

# CITY OF PALMETTO, GEORGIA



## *COMPREHENSIVE ANNUAL FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Prepared by  
City Administrator's Office  
William H. Shell  
*City Administrator*  
Palmetto City Hall  
CITY OF PALMETTO, GEORGIA





CITY OF PALMETTO, GEORGIA

INTRODUCTORY SECTION

This Section Contains the Following Subsections:

ORGANIZATION CHART

LISTING OF CITY OFFICIALS

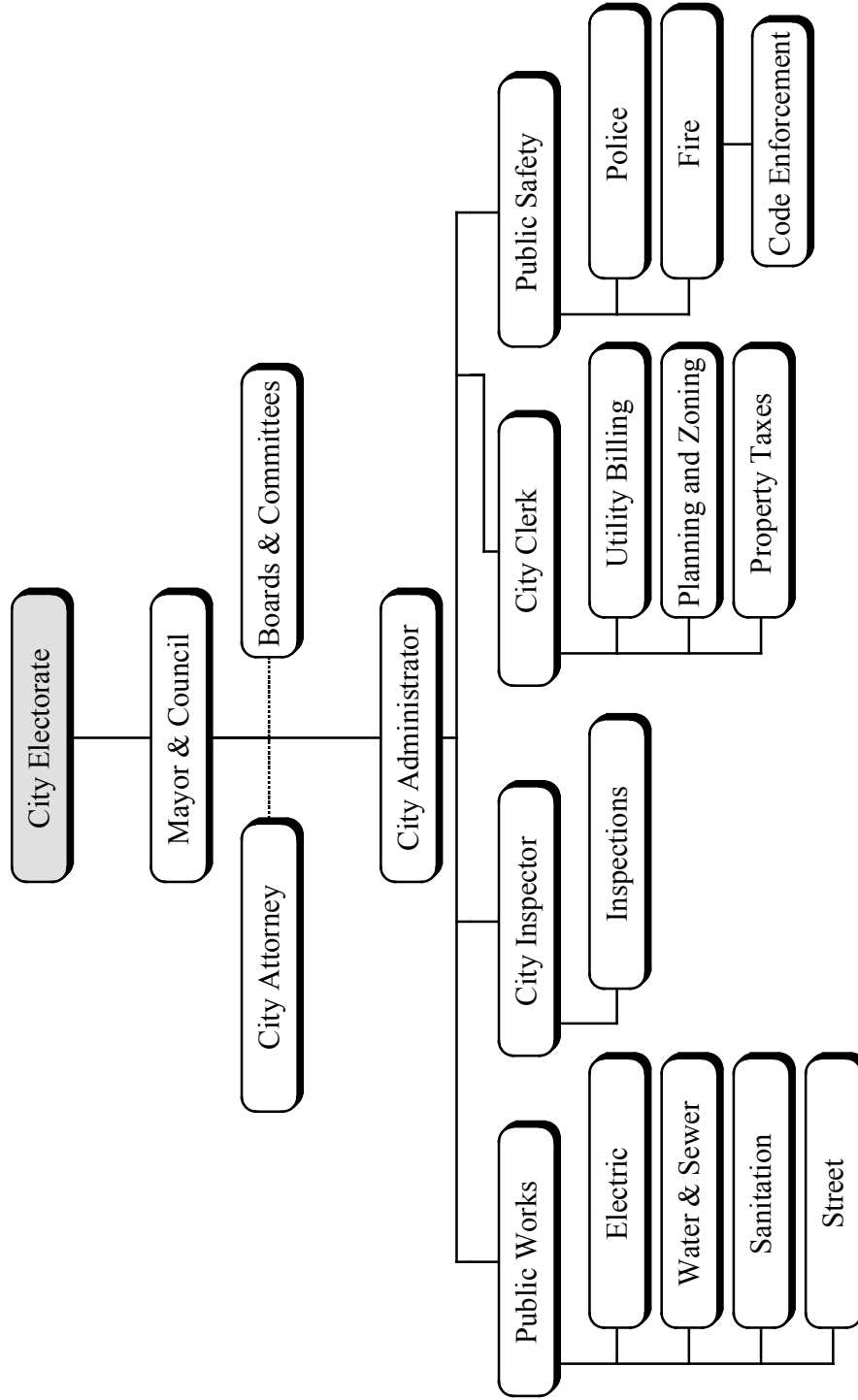
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CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING

LETTER OF TRANSMITTAL

# City of Palmetto, Georgia

## Organizational Chart



**CITY OF PALMETTO, GEORGIA  
CITY OFFICIALS  
2014**

MAYOR

*J. Clark Boddie*

CITY COUNCIL

*Laura Mullis*

*Larry Parrott*

*Lucinda Rockemore*

*Gregory Rusch*

*Leon Sumlin*

*Patty O'Hara Willey*

CITY ADMINISTRATOR

*William H. Shell*

CITY CLERK

*William H. Shell*

CHIEF OF POLICE

*Bobby Fronebarger*

FIRE CHIEF

*Henry Argo*

CITY RECORDER

*Russell Ross*

*H. Clay Collins*

BUILDING INSPECTOR

*Leonard Thompson*

*Charles Abbott Associates, Inc.*

CITY PLANNER

*The Collaborative Firm*

CITY ATTORNEYS

*McNally, Fox, Grant & Davenport*

CITY AUDITORS

*Post & Associates LLC*

# CITY OF PALMETTO, GEORGIA

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Government Finance Officers Association

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

Presented to

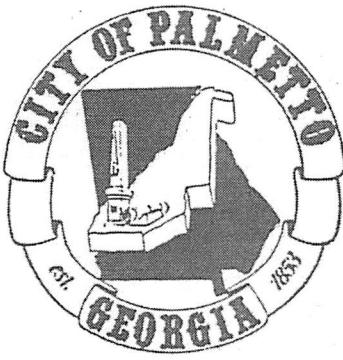
**City of Palmetto  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2013**

Executive Director/CEO





# City Of Palmetto

P. O. Box 190

Palmetto, Georgia 30268

Area Code 770 / 463-3377

Honorable J. Clark Boddie, Mayor  
and Members of the City Council  
City of Palmetto  
Palmetto, Georgia

Ladies and Gentlemen:

The comprehensive annual financial report of the City of Palmetto, Georgia for the fiscal year ended June 30, 2014, is hereby submitted. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the government. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, a copy of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for our most recent comprehensive annual financial report, the City's organizational chart and a list of principal officials. The transmittal letter includes general information about the City, economic condition and outlook for the City, major initiatives for the year and for the future and other information including the audit, awards and acknowledgments.

The financial section includes the independent auditor's report on the financial statements, management's discussion and analysis, the basic audited financial statements with combining and individual fund statements. This section also includes Required Supplementary Information.

The statistical section contains selected historical financial data, debt statistics and miscellaneous social and economic data generally presented on a multi-year basis.

## General Information - City of Palmetto

In the beginning there was wilderness; then there was Johnson's Store; next there was Willis P. Menefee's plantation; finally there was Palmetto. Thus, the story of the town of Palmetto, Georgia, evolves. Located twenty-five miles southwest of Atlanta, Palmetto grew in much the same way as Atlanta did. Settlement in South Fulton, as it is known today, began with the creation of Coweta County in 1826 and Campbell County in 1828. Most of the people who came to the new district were residents of other parts of Georgia who had won land in the 1827 Land Lottery or who had bought land from those who had won land grants. The first known development in the area that was eventually to become the Town of Palmetto occurred in 1833 with the construction of a general store by John H. Johnson, who was appointed the first postmaster. This store was located in northern Coweta County on a trail that would in the future yield itself to a well traveled roadway, later to be Highway 29, and to the West Point Railroad.

The next step in the process of developing a town came with the arrival in the 1840's of Willis P. Menefee, who is sometimes called the "father of the town". Major Menefee settled in an area near Johnson's Store and a Methodist campground. Tradition has it that the Menefee plantation included almost all of the territory now occupied by the

town of Palmetto. The "Major" saw to it that the settlement would grow into a cohesive and lasting community by donating land for churches, schools and parks. He also had a hand in the naming of the town that was to be.

It happened that in January of 1847 a regiment of soldiers under the leadership of General Butler was traveling from South Carolina on their way to fight in the Mexican War. The soldiers bivouacked for two weeks in the vicinity of the Menefee plantation and the Methodist campground. During this time, Major Menefee opened his home to the men and showed such hospitality to his guests that upon their departure they presented him with a handsome sword. More importantly, the soldiers suggested that this community might be named in honor of both their regiment and

their home state - they were the Palmetto Regiment from the Palmetto State. In May of that year the local residents agreed that henceforth this land was to be called Palmetto. In honor of this historic occasion, the town's first governmental official was elected, the Town Intendant, Dr. W.S. Zellars.



On February 18, 1854, the town of Palmetto was granted a charter by the state legislature and the first city limits were established. The first town commissioners were Willis P. Menefee, Samuel Swanson, James J. Beall, Reuben Melsaps and John M. Edwards. By the time the charter was granted, the railroad was already assuming a role in the making of the town. The Atlanta and LaGrange Railroad was completed to Palmetto on March 17, 1851. This railroad was built on a high ridge of land which runs on an easterly parallel to the Chattahoochee River from Atlanta to West Point. As a natural passageway, the ridge was once a trail used by Indians, and later became part of the Montgomery Stage Coach route. People who owned

land in the path of the railroad sold rights-of-way for passage through their property. Major Menefee, on the other hand, being a director and stockholder in the railroad company, gave all the land necessary for the laying of tracks and the building of the station in town.

