimate per census taken every 10 years

<sup>6</sup> Houston County Board of Education

<sup>7</sup> BEA Regional Economic Analysis

<sup>8</sup> 2013 data provided for the City of Perry

**Note:** Personal income information is a total for the year

**CITY OF PERRY, GEORGIA  
PRINCIPAL EMPLOYERS  
CURRENT AND NINE YEARS AGO**

---

<b>2006 Employers</b>	<b>2015 Employers</b>
Anchor Glass Container Corporation	Anchor Glass Container Corporation
City of Warner Robins	Frito-Lay, Inc.
Department of Defense	Graphic Packaging International, Inc.
Frito-Lay Incorporated	Lighthouse Nursing Agency, Inc.
Houston County	Lowe's Home Centers, Inc.
Houston County Hospital Authority	McDonalds
Houston County School System	Perdue Farms Inc.
Perdue Farms Incorporated	Publix Supermarkets, Inc.
Tital Corporation	The Kroger Company
Walmart	Walmart

**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).

**CITY OF PERRY, GEORGIA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
City Manager	2	2	3	3	2.5	2.5	3	3	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	0	0	0	0
Purchasing/Bldg. Maintenance	3	3	5	4	4	4	4.5	3	4	4
Community Development	5	6	5	5	4	4	5	5	5	5
Economic Development	-	-	-	-	-	-	1	1.5	2	2
Public Safety										
Police										
Officers	38	39	39	38	37	37	35	35	35	35.5
Civilians	5	5	5	5	5	5	6	6.5	6.5	6.5
Fire Department										
Firefighters	17	19	19	21	21	21	20	20	24	45
Civilians	1	1	1	1	1	1	1	1	1	1
Public Works Department	12	15	20	20	16	16	15	14	14	14
Recreation Department	6	6	6	7	7	7	7	7	7	7

**CITY OF PERRY, GEORGIA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN YEARS**

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Water Department										
Water Treatment	6	6	0	0	0	0	0	0	0	0
Water Administrative	8	7	7	4	5	5	3.5	4	4	4
Line Maintenance	6	6	7	0	0	0	0	0	0	0
Sewer Department	5	0	0	0	0	0	0	0	0	0
Solid Waste	7	8	8	8	7	7	7	7	6	7
Gas	5	5	5	5	4	4	0	0	0	0
Total	133	135	137	128	120.5	120.5	114	113	117.5	140

**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 to 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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Building permits issued-commercial	46	43	44	52	30	40	29	36	20	31
Building permits issued-residential	393	387	270	129	130	133	147	155	195	237
Police										
Physical arrests	1,336	1,423	1540	1655	1965	1634	1249	1693	1484	1455
Parking violations	126	174	111	85	25	24	13	16	19	48
Traffic violations	2566	2968	2602	4090	2507	3194	2035	3751	2868	3710
Fire										
Emergency responses	774	1005	1692	1546	1498	1430	1134	1778	1750	1890
Fires extinguished	72	95	96	100	82	105	102	90	97	87
Public Works										
Streets resurfaced (miles)	0.97	1.58	1.58	1.03	1.233	0.47	2.4	2.11	2.31	2.31
Water										
Service connections	5347	6071	6375	6000	5896	6408	6497	6883	7001	7571
Water main breaks	3	6	1	12	9	23	16	9	9	10
Average daily consumption (million gallons)	2.19	2.54	2.41	2.39	2.33	2.134	2.02	1.8	1.71	1.77
Wastewater										
Average daily sewage treatment (million gallons)	2.27	1.97	2	2	3.04	1.987	1.748	2.1	2.946	2.28
Service Connections	4270	4401	4881	4643	4790	4848	4974	5147	5230	5430
Gas System										
Service Connections	2789	2807	2783	2792	2792	3168	3203	2439	3209	2389
Average daily consumption (MCF)	855	806	906	869	947	929	800	1531	1380	1271