Now Palmetto, which had been primarily a farming town, found itself becoming a railroad town. More businesses developed, more people moved into the district, and the area which began as a wilderness had truly become a town. The many occupations of the residents of Palmetto in the 1870's reveal a developing, self sustaining community. In the surrounding district, the families were engaged in farming, but in the town itself there were numerous dry good merchants and clerks, several physicians, a druggist, ministers, school teachers, a lawyer, a bailiff, a railroad engineer, a depot agent, a blacksmith, a painter, a boot maker, a plasterer, a brick molder, a wheelwright, carpenters, brick masons and a tobacconist agent.

Palmetto is a turn of the century City that has the charm and atmosphere of a small town with the convenience of a large city. Quaint but prosperous, Palmetto is expanding. Today, Palmetto has grown to a population of 4,625 with a population growth rate of 25% between 1980 and 1990, 27% between 1990 and 2000, and 42% between 2000 and 2014.

### Services Provided

Services provided by the City under general governmental functions include police and fire protection, planning and engineering, code enforcement, street maintenance, traffic control, parks operation and maintenance. In addition, electric, water and sewer services and solid waste collection and disposal services are provided under an Enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments on outstanding debt.

### The Organization of the Government

The City has a Mayor and Council - City Administrator form of government with a mayor and six council members in the governing body. The City Administrator is appointed by and serves at the pleasure of the City Council. The City Council annually adopts a balanced budget and establishes a tax rate for the support of City programs. The City Administrator has the responsibility of administering these programs in accordance with policies and the annual budget adopted by the City Council. Management has a reasonable basis for assuming responsibility for the

information contained in the basic financial statements as a result of implementing sound internal controls through segregation of accounting duties.

### **Economic Condition and Outlook**

The City of Palmetto is located in South Metro Atlanta just fifteen minutes south of Atlanta's Hartsfield-Jackson International Airport. The community is in close proximity to the dynamic Atlanta interstate hub of commerce being located in south Fulton County and north Coweta County, Palmetto is poised for economic development. Palmetto is known as the "Friendly City" and its current logo invites you to enjoy "Green Space, Blue Skies, Great People".

Two large parcels of land have been annexed into the City since 2006. One of the parcels was annexed in October 2006 and encompasses 3,717 acres on the northwest side of Palmetto within Fulton County. The size of the planned development in this area required designation as a Development of Regional Impact and was found in the best interest of the state by the Atlanta Regional Commission and the Georgia Regional Transportation Authority in January 2009. This area was rezoned as a Planned Unit Development District as part of a complete update to the City's Zoned Ordinance which was completed, approved, and adopted by the mayor and council in 2012.

The second parcel was annexed in January 2008 and is located on the southeast side of the City within Coweta County. Of the 255 acres annexed, the planned use for a portion of the acreage located along US Interstate I-85 included 55 acres for light industrial and 30 acres for general commercial.

### **Major Initiatives**

#### FOR THE YEAR

The sewer lines on Williams Street and Tommy Lee Cook Road have been TV'd and repaired in places. This was done with SPLOST Funds.

With the help of the city engineer, a business plan has been developed for the water supply system.

Two (2) new 2014 Ford Taurus have been purchased for the Police Department.

A sidewalk built along Carlton Road from Cascade Palmetto Highway (SR 154) approximately 5,900 linear feet (1.12 miles) has been completed. This project (Safe Routes to School) was funded by the State Department of Transportation. The sidewalk consists of three (3) crosswalks with signals at the cost of \$495,435.29.

The Palmetto Train Depot Museum continues to be open on Tuesday and Thursday from 10:00 am until 2:00 pm with volunteer help.

The City initiated Automatic/Mutual Aid Agreement with Coweta County. The City also received ISO Class 4/9 Rating for fire protectors.

#### FOR THE FUTURE

The new Palmetto Library is almost finished and should be open in December 2014. There are plans to paint the inside of the Palmetto Fire Headquarters at 595 Main Street. Also in the works are plans to install exhaust filters on fire trucks and replace lights in the bays at the fire station. The City will continue to prepare for the next ISO rating

for fire protectors. The City also plans to purchase a new police car in the next budget, and to install a new sidewalk along Phipps Road from Highway 29 East past Johnson Road intersection which will be paid for with LMIG funds.

<b>Other Information</b>
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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. Because the cost of internal control should not exceed expected benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

**Independent Audit.** State statutes require an annual audit by independent certified public accountants. The accounting firm of Post & Associates, CPA's LLC was selected. The independent auditors' report on the general purpose financial statements and combining and individual fund statements and schedules is included in the financial section of this report.

**Awards.** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Palmetto, Georgia for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the twenty-first consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**MD&A.** Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to compliment MD&A and should be read in conjunction with it. The City of Palmetto's MD&A can be found immediately following the report of the independent auditors.

**Acknowledgments.** I would like to take this opportunity to express my appreciation to Mayor J. Clark Boddie and each of the council members for your guidance and support in the preparation of this report. I would also like to express my sincere appreciation to department heads, Fire Chief Henry Argo, and Police Chief Bobby Fronebarger for their assistance and cooperation during the year to effect a better accounting and reporting system for the City of Palmetto, for without this assistance and cooperation this report would not have been possible.

Respectfully submitted,



William H. Shell  
City Administrator

December 15, 2014



CITY OF PALMETTO, GEORGIA

FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

***Independent Auditors' Report***

***ESTABLISHED 1968***

Honorable Mayor and Members of the City Council  
City of Palmetto  
Palmetto, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Palmetto, Georgia, as of and for the year ended June 30, 2014, which collectively comprise, in relation to coverage, the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City of Palmetto's nonmajor governmental funds as of and for the year ended June 30, 2014 presented as supplementary information in the accompanying combining fund financial statements. These financial statements are the responsibility of the City of Palmetto's management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinions, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund position of the City of Palmetto, Georgia, as of June 30, 2014 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary position of the of the General fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental fund as of and for the year ended June 30, 2014 in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated December 15, 2014, on our consideration of the City of Palmetto, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 13 through 19 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinions on them.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Capital Project Fund Budgetary Schedule of Revenues, Expenditures and Changes in Fund Balance, comparative Schedules of Revenues, Expenditures and Changes in Fund Net Assets for the Electric, Water and Sewer, and Sanitary Funds Capital Asset Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Palmetto, Georgia. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinions on them.



Peachtree City, Georgia  
December 15, 2014

**Post & Associates, LLC - Certified Public Accountants**

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2011 Commerce Drive • Suite F-107 • Peachtree City, Georgia • Office: (678) 290-5100 • Fax: (770) 774-1873

[postcpas.com](http://postcpas.com)

## **Management's Discussion and Analysis**

As management of the City of Palmetto, we offer readers of the City of Palmetto's financial statements this narrative overview and analysis of the financial activities of the City of Palmetto for the fiscal year ended June 30, 2014. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the City's financial statements, which follow this narrative.

### **Financial Highlights**

- The assets of the City of Palmetto exceeded its liabilities at the close of the fiscal year by \$15.8 million.
- The government's total net position increased by \$419,000 primarily due to a \$760,000 increase in revenues reduced by an increase in expenses of \$182,000 and prior period adjustments.
- As of the close of the current fiscal year, the City of Palmetto's governmental funds reported combined ending net position of \$3.9 million, a decrease of \$387,000 in comparison with the prior year.
- The City of Palmetto's total debt decreased by \$432,000 during the current fiscal year primarily due to principal payments of revenue bonds.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to City of Palmetto's basic financial statements. The City's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The basic financial statements present two different views of the City through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Palmetto.

### **Required Components of Annual Financial Report**

#### **Basic Financial Statements**

The first two statements (pages 20 & 21) in the basic financial statements are the Government-wide Financial Statements. They provide both short and long-term information about the City's financial status.

The next statements (pages 23- 32) are Fund Financial Statements. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statement; and 3) the proprietary funds statements.

The next section of the basic financial statements is the notes. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, supplemental information is provided to show details about the City's individual funds. Budgetary information required by the General

Statutes also can be found in this part of the statements.

### **Government-wide Financial Statements**

The government-wide financial statements, the Statement of Net Position and the Statement of Activities are designed to provide the reader with a broad overview of the City's finances, similar in format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how they have changed. Net Position is the difference between the City's total assets and total liabilities. Measuring net position is one way to gauge the City's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. The governmental activities include most of the City's basic services such as public safety, community services, and general administration. Property and other types of taxes and licenses and permits finance most of these activities. The business-type activities are those that the City charges customers to provide. These include the electric, water and sewer and sanitation services offered by the City.

### **Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. 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 of Palmetto, like all other governmental entities in Georgia, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the City's budget ordinance. All of the funds of City of Palmetto can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds** - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of Palmetto adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the City complied with the budget ordinance and whether or not the City succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement



shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

**Proprietary Funds** - City of Palmetto has three types of proprietary fund. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. City of Palmetto uses enterprise funds to account for its electric, water and sewer and sanitation operations. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**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 to the financial statements are on pages 33-51 of this report.

### Government-Wide Financial Analysis

#### City of Palmetto, Georgia Statement of Net Position - Primary Government

	<u>June 30, 2014</u>			<u>June 30, 2013</u>		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 625,629	\$ 2,658,727	\$ 3,284,356	\$ 863,329	\$ 2,275,319	\$ 3,138,648
Capital Assets - Net	3,490,664	17,232,166	20,722,830	3,675,475	17,206,077	20,881,552
Total assets	<u>\$ 4,116,293</u>	<u>\$ 19,890,893</u>	<u>\$ 24,007,186</u>	<u>\$ 4,538,804</u>	<u>\$ 19,481,396</u>	<u>\$ 24,020,200</u>
Long-Term Liabilities	9,457	6,566,541	6,575,998	8,327	7,036,303	7,044,630
Other Liabilities	167,997	1,443,784	1,611,781	204,666	1,370,688	1,575,354
Total Liabilities	<u>\$ 177,454</u>	<u>\$ 8,010,325</u>	<u>\$ 8,187,779</u>	<u>\$ 212,993</u>	<u>\$ 8,406,991</u>	<u>\$ 8,619,984</u>
Invested in Capital Assets, Net of Related Debt	\$ 3,490,664	\$ 10,197,166	\$ 13,687,830	\$ 3,675,475	\$ 9,716,077	\$ 13,391,552
Restricted for:						
Law Enforcement - Confiscated Fund	-	-	-	37,380	-	37,380
SLOST Capital Projects	195,282	-	195,282	133,738	-	133,738
Unrestricted	252,893	1,683,402	1,936,295	479,218	1,358,328	1,837,546
Total Net Position	<u>\$ 3,938,839</u>	<u>\$ 11,880,568</u>	<u>\$ 15,819,407</u>	<u>\$ 4,325,811</u>	<u>\$ 11,074,405</u>	<u>\$ 15,400,216</u>

City of Palmetto, Georgia  
Statement of Activities- Primary Government

	<u>June 30, 2014</u>			<u>June 30, 2013</u>		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for Services	\$ 310,172	\$ 5,752,353	\$ 6,062,525	\$ 289,619	\$ 4,784,171	\$ 5,073,790
Grants and Contributions	1,381,255	200,000	1,581,255	1,371,652	624,460	1,996,112
<b>General Revenues:</b>						
Property Taxes	918,796	-	918,796	861,840	-	861,840
Other Taxes	417,478	-	417,478	387,010	-	387,010
Other	17,680	12,506	30,186	32,063	23,448	55,511
<b>Total Revenues</b>	<b>3,045,381</b>	<b>5,964,859</b>	<b>9,010,240</b>	<b>2,942,184</b>	<b>5,432,079</b>	<b>8,374,263</b>
<b>Expenses:</b>						
General Government	615,047	-	615,047	589,941	-	589,941
Public Safety	2,372,200	-	2,372,200	2,361,333	-	2,361,333
Street	367,571	-	367,571	410,129	-	410,129
Community Services	184,752	-	184,752	177,631	-	177,631
Interest on Long-Term Debt	-	-	-	-	-	-
Electric	-	3,192,865	3,192,865	-	3,023,659	3,023,659
Water and Sewer	-	1,535,909	1,535,909	-	1,516,830	1,516,830
Sanitation	-	237,707	237,707	-	244,405	244,405
<b>Total Expenses</b>	<b>3,539,570</b>	<b>4,966,481</b>	<b>8,506,051</b>	<b>3,539,033</b>	<b>4,784,894</b>	<b>8,323,927</b>
<b>Increase (Decrease) in Net Position Before</b>						
Transfers and contributions	(494,189)	998,378	504,189	(596,849)	647,185	50,336
Transfers	(52,783)	(160,000)	(212,783)	475,540	(600,000)	(124,460)
Increase in Net Assets	(546,972)	838,378	291,406	(121,309)	47,185	(74,124)
Net Position, July 1	4,325,811	11,074,405	15,400,216	4,447,120	11,195,485	15,642,605
Prior Period Adjustments	-	(84,998)	(84,998)	-	(168,265)	(168,265)
<b>Net Position, June 30</b>	<b>\$ 3,778,839</b>	<b>\$ 11,827,785</b>	<b>\$ 15,606,624</b>	<b>\$ 4,325,811</b>	<b>\$ 11,074,405</b>	<b>\$ 15,400,216</b>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The total assets of the City of Palmetto exceeded total liabilities by \$15.8 million as of June 30, 2014. The City's net position increased by around \$419,000 for the fiscal year ended June 30, 2014.

The largest portion of assets is the City's investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. The City of Palmetto uses these capital assets to provide services to citizens and, therefore, these assets are not available for future spending. No portion of the city of Palmetto's net position represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance of \$1.9 million may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities:** Governmental activities decreased the City's net position by \$494,000 prior to transfers in of \$160,000 from the business-type funds, and a capital contribution to a business type fund of \$53,000.

**Business-type activities:** Business-type activities increased the City of Palmetto's net position by \$998,000 before a transfer out of \$160,000, a capital contribution received of \$53,000, and a prior period adjustment of a negative \$85,000. This all produced a net increase of \$806,000. This was primarily due to a rate increase for water and sewer services.

### **Financial Analysis of the City's Funds**

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

**Governmental Funds.** The focus of the City of Palmetto's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the City of Palmetto's financing requirements. Specifically, unreserved fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Palmetto. At the end of the current fiscal year, the Non-spendable fund balance was \$183,002 and the unassigned fund balance was (\$75,690). The Confiscated Fund had no fund balance at year end. SPLOST had a restricted balance of \$195,282. At June 30, 2014, the governmental funds of City of Palmetto reported a combined fund balance of \$302,594, a decrease of 37.8% over the prior year. The main reason for the decrease in the fund balance over the previous year is due to a reduction in transfers in from the Electric Fund.

**General Fund Budgetary Highlights:** Overall revenues were very close to the budgeted amounts. Expenditures came in less than budgeted except for Capital Outlay which came in over budget by \$23 thousand. The fund balance came in with a favorable variance of \$800 after a transfer in of \$197,000.

**Proprietary Funds.** The City of Palmetto's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The unrestricted portion of the net position of the Electric Fund at the end of the fiscal year amounted to just under \$1.7 million. This represents an increase of \$325,000 over the previous year. The unrestricted portion of the net position of all of the proprietary funds showed increases over the prior year. The largest increase was in the Water and Sewer Fund which experienced an increase of over \$143,000, due mostly to a rate increase for services.

### **Capital Asset and Debt Administration**

**Capital Assets.** The City of Palmetto's investment in capital assets for its governmental and business-type activities as of June 30, 2014, totals \$20.4 million (net of accumulated depreciation). These assets include land, buildings and improvements, utility systems, vehicles and equipment, and infrastructure.

Additional information on the City's capital assets can be found in Note 5 pages 41 and 42 of the Basic Financial Statements.

## City of Palmetto's Capital Assets

	Acquisition Cost		
	Governmental Activities	Business-Type Activities	Total
Land	\$ 291,180	\$ 6,667	\$ 297,847
Construction in Progress	-	1,849,070	1,849,070
Buildings and Improvements	3,066,224	302,807	3,369,031
Distribution System	-	20,123,195	20,123,195
Vehicles, Equipment, and Furniture	1,687,997	435,372	2,123,369
Infrastructure	503,385	-	503,385
<b>Total</b>	<b>\$ 5,548,786</b>	<b>\$ 22,717,111</b>	<b>\$ 28,265,897</b>

Long-term Debt. As of June 30, 2014 the City of Palmetto had long term bonded debt outstanding of \$7,035,000 (including the amount due within one year) resulting from the issuance of a Combined Public Utility Revenue Bond series 2005 to be repaid by the City commencing July 1, 2008 with the final payment due July 1, 2025. See note 5D on pages 43-44.

The City of Palmetto's total debt decreased by \$455,000 during the past fiscal year.

Georgia general statutes limit the amount of general obligation debt that a unit of government can issue to 10 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for City of Palmetto is \$12.23 million.

Additional information regarding the City of Palmetto's long-term debt can be found in Note 5 on pages 44-45 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

The following key economic indicator reflects the reason for potential growth and prosperity of the City:

- Continued growth in the tax base projected due to proximity of the City of Atlanta once home values stabilize and increase.

### **Budget Highlights for the Fiscal Year Ending June 30, 2014**

**Governmental Activities:** Tax revenue is expected to be about \$1.3 million in 2015 which is about the same as the 2014 actual. Fines and forfeitures are budgeted to rise \$20,000 over the actual number received in 2014. Overall governmental revenues are budgeted to increase \$280,000 to \$3.3 million over the actual received in 2014. Expenditures overall are budgeted to decrease by \$65,000 over actual 2014 numbers.

**Business - type Activities:** The budget for the Electric Fund shows anticipated revenue of \$3.77 million which is in about \$344,000 higher than the actual received in 2014. Anticipated expenditures are just under

\$3 million which includes about \$56,000 for capital outlay. This is \$200,000 less than the actual expended in 2014.

The Water and Sewer Fund is budgeted for total revenues of \$2.1 million, an increase of \$103,000 over actual 2014 revenues. Expenses are expected to be \$2.34 million excluding depreciation of around \$370,000 and including capital outlay of \$159,000.

The Sanitation Fund is expected to perform similarly to 2014.

### **Requests for Information**

This report is designed to provide an overview of the City's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the City Administrator, City of Palmetto, P.O. Box 190, Palmetto, GA 30268.