**Source:** Various City departments.

**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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	30	30	30	30	29	27	28	41	39	29
Fire										
Stations	1	1	1	1	1	1	1	2	2	2
Trucks	4	3	3	4	4	4	4	4	4	4
Fire hydrants	701	750	814	917	923	923	923	923	950	950
Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Parks	15	15	15	15	15	15	15	17	18	23
Park Acreage	97.14	97.14	97.14	97.14	97.14	97.14	97.14	99.81	100.4	124.53
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	4	4
Public Works										
Streets (miles)	181.85	186.81	190.22	205.42	206.7	207.6	207.6	207.8	208.79	208.79
Sidewalks (miles)	31	32.63	34.16	34.55	34.55	34.55	34.55	34.55	34.55	34.55
Number of Streets	306	335	351	420	428	438	438	439	444	444
Number of Streets Lights	1835	1885	1955	2220	2246	2277	2298	2301	2328	2344
Water										
Miles of Water Mains	122.85	127.81	131.67	148	148.57	150.59	151.22	151.22	151.22	152.43
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	78.01	82.97	85.57	99.92	100.49	104.38	106	106.5	106.5	107.72
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	3.8	3.0	3.0	3.0
Gas System										
Miles of Gas Lines	76.0	76.0	76.6	77.1	77.1	80.4	81.1	81.1	81.4	81.4

**Source:** Various City departments.



**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 the 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, business-type activities, the aggregately discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Perry, Georgia (the "City") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 28, 2015. Our report includes a reference to the changes in accounting principles resulting from the implementation of Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*, as well as Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This report does not include the results of our testing of internal control over financial reporting or compliance and other matters that have been reported in the separately issued financial statements and reports of the discretely presented component units, the Perry Area Convention and Visitors Bureau and the Perry Downtown Development Authority.

**Internal Control Over Financial Reporting**

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

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

---

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City'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*.

**Purpose of this Report**

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

Macon, Georgia  
December 28, 2015

A handwritten signature in black ink that reads "Mauldin & Jenkins, LLC". The signature is written in a cursive, flowing style.

# CITY OF PERRY, GEORGIA

## SCHEDULE OF FINDINGS AND RESPONSES FOR THE FISCAL YEAR ENDED JUNE 30, 2015

---

### SECTION I SUMMARY OF AUDIT RESULTS

#### **Financial Statements**

Type of auditor's report issued	Unmodified
Internal control over financial reporting: Material weaknesses identified?	None reported
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

#### **Federal Awards**

A single audit was not performed for the fiscal year ended June 30, 2015 due to the City not expending \$500,000 or more of federal funds.

**CITY OF PERRY, GEORGIA**

**SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

---

**SECTION II  
FINANCIAL STATEMENT FINDINGS AND RESPONSES**

No matters to report.

# CITY OF PERRY, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

---

### **2014-001. Revenue Recognition (Restatement of Prior Year Balance)**

**Criteria:** LMIG funds received are required to be recognized as revenue in the period received rather than deferred until expended. LMIG funds are purpose restricted only and are not subject to deferral.

**Condition:** For the year ended June 30, 2013, and per the City's Comprehensive Annual Financial Report (CAFR), the City deferred unspent LMIG funds rather than recognizing this amount as revenue. While we noted the City's general ledger properly recognized such funds as current period revenue in fiscal year 2013 as well as 2014, an adjustment was recorded in the prior year financial statement reporting process which had to be reversed as part of this year's financial reporting process.

**Auditee Response/Status:** Resolved.

### **2014-002. Donated Capital Assets (Restatement of Prior Year Balances)**

**Criteria:** Donated assets are required to be capitalized and recognized as contribution revenue when donated. Any City reimbursement agreement with a developer would reduce the contribution revenue and not create any additional capitalized assets when reimbursements are made.

**Condition:** The City has a reimbursement agreement with a developer that donated certain infrastructure. The City has been capitalizing the reimbursement payments.

**Auditee Response/Status:** Resolved.

# CITY OF PERRY, GEORGIA

## SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2015

---

### **2014-003. Accrued Interest and Interest Expense**

**Criteria:** For proprietary funds, generally accepted accounting principles require interest incurred but not yet paid to be accrued in order to be reflected in the proper period. Further, generally accepted accounting principles require escrow amounts related to refunded revenue bond debts to be excluded from the City's records.

**Condition:** At June 30, 2013, accrued interest payable was understated in the water and sewerage system fund. Further, as of June 30, 2014, interest expense, as reported by the City's general ledger, was overstated due to escrow amounts related to the 2005 Water & Sewer Bonds being included and reported in the City's respective general ledger.

**Auditee Response/Status:** Resolved.

### **2014-004. Retainage Payable**

**Criteria:** Generally accepted accounting principles require retainage payable to be recorded in the periods incurred.

**Condition:** At June 30, 2014, the City did not record retainage payable on construction contracts in the water and sewerage system fund.

**Auditee Response/Status:** Resolved.