CITY OF PALMETTO, GEORGIA

STATEMENT OF NET POSITION

June 30, 2014

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash on Hand and In Banks	\$ 4,530	\$ 1,169,350	\$ 1,173,880
Ad Valorem Taxes Receivable	221,483	-	221,483
Local Option Sales Taxes Receivable	94,928	-	94,928
Alcoholic Beverage Taxes Receivable	8,074	-	8,074
Franchise Taxes Receivable	24,508	-	24,508
Police Fines Receivable	81,444	-	81,444
Insurance Proceeds Receivable	7,660	-	7,660
Prepaid Assets	165,558	51,648	217,206
Utility Accounts Receivable (Net of Allowance for Uncollectibles)	-	774,408	774,408
Other Receivables	-	1,564	1,564
Inventories	17,444	390,191	407,635
Total Current Assets	<u>625,629</u>	<u>2,387,161</u>	<u>3,012,790</u>
Non-Current Assets:			
Deferred Charges	-	271,566	271,566
Capital Assets not being depreciated			
Land and Improvements	291,180	6,667	297,847
Construction In Progress	-	1,849,070	1,849,070
Capital Assets being depreciated			
Capital Assets (net of Accumulated Depreciation)	3,199,484	15,376,429	18,575,913
Total Non-current Assets	<u>3,490,664</u>	<u>17,503,732</u>	<u>20,994,396</u>
Total Assets	<u>\$ 4,116,293</u>	<u>\$ 19,890,893</u>	<u>\$ 24,007,186</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities			
Current Liabilities (Payable from Current Assets):			
Accounts Payable	\$ 16,976	\$ 332,787	\$ 349,763
Accrued Liabilities and Payroll Taxes	24,039	23,467	47,506
Accrued Compensated Absences	85,113	13,872	98,985
Deferred Revenue Tax Auction Sales	29,906	-	29,906
Utility Deposits	-	460,998	460,998
Inspector Deposit-Developments	11,963	-	11,963
Revenue Bonds Payable	-	470,000	470,000
Accrued Bond Interest Payable	-	142,660	142,660
Total Current Liabilities (Payable from Current Assets):	<u>167,997</u>	<u>1,443,784</u>	<u>1,611,781</u>
Noncurrent Liabilities			
Compensated Absences	9,457	1,541	10,998
Revenue Bonds Payable	-	6,565,000	6,565,000
Total Noncurrent Liabilities	<u>9,457</u>	<u>6,566,541</u>	<u>6,575,998</u>
Total Liabilities	<u>177,454</u>	<u>8,010,325</u>	<u>8,187,779</u>
Net Position:			
Net Investment in Capital Assets	3,490,664	10,197,166	13,687,830
Restricted for:			
Law Enforcement - Confiscated Fund	-	-	-
SPLOST Capital Projects	195,282	-	195,282
Unrestricted	252,893	1,683,402	1,936,295
Total Net Position	<u>\$ 3,938,839</u>	<u>\$ 11,880,568</u>	<u>\$ 15,819,407</u>

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

CITY OF PALMETTO, GEORGIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-Type Activities		Total
<b>Functions/Programs</b>								
<b>Primary Government</b>								
Governmental activities:								
General Government	\$ 615,047	\$ 87,786	\$ -	\$ 1,118,059	\$ 590,798	\$ -	\$ -	\$ 590,798
Public Safety	2,372,200	79,935	158,227	-	(2,134,038)	-	-	(2,134,038)
Street	367,571	120,873	-	104,969	(141,729)	-	-	(141,729)
Special Services	184,752	21,578	-	-	(163,174)	-	-	(163,174)
Total governmental activities	<u>3,539,570</u>	<u>310,172</u>	<u>158,227</u>	<u>1,223,028</u>	<u>(1,848,143)</u>	<u>-</u>	<u>-</u>	<u>(1,848,143)</u>
Business activities:								
Electric Utilities	3,192,865	3,427,094	-	-	-	234,229	-	234,229
Water and Sewer Utilities	1,535,909	1,992,055	200,000	-	-	656,146	-	656,146
Sanitation Utilities	237,707	333,204	-	-	-	95,497	-	95,497
Total Business-type Activities	<u>4,966,481</u>	<u>5,752,353</u>	<u>200,000</u>	<u>-</u>	<u>-</u>	<u>985,872</u>	<u>-</u>	<u>985,872</u>
Total primary government	<u>\$ 8,506,051</u>	<u>\$ 6,062,525</u>	<u>\$ 358,227</u>	<u>\$ 1,223,028</u>	<u>(1,848,143)</u>	<u>985,872</u>	<u>-</u>	<u>(862,271)</u>
General Revenues:								
Ad Valorem Tax					790,768	-	-	790,768
Motor Vehicle Tax					128,028	-	-	128,028
Franchise Tax					92,327	-	-	92,327
Insurance Premium Tax					231,509	-	-	231,509
Beer/Wine/Liquor Tax					86,266	-	-	86,266
Transfer Tax					1,565	-	-	1,565
Intangible Tax					5,811	-	-	5,811
Interest Income					369	-	-	369
Insurance Proceeds from Vehicle Crash					7,660	-	-	7,660
Miscellaneous					9,651	12,506	-	22,157
Transfers					160,000	(160,000)	-	-
Capital Contributions					(52,783)	52,783	-	-
Total General Revenues and Transfers					<u>1,461,171</u>	<u>(94,711)</u>	<u>-</u>	<u>1,366,460</u>
Change in Net Position					(386,972)	891,161	-	504,189
Net Position Beginning					4,325,811	11,074,405	-	15,400,216
Prior Period Adjustments					-	(84,998)	-	(84,998)
Net Position Ending					<u>\$ 3,938,839</u>	<u>\$ 11,880,568</u>	<u>\$ 15,819,407</u>	<u>\$ 15,819,407</u>

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



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CITY OF PALMETTO, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash on Hand and In Banks	\$ (186,709)	\$ 191,239	4,530
Ad Valorem Taxes Receivable	221,483	-	221,483
Local Option Sales Taxes Receivable	90,885	4,043	94,928
Alcoholic Beverage Taxes Receivable	8,074	-	8,074
Franchise Taxes Receivable	24,508	-	24,508
Police Fines Receivable	81,444	-	81,444
Insurance Proceeds Receivable	7,660	-	7,660
Prepaid Items	165,558	-	165,558
Inventories	17,444	-	17,444
	<u>17,444</u>	<u>-</u>	<u>17,444</u>
Total Assets	<u>\$ 430,347</u>	<u>\$ 195,282</u>	<u>\$ 625,629</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable	\$ 16,976	\$ -	\$ 16,976
Accrued Salaries and Taxes Payable	24,039	-	24,039
Accrued Compensated Absences	85,113	-	85,113
Inspector Deposit - Developments	11,963	-	11,963
Total Liabilities	<u>138,091</u>	<u>-</u>	<u>138,091</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Ad Valorem Tax Revenue	155,038	-	155,038
Unavailable Revenue Tax Auction Sales	29,906	-	29,906
Total Deferred Inflows of Resources	<u>184,944</u>	<u>-</u>	<u>184,944</u>
Fund Balance			
Nonspendable			
Prepaid Items	165,558	-	165,558
Inventories	17,444	-	17,444
Restricted for:			
Law Enforcement - Confiscated Fund	-	-	-
SPLOST Capital Projects	-	195,282	195,282
Unassigned	(75,690)	-	(75,690)
Total Fund Balance	<u>107,312</u>	<u>195,282</u>	<u>302,594</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 430,347</u>	<u>\$ 195,282</u>	
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets of \$6,581,822 net of accumulated depreciation of \$3,095,747 are not financial resources and, therefore, are not reported in the funds.			3,490,664
Accrued compensated absences considered long-term do not require the use of current resources and therefore not recorded in the governmental funds.			(9,457)
Deferred ad valorem taxes are not available to pay current-period expenditures and, therefore, are deferred in the funds.			<u>155,038</u>
Net Position of Governmental Activities			<u>\$ 3,938,839</u>

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

CITY OF PALMETTO, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total</u>
<b>Revenues:</b>			
Taxes:			
Ad Valorem Tax	\$ 807,532	\$ -	\$ 807,532
Motor Vehicle Tax	128,028	-	128,028
Franchise Tax	92,327	-	92,327
Insurance Premium Tax	231,509	-	231,509
Beer, Wine, Liquor Tax	86,266	-	86,266
Transfer Taxes	1,565	-	1,565
Intangibles Taxes	5,811	-	5,811
Total Taxes	<u>1,353,038</u>	<u>-</u>	<u>1,353,038</u>
Licenses and Permits:			
Business Licenses	51,865	-	51,865
Building & Other Permits	35,921	-	35,921
Total Licenses and Permits	<u>87,786</u>	<u>-</u>	<u>87,786</u>
Intergovernmental Revenues:			
Intergovernmental L.O.S.T. Taxes	1,003,696	114,242	1,117,938
Community Development Grant	54,906	-	54,906
LMI Grant	50,063	-	50,063
FEMA Fire Grant	158,227	-	158,227
Total Intergovernmental Revenues	<u>1,266,892</u>	<u>114,242</u>	<u>1,381,134</u>
Fines and Forfeitures:			
Police Department	79,935	-	79,935
Miscellaneous:			
Landfill Tipping Fees	120,873	-	120,873
Senior Center Transportation	21,578	-	21,578
Community Center	1,400	-	1,400
Cemetery Lot Sales	4,600	-	4,600
Interest Income	369	121	490
Other Miscellaneous	3,652	-	3,652
Total Miscellaneous	<u>152,472</u>	<u>121</u>	<u>152,593</u>
Total Revenues	<u>\$ 2,940,123</u>	<u>\$ 114,363</u>	<u>\$ 3,054,486</u>

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

CITY OF PALMETTO, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

Year Ended June 30, 2014

	General	Other Governmental Funds	Totals
<b>Expenditures:</b>			
Current:			
Administrative	\$ 584,896	\$ 26	\$ 584,922
Police	1,211,391	-	1,211,391
Fire Department	1,058,145	-	1,058,145
Street	315,009	-	315,009
Special Services	49,078	-	49,078
Total Current Expenditures	<u>3,218,519</u>	<u>26</u>	<u>3,218,545</u>
Capital Outlay:			
Administrative	7,748	-	7,748
Police	73,018	-	73,018
Fire Department	6,601	-	6,601
Street	47,399	-	47,399
Special Services	320	-	320
Water and Sewer	-	52,783	52,783
Total Capital Outlay	<u>135,086</u>	<u>52,783</u>	<u>187,869</u>
Total Expenditures	<u>3,353,605</u>	<u>52,809</u>	<u>3,406,414</u>
Excess (Deficit) of Revenues Over Expenditures Before	(413,482)	61,554	(351,928)
<b>Other Financing Sources</b>			
Transfers in	197,390		197,390
Transfers out		(37,390)	(37,390)
Insurance Proceeds from Vehicle Crash	7,660	-	7,660
Total Other Financing Sources	<u>205,050</u>	<u>(37,390)</u>	<u>167,660</u>
Net Change in Fund Balance	(208,432)	24,164	(184,268)
Fund Balance Beginning	<u>315,744</u>	<u>171,118</u>	<u>486,862</u>
Fund Balance Ending	<u>\$ 107,312</u>	<u>\$ 195,282</u>	<u>\$ 302,594</u>

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

CITY OF PALMETTO, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES

Year Ended June 30, 2014

Net change in fund balances - total governmental funds:	\$ (184,268)
Amounts reported for governmental activities in the statements of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over the estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$186,129 exceeded depreciation of \$324,486 in the current period.	(132,028)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(1,129)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(16,764)
Assets constructed in one fund for the benefit of another fund are classified as capital contributions in the fund receiving the assets but are classified as transfers in both funds in the statements of activities.	<u>(52,783)</u>
Change in Net Position of Government Activities	<u>\$ (386,972)</u>

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

CITY OF PALMETTO, GEORGIA

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

Year Ended June 30, 2014

	Budget		Actual	Variance- Positive (Negative)
	Original	Revised		
<b>Revenues:</b>				
Taxes	\$ 1,336,254	\$ 1,336,254	1,353,038	\$ 16,784
Licenses and Permits	31,500	31,500	87,786	56,286
Intergovernmental Revenues	1,207,092	1,207,092	1,266,892	59,800
Fines and Forfeitures	100,000	100,000	79,935	(20,065)
Special Services	51,200	51,200	27,578	(23,622)
Miscellaneous Revenue	257,050	257,050	132,554	(124,496)
Total Revenues	<u>2,983,096</u>	<u>2,983,096</u>	<u>2,947,783</u>	<u>(35,313)</u>
<b>Expenditures:</b>				
Administrative	650,706	620,706	584,896	35,810
Police Department	1,383,435	1,383,435	1,211,391	172,044
Fire/Emergency Medical Department	1,249,119	1,249,119	1,058,145	190,974
Street Department	433,830	433,830	315,009	118,821
Special Services	57,500	57,500	49,078	8,422
Mayor & Council Contingency	109,450	109,450	-	109,450
Capital Outlay	111,678	141,678	135,086	6,592
Total Expenditures	<u>3,995,718</u>	<u>3,995,718</u>	<u>3,353,605</u>	<u>642,113</u>
Excess (Deficiency) of Revenues over Expenditures	(1,012,622)	(1,012,622)	(405,822)	606,800
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	197,390	197,390
Net Change in Fund Balance	(1,012,622)	(1,012,622)	(208,432)	804,190
Fund Balance at Beginning of Year	<u>315,744</u>	<u>315,744</u>	<u>315,744</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ (696,878)</u>	<u>\$ (696,878)</u>	<u>\$ 107,312</u>	<u>\$ 804,190</u>

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



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CITY OF PALMETTO, GEORGIA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2014

	Electric Fund	Water and Sewer Fund	Sanitation Fund	Total
<b>ASSETS</b>				
Current Assets:				
Cash in Banks	\$ 554,431	\$ 266,058	\$ 348,861	\$ 1,169,350
Prepaid Expenses	17,969	33,679		51,648
Utility Accounts Receivable (Net of Allowance for Uncollectibles)	463,840	246,987	63,581	774,408
Other Receivables	1,564	-		1,564
Inventories	360,909	29,282		390,191
Total Current Assets	<u>1,398,713</u>	<u>576,006</u>	<u>412,442</u>	<u>2,387,161</u>
Noncurrent Assets:				
Deferred Charges	-	271,566	-	271,566
Capital Assets Not Being Depreciated:				
Land	6,667		-	6,667
Construction In Progress		1,849,070	-	1,849,070
Capital Assets Being Depreciated:				
Buildings	62,132	1,850	-	63,982
Utility Distribution System	2,652,015	17,471,180	-	20,123,195
Water Tanks	-	238,825	-	238,825
Machinery, Vehicles, and Equipment	287,742	147,630	-	435,372
Total	<u>3,008,556</u>	<u>19,708,555</u>	<u>-</u>	<u>22,717,111</u>
Less: Accumulated Depreciation	<u>(1,136,417)</u>	<u>(4,348,528)</u>	<u>-</u>	<u>(5,484,945)</u>
Total Capital Assets	<u>1,872,139</u>	<u>15,360,027</u>	<u>-</u>	<u>17,232,166</u>
Total Noncurrent Assets	<u>1,872,139</u>	<u>15,631,593</u>	<u>-</u>	<u>17,503,732</u>
Total Assets	<u>\$ 3,270,852</u>	<u>\$ 16,207,599</u>	<u>\$ 412,442</u>	<u>\$ 19,890,893</u>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
Current Liabilities (Payable from Current Assets):				
Accounts Payable	\$ 252,480	\$ 42,952	\$ 37,355	\$ 332,787
Accrued Liabilities and Payroll Taxes	17,637	5,830	-	23,467
Accrued Compensated Absences	8,534	5,338	-	13,872
Utility Deposits	439,411	21,587	-	460,998
Revenue Bonds Payable	-	470,000	-	470,000
Total Current Liabilities (Payable from Current Assets):	<u>718,062</u>	<u>545,707</u>	<u>37,355</u>	<u>1,301,124</u>
Current Liabilities Payable from Restricted Assets:				
Accrued Bond Interest Payable	-	142,660	-	142,660
Total Current Liabilities (Payable from Restricted Assets)	<u>-</u>	<u>142,660</u>	<u>-</u>	<u>142,660</u>
Total Current Liabilities	<u>718,062</u>	<u>688,367</u>	<u>37,355</u>	<u>1,443,784</u>
Noncurrent Liabilities				
Compensated Absences	948	593	-	1,541
Revenue Bonds Payable	-	6,565,000	-	6,565,000
Total Non-Current Liabilities	<u>948</u>	<u>6,565,593</u>	<u>-</u>	<u>6,566,541</u>
Total Liabilities	<u>719,010</u>	<u>7,253,960</u>	<u>37,355</u>	<u>8,010,325</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,872,139	8,325,027	-	10,197,166
Unrestricted	679,703	628,612	375,087	1,683,402
Total Net Position	<u>\$ 2,551,842</u>	<u>\$ 8,953,639</u>	<u>\$ 375,087</u>	<u>\$ 11,880,568</u>

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

CITY OF PALMETTO, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2014

	Electric Fund	Water and Sewer Fund	Sanitation Fund	Total
<b>Operating Revenues:</b>				
Sales of Utilities	\$ 3,310,560	\$ 1,948,134	\$ -	\$ 5,258,694
Sanitation Charges	-	-	315,795	315,795
Penalties	80,551	43,911	16,384	140,846
Service, Cut on, and Permit Fees	7,712	-	-	7,712
Miscellaneous	28,271	10	1,025	29,306
<b>Total Operating Revenue</b>	<b>3,427,094</b>	<b>1,992,055</b>	<b>333,204</b>	<b>5,752,353</b>
<b>Operating Expenses:</b>				
Purchase of Utilities	2,760,568	19,013	-	2,779,581
Sewer Treatment	-	301,988	-	301,988
Salaries	156,347	199,192	-	355,539
Payroll Taxes	11,731	14,690	-	26,421
Retirement	20,291	25,670	-	45,961
Insurance (Group)	42,542	53,903	-	96,445
Training	11,740	743	-	12,483
Uniforms	3,938	3,411	-	7,349
Insurance - Vehicles and Equipment	8,760	2,539	-	11,299
Insurance - Other	5,346	12,032	-	17,378
Georgia Public Web	1,771	-	-	1,771
Bad Debts	160	2,541	10,560	13,261
Professional Fees	31,004	23,050	-	54,054
Miscellaneous Administrative Expenses	1,253	8,564	-	9,817
Postage	1,267	-	-	1,267
Office Supplies	573	-	-	573
Depreciation Expense	73,045	368,531	-	441,576
Contracted Services	-	-	227,147	227,147
Repairs and Maintenance:				
Buildings	1,043	-	-	1,043
Distribution System	-	100,364	-	100,364
Equipment	2,041	7,687	-	9,728
Vehicles	1,812	1,350	-	3,162
Gas and Oil	11,431	10,791	-	22,222
Supplies	11,479	39,918	-	51,397
Equipment Rental	40	9,763	-	9,803
Telephone	4,456	9,528	-	13,984
Utilities	1,531	2,555	-	4,086
Miscellaneous Operating Expense	28,696	1,715	-	30,411
<b>Total Operating Expenses</b>	<b>3,192,865</b>	<b>1,219,538</b>	<b>237,707</b>	<b>4,650,110</b>
<b>Operating Income</b>	<b>\$ 234,229</b>	<b>\$ 772,517</b>	<b>\$ 95,497</b>	<b>\$ 1,102,243</b>

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



CITY OF PALMETTO, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2014

	Electric Fund	Water and Sewer Fund	Sanitation Fund	Total
<b>Nonoperating Revenues (Expenses):</b>				
Amortization Expense	-	(27,050)	-	(27,050)
Contribution from MEAG	12,506	200,000	-	212,506
Bond Interest	-	(289,321)	-	(289,321)
Total Nonoperating Revenues (Expenses)	<u>12,506</u>	<u>(116,371)</u>	<u>-</u>	<u>(103,865)</u>
Capital Contributions	-	52,783	-	52,783
Transfers (Out)	(160,000)	-	-	(160,000)
Change in Net Position	86,735	708,929	95,497	891,161
Net Position, Beginning of Year	2,517,565	8,277,250	279,590	11,074,405
Prior Period Adjustment	<u>(52,458)</u>	<u>(32,540)</u>	<u>-</u>	<u>(84,998)</u>
Net Position, End of Year	<u>\$ 2,551,842</u>	<u>\$ 8,953,639</u>	<u>\$375,087</u>	<u>\$ 11,880,568</u>

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

CITY OF PALMETTO, GEORGIA

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2014

	Electric Fund	Water & Sewer Fund	Sanitation Fund	Total
Increase (Decrease) in Cash:				
Cash Provided by (Used in) Operating Activities:				
Receipts from Customers	\$ 3,465,784	\$ 1,893,175	\$ 339,195	\$ 5,698,154
Payments to Suppliers	(2,949,448)	(586,999)	(237,760)	(3,774,207)
Payments to Employees	(156,347)	(199,192)	-	(355,539)
Net Cash Provided by (Used in) Operating Activities	<u>359,989</u>	<u>1,106,984</u>	<u>101,435</u>	<u>1,568,408</u>
Cash Flows from Non-Capital Financing Activities:				
Transferred from (to) Other Funds	(160,000)	-	-	(160,000)
Net Cash Flows from Non-Capital Financing Activities:	<u>(160,000)</u>	<u>-</u>	<u>-</u>	<u>(160,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Cash Paid for Additions to Property, Plant and Equipment	(21,135)	(473,581)	-	(494,716)
Insurance Proceeds Due to Fire	-	-	-	-
Contribution from MEAG	12,506	200,000	-	212,506
Principal Paid on Bond Indebtedness	-	(455,000)	-	(455,000)
Interest Paid on Bond Indebtedness	-	(297,283)	-	(297,283)
Net Cash Flows from Capital and Related Financing Activities	<u>(8,629)</u>	<u>(1,025,864)</u>	<u>-</u>	<u>(1,034,493)</u>
Cash Flows From Investing Activities:				
Income on Investments and Interest Bearing Accounts	-	-	-	-
Net Cash From Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash	191,360	81,120	101,435	373,915
Cash at Beginning of Year	<u>363,071</u>	<u>184,938</u>	<u>247,426</u>	<u>795,435</u>
Cash at End of Year	<u>\$ 554,431</u>	<u>\$ 266,058</u>	<u>\$ 348,861</u>	<u>\$ 1,169,350</u>
Classified As:				
Cash on Hand and in Banks	554,431	266,058	348,861	1,169,350
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	<u>234,229</u>	<u>772,517</u>	<u>95,497</u>	<u>1,102,243</u>
Adjustments Not Affecting Cash:				
Depreciation and Amortization	73,045	395,581	-	468,626
Prior Period Adjustment	(52,458)	(32,540)	-	(84,998)
Capital contribution from SPLOST Fund	-	52,783	-	52,783
Change in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(15,956)	(98,978)	5,991	(108,943)
(Increase) Decrease in Inventory	52,458	32,540	-	84,998
(Increase) Decrease in Prepaid Expenses	(25)	(12,572)	-	(12,597)
Increase (Decrease) in Accounts Payable	17,005	(1,375)	(53)	15,577
Increase (Decrease) in Accrued Liabilities	(2,955)	(1,070)	-	(4,025)
Increase (Decrease) in Utility Deposits	54,646	98	-	54,744
Total Adjustments	<u>125,760</u>	<u>334,467</u>	<u>5,938</u>	<u>466,165</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 359,989</u>	<u>\$ 1,106,984</u>	<u>\$ 101,435</u>	<u>\$ 1,568,408</u>
Non-cash Investing, Capital, and Financing Activities:	-	-	-	-

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

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

### 1) Scope of Reporting Entity

The City of Palmetto was incorporated on February 18, 1854, under the provisions of an Act of the General Assembly of Georgia. The City operates under the Mayor and Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, electricity, water and sewer, social services, culture-recreation, public improvements, planning and zoning, and general administrative services.

The City considered all potential component units for inclusion in these financial statements because of significant operational or financial relationships, as required by accounting principles generally accepted in the United States of America. For the year ended June 30, 2014, the City has no component units.

### (2) Summary of Significant Accounting Policies

The accounting policies of The City of Palmetto conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

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

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the activities of the primary government. The effect of inter-fund activity, within the governmental and business-type activities columns have not been eliminated in the process of consolidation. 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.

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. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City applies all applicable FASB pronouncements issued on or after

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

November 30, 1989 in accounting and reporting for its proprietary operations, unless they conflict with GASB guidance.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds financial statements. Revenues are recorded when earned and expense are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

All governmental funds are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, franchise taxes, licenses, charges for services and investment income associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenues are considered to be measurable and available only when cash is received by the City. Expenditures are recorded when the related fund liability is incurred. 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, claims, and judgments are recorded only when payment is due.

Sales taxes collected and held by the State at year end on behalf of the City also are recognized as revenue. Fines, permits and fees revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The government reports the following major governmental funds:

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

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed, or recovered primarily through user charges; or (b) where the governing body has decided that the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

The government reports the following major proprietary funds:

The **Electric Fund** accounts for the activities of the City's electric distributions operations.

The **Water and Sewer Fund** accounts for the activities of the City's water and sewer services.

The **Sanitation Fund** accounts for the activities of the City's sanitation services.

Amounts reported as program revenues include 1) Charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

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 the principal ongoing operations of the proprietary fund. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### C. Assets, Liabilities, and Net Assets or Equity

#### 1. Deposits and Investments

The investments of the City consist of bank certificates of deposit and are stated at cost which is equal to fair value. Accrued interest receivable on these investments is shown separately.

#### 2. Receivables and Payables

All trade and property tax receivables are shown net of an allowance for uncollectible accounts.

The tax digest for the calendar year is compiled by Fulton and Coweta County and is presented to the City by the first of September. The digest is reviewed by the City and tax bills are mailed by November 1st of each year and due on or before December 31st. The City may place liens for any and all debts after the due date.

#### 3. Inventories and Prepaid Items

Inventories of supplies and materials are valued at cost using the first-in, first-out method of accounting. Reported inventories in the General Fund are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The consumption method is used to account for inventories within the governmental funds and proprietary funds.

Prepaid items are amortized over their useful lives, generally one year. The current balance represents insurance costs paid for the year ended June 30, 2014. Reported prepaid items in the General Fund are equally offset by a

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The City uses the purchases method to account for prepaid items in governmental funds.

It is the City's policy to first apply unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$300 and an estimated useful life in excess of 5 years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant, and equipment of the City is depreciated using the straight-line method over the following estimated useful lives:

Asset	Years
Buildings	30
Building Improvements	15
Vehicles	5-10
Office Equipment	5-7
Computer Equipment	5
Furniture	10
Water Distribution System	50
Infrastructure	30

### 5. Compensated Absences

The City provides vacation and sick leave benefits to all eligible employees and permits an accumulation of a maximum of twenty (20) days of vacation. The City, however, does not recognize unused sick pay as a liability, because it does not meet the criteria for accrual. The cost of vacation and sick pay benefits exercised during the current year has been included in the expenditures/expenses of the statements. Provision has been made for accumulated (accrued) vacation-pay benefits and it is included in the Government-wide Statement of Net Assets. The liability for compensated vacation benefits city-wide was \$109,983 compared to \$96,676 in the previous

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

year which represents an increase of \$13,307. The short-term portion for the governmental funds is included in the Balance Sheet for Governmental Funds.

### 6. Long-term Obligations

In the Government-wide financial statements and proprietary fund types in the fund financial statements long-term obligations are reported as liabilities in the applicable governmental or business-type activities. Bond premiums and discount, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. As of June 30, 2014 the City had outstanding bonds of \$7,035,000 resulting from the issuance of a Combined Public Utility Revenue Bond, Series 2005 on March 9, 2006.

### 7. Fund Equity

#### Fund Balances:

- Non-spendable - The following fund balances are non-spendable because they are allocated to:

<u>General Fund</u>	
Prepaid Items	\$ 165,558
Inventories	<u>17,444</u>
Total	<u>\$ 183,002</u>

- Restricted - The following fund balances are restricted for:

Law Enforcement - Confiscated Fund	\$ -
SPLOST Capital Projects	<u>195,282</u>
Total	<u>\$ 195,282</u>

- Assigned – The following fund balance is assigned to:

Assigned to General Fund - 2014 Budget	<u>\$ (75,690)</u>
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The City considers unrestricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City considers unassigned amounts to have been spent when an expenditure is incurred for purposes for which amounts in unrestricted fund balance classifications could be used. The City Council is authorized to assign amounts to a specific purpose. The City does not have a policy for assigning amounts.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

### (3) Reconciliation of Government-wide and Fund Financial Statements.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The details of this difference are as follows:

Capital outlay	\$	187,869
Depreciation expense		(319,897)
Net adjustment to increase changes in fund balances total government funds to arrive at changes in net assets of governmental activities	\$	<u>(132,028)</u>

Another element of that reconciliation states "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The detail of this difference is as follows:

Deferred ad valorem taxes-current year	\$	155,038
Deferred ad valorem taxes-prior year		(171,802)
Net adjustment to decrease changes in fund balances total government funds to arrive at changes in net assets of governmental activities	\$	<u>(16,764)</u>

Another element of that reconciliation states "assets constructed in one fund for the benefit of another fund are classified as capital contributions in the fund receiving the assets but are classified as transfers in both funds in the statements of activities." The amount of these assets is \$52,738.

### (4) Stewardship, Compliance, and Accountability

#### A. Budgetary Information

The City of Palmetto is legally required to adopt annual budgets for all funds. Budgets are presented by the City Administrator prior to June 1 for the fiscal year commencing the following July 1. Budgets for the General and Special Revenue Funds are prepared using the modified accrual basis of accounting, while budgets for the Enterprise Funds are prepared on the accrual basis. Public hearings are conducted to obtain taxpayer comments. The budgets are then legally enacted through passage of an ordinance by the City Council. The government's department heads may make transfers of appropriations within departmental accounts of a specific fund. Transfers of appropriations between departments require the approval of the council. The approval of City Council is also necessary for budget revisions over \$5,000 which alter the total expenditures of any fund. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is



# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

the department level. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for debt service monies because effective budgetary control is alternatively achieved through general obligation bond indenture provisions. Budgeted amounts are as originally adopted, or as amended by the City Council. All appropriations lapse at the end of the fiscal year on June 30.

### B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City of Palmetto because it is, at present, not considered necessary to assure effective budgetary control or to facilitate effective cash planning and control.

## (5) Detailed Notes on All Funds

### A. Cash, Cash Equivalents and Investments

The City maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the combined balance sheet as "Cash" and "Investments" under each fund's caption. Except for bond related transactions, the City conducts all its banking and investment transactions with its depository bank. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and other short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the proprietary fund statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City's deposits at year end were carrying an amount of \$1,173,880 and a bank balance of \$1,301,467. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,051,467 was covered by collateral held in the pledging bank's trust department in the City's name. There were no deposits uninsured or uncollateralized at June 30, 2014.

State statutes require all deposits to be collateralized by depository insurance, obligations of the U.S. Government, or bonds of public authorities, counties, or municipalities authorized by the state. State statutes allow investments in obligations of the U.S. Government and its agencies, bonds and certificates of indebtedness of the state of Georgia and its agencies, and certificates of deposits of banks and savings and loan associations which have their deposits insured.

In accordance with the City's Cash and Investment Policies, safety of principal is the foremost objective of the investment program. As a result, credit risk and investment risk are aggressively mitigated. To the extent possible, the City shall attempt to match investments with anticipated cash flow requirements.

<u>Banks</u>	<u>Fair Value</u>	<u>Investment</u>
Ninety days or less	\$ 1,964,768	100.00%

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

### **Custodial Credit Risk-Deposits**

Custodial credit risk is the risk that in the event of bank failure, the City's deposits may not be returned to.

As a means of limiting exposure to credit risk, the risk of loss due to failure of the security issuer or backer, the City limits investments to obligations of the U. S. Government or obligations explicitly guaranteed by the U. S. Government and those deposit-type items which can be collateralized at 110% of the face value. Accordingly, \$193,818 is currently invested in PNC Bank Money Market accounts, which are fully insured or collateralized. Since these have a maturity of ninety days or less, they are considered to be a cash equivalent. Custodial credit risk is the risk associated with unsecured deposits, uninsured securities, or securities not registered in the City's name, and is managed in accordance with the City's policy through a safekeeping agreement with an external party. All investments as of June 30, 2014 were held in the City's name by the contracted custodial agent, with the exception of the certificates of deposits which were held by the City in the City's name.

Through the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, the City reduces exposure to interest rate risk. Interest rate risk, the risk that the fair value of securities in the portfolio will fall due to changes in general interest rates is also managed through the City's objective to hold investments until maturity, meaning the yield received is greater than funds that are not invested due to an anticipated improvement of economic conditions. Additionally, interest rate risk is substantially reduced through investing totally in only short term money market accounts.

### **B. Receivables**

Most revenues of the governmental funds are considered "measurable" only when in the hands of the collecting agency and are recorded as revenue when received except for the following items for which receivables have been recorded:

1. Property taxes collected within 60 days after the end of the fiscal year.
2. Local option sales taxes received from the State of Georgia in July.
3. Amounts due from the State of Georgia Department of Transportation for work contracted by them and completed as of June 30.
4. Other miscellaneous receivables recorded for grants and certain other revenue which were received in July.

The City provides electric service, water and sewer service and sanitation (garbage) service to residents on a user charge basis. Billings are made monthly and include all three services (if applicable). Utility accounts receivable include all billed services rendered. The allowance for uncollectible accounts on each of the utilities is determined based upon current experience of collections. As of June 30, 2014 the following allowances and receivable balances existed:

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

Fund	Receivable	Allowance	Net
Electric	\$589,927	\$126,088	\$463,839
Water & Sewer	338,037	90,709	247,328
Sanitation	105,133	41,552	63,581
Total	\$1,033,097	\$258,349	\$774,748

### C. Capital Assets

Governmental activities as of June 30, 2014:

Asset Class	Balance 7/1/2013	Increases	Decreases	Balance 6/30/2014
<u>Capital assets not being depreciated:</u>				
Land	\$ 291,180	\$ -	\$ -	\$ 291,180
<u>Capital assets being depreciated:</u>				
Building	3,047,629	18,595		3,066,224
Furniture	92,437	320		92,757
Machinery, Equipment, & Vehicles	1,514,873	95,367	(15,000)	1,595,240
Infrastructure	1,515,617	73,587	(52,783)	1,536,421
Total capital assets being depreciated	6,170,556	187,869	(67,783)	6,290,642
Less accumulated depreciation for:				
Buildings	1,030,376	165,198		1,195,574
Furniture	83,992	1,907		85,899
Machinery, Equipment, & Vehicles	1,220,318	100,982	(15,000)	1,306,300
Infrastructure	451,575	51,810		503,385
Total accumulated depreciation	2,786,261	319,897	(15,000)	3,091,158
Total capital assets being depreciated, net	3,384,295	(132,028)	(52,783)	3,199,484
Government activities capital assets, net	\$ 3,675,475	\$ (132,028)	\$ (52,783)	\$ 3,490,664

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

Business-type activities as of June 30, 2014:

Business Funds

Asset Class	Balance 7/1/2013	Increases	Decreases	Balance 6/30/2014
<u>Capital assets not being depreciated:</u>				
Land	\$ 6,667	\$ -	\$ -	\$ 6,667
Construction In Progress	1,478,361	370,709	-	1,849,070
Total capital assets not being depreciated	1,485,028	370,709	-	1,855,737
<u>Capital assets being depreciated:</u>				
Buildings	63,982	-	-	63,982
Machinery, Vehicles, and Equipment	431,241	4,131	-	435,372
Water Tanks	219,918	18,907	-	238,825
Distribution System	20,049,277	73,918	-	20,123,195
Total capital assets being depreciated	20,764,418	96,956	-	20,861,374
Less accumulated depreciation for:				
Buildings	48,445	2,331		50,776
Machinery, Vehicles, and Equipment	332,162	10,881		343,043
Water Tanks	129,235	12,329		141,564
Distribution system	4,533,527	416,035		4,949,562
Total accumulated depreciation	5,043,369	441,576	-	5,484,945
Total capital assets being depreciated, net	15,721,049	(344,620)	-	15,376,429
Business type activities capital assets, net	\$ 17,206,077	\$ 26,089	\$ -	\$ 17,232,166

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

Governmental Activities	
Administration	\$ 29,830
Police	60,790
Fire	41,029
Streets	52,574
Special Services	135,674
Total depreciation expense-governmental activities	<u>319,897</u>
Business-type activities:	
Electric	73,045
Water and Sewer	368,531
Total depreciation expense-business-type activities	<u>\$ 441,576</u>

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

### D. Long - Term Liabilities

The following is a summary of bond transactions of the City for the year ended June 30, 2014:

	Water & Sewer Revenue
Bonds Payable July 1, 2013	\$ 7,490,000
Bonds Issued	-
Bonds Retired	455,000
Bonds Payable June 30, 2014	\$ 7,035,000

On March 9, 2005, the City of Palmetto issued a Combined Public Utility Revenue Bond, Series 2005 amounting to \$9,555,000 of long term debt. The Series 2005 Bonds were issued to finance the construction of a new main pump station at the existing treatment plant site, and a new forced main to a point where it can connect into the Fulton County wastewater collection system. In addition the City has agreed to purchase one million gallons per day of guaranteed wastewater treatment capacity at the County's Camp Creek Water Reclamation Facility.

Bonds Payable at June 30, 2014 are comprised of the following:

- \$9,555,000 Series 2005, Combined Public Utility Revenue Bonds due in annual installments of \$455,000 to \$725,000 through July 1, 2025; interest at 1.28% to 4.35%.

For Year Ending	Water & Sewer System Principal	Water & Sewer System Interest	Water & Sewer System Total
2015	470,000	285,321	755,321
2016	490,000	268,284	758,284
2017	505,000	249,909	754,909
2018	525,000	230,719	755,719
2019	545,000	210,244	755,244
2020	570,000	188,444	758,444
2021	590,000	165,644	755,644
2022	615,000	141,454	756,454
2023	640,000	116,085	756,085
2024	665,000	89,685	754,685
2025	695,000	61,422	756,422
2026	725,000	31,537	756,537
Total	\$ 7,035,000	\$ 2,038,748	\$ 9,073,748

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

The following is a summary of compensated absences for governmental activities of the City for the year ended June 30, 2014:

<u>Compensated Absences</u>	<u>Governmental Activities</u>
Compensated Absences July 1, 2013	\$ 83,272
Absences Accrued	86,243
Absences (Used)	(74,945)
Compensated Absences Payable June 30, 2014	<u>\$ 94,570</u>
Due Within One Year	<u>\$ 85,113</u>

The following is a summary of compensated absences for business-type activities of the City for the year ended June 30, 2014:

<u>Compensated Absences</u>	<u>Business-Type Activities</u>
Compensated Absences July 1, 2013	\$ 13,403
Absences Accrued	14,072
Absences (Used)	(12,063)
Compensated Absences Payable June 30, 2014	<u>\$ 15,412</u>
Due Within One Year	<u>\$ 13,871</u>

The City has liquidated other long-term liabilities (such as compensated absences and pension liabilities) within the General Fund in prior years.

### E. Debt Service and Sinking Fund Requirements

(1) Sinking Fund Requirements-The Bond Resolution requires the creation and maintenance of a Combined Utility Sinking Fund which is to be used to pay the principal and interest on the Revenue Bonds as they become due. The bond resolutions specifically require that monies be deposited monthly into the Sinking Fund until sufficient funds are on hand to pay the semiannual interest payments and bonds as they mature.

During the year ended June 30, 2014, \$744,321 was paid into the Sinking Fund out of the Revenue Fund.

(2) Debt Service Reserve - The bond resolution also requires a Debt Service Requirement as of its date of calculation an amount not less than the least of (a) 10% of the original principal amount of the bond issue, (b) the maximum annual principal of and interest on the Bonds payable in any Sinking Fund Year or (c) 125% of average annual debt service on the Bonds in any Sinking Fund Year. To satisfy the Debt Service Reserve

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

requirement the City purchased a "Debt Service Reserve Surety Bond" (cost of \$36,026) which is credited to the Reserve Account in lieu of or in partial substitution for monies and securities on deposit therein.

(3) Renewal and Extension Fund - After the monthly operating and maintenance expenses have been paid and the required debt service transfers have been made, all monies remaining in the Revenue Fund are to be transferred to the Renewal & Extension Fund until the balance is equal to an amount that the City shall deem reasonable and prudent. The bond resolutions restrict disbursements from this fund to the following:

1. Paying Debt Service Requirements on the City's Bonds then outstanding and falling due at any time for the payment of which money is not available in the Sinking Fund securing the payment of same and the interest thereon;
2. In case of an emergency having a major effect upon the Combined System caused by some extraordinary occurrence which makes it necessary to use the funds of the Combined System for the alleviation or removal of such effects and an insufficiency of money exists in the Revenue Fund to meet emergency;
3. Making replacements, additions, extensions, and improvements to the Combined System deemed by the governing body of the City to be reasonable and in the best interest of the City and the Bondholders;
4. Paying the charges of any custodian or depository of any of the funds created in the Bond Resolution.

Since the Series 2005 Bond proceeds are still available to complete construction, there were no transfers to the Renewal and Extension Fund during the year ended June 30, 2014.

### F. Transfers

During the year the City transferred monies and assets between various funds. The Electric Fund transferred \$160,000 to the General Fund. The Confiscated Fund transferred \$37,390 into the General Fund for the purchase of a police car. The non-major SPLOST Fund contributed capital assets costing \$52,783 to the Water and Sewer Fund which had been paid for with SPLOST funds.

### (6) Retirement Plan

*Plan Description.* The City's defined benefit pension plan, Palmetto Employees Pension Plan (PEPP), provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PEPP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), a state wide, agent multiple-employer pension plan administered by the Georgia Municipal Association. GMEBS handles all administrative and investment functions relative to the plan. All full time City employees and City Officials are eligible to participate in the system. Benefits vest after ten years of service. Members may retire on reaching the age of 60 or 65, (55 for police or firefighters). Early retirement is possible on reaching the age 55, depending on the classification. Benefits are calculated at 1.25% of the average monthly earnings for the period of the five highest years prior to retirement, payable monthly for life. City Officials receive a lifetime benefit at age 65 of \$40 per month for each year of service to the City. There is no waiting period to become eligible to participate in the plan for City Officials. Regulations of the State of Georgia assigns the authority to establish and amend the

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

benefit provisions of the plans that participate in GMEBS to the respective employer entities; for PEPP, the authority rests with the City Council of Palmetto.

The Georgia Municipal Employees Benefit System issues a publicly available financial report that includes financial statements and required supplementary information for GMEBS. That report may be obtained by writing or calling:

Georgia Municipal Association  
Risk Management and Employee Benefit Services  
201 Pryor Street, SW  
Atlanta, Georgia 30303  
(404) 688-0472    [www.gmanet.com](http://www.gmanet.com)

*Funding Policy.* The City's plan is non-contributory, under this plan and the City's policy is to contribute 100% of an actuarially determined rate; the current rate is 9.92% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by the GMEBS Board of Trustees.

*Annual Pension Costs.* For 2014, the City's annual pension cost of \$185,187 for the PEPP was equal to the City's recommended and actual contributions. The required contribution was determined as part of the January 1, 2014 actuarial valuation using the projected unit credit actuarial cost method and the level dollar amortization of the unfunded actuarial accrued liability over 30 years from 1983 and changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year during which such changes arise. The actuarial assumptions included (a) 7.75% investment rate of return (net administrative expenses) and (b) projected salary increases of 3.5% per year. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PEPP assets was determined using techniques that smooth the effects of short term volatility in the market value of investments over a ten year period. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are the same as those used to compute the net pension obligation. The following table provides three year trend information for the PEPP:

<u>Fiscal Year</u>	<u>Annual Pension Costs (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2012	212,733	100.00%	0.00%
2013	185,187	100.00%	0.00%
2014	187,130	100.00%	0.00%

*Schedule of Funding Progress.* The information presented on the following page is based on the January 1, 2014, 2013, and 2012 actuarial valuations.



# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarial Value of Assets	\$ 2,206,216	\$ 1,984,067	\$ 1,738,621
Actuarial Accrued Liability	2,729,423	2,570,562	2,447,642
Funded Ratio	80.83%	77.18%	71.03%
Total Unfunded Actuarial Liability (Funding Excess)	523,207	586,495	709,021
Annual Covered Payroll	1,951,298	1,834,699	2,080,894
Ratio of Unfunded (Excess) to Annual Covered Payroll	26.81%	31.97%	34.07%

The amortization method for unfunded actuarial accrued liability is determined using the projected unit credit actuarial cost method. The period and related method for amortizing the initial unfunded actuarial accrued liability is thirty years from 1983 and current changes in the unfunded actuarial accrued liability over fifteen years for actual gains and losses, twenty years for plan provisions, and thirty years for actuarial assumptions and cost methods as a dollar level amount. These amortization periods, if applicable, are closed for the current plan year.

### **(7) Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City is a member of the Georgia Interlocal Risk Management Agency, which allows the City to share liability, crime, motor vehicle and property damage risks. The City did not experience any significant reductions in insurance coverage from the prior year. The City has also not experienced any settlements which exceeded insurance coverage for the past three fiscal years

*Continued on next page*

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

Coverages are as follows:

COVERAGE DESCRIPTION - PROPERTY:	
Buildings and Contents	\$10,165,855
Mobile Equipment	522,913
Automobile Physical Damage	Per application on file with GIRMA
COVERAGE DESCRIPTION - CASUALTY:	
Comprehensive General Liability and Law Enforcement Liabi	1,000,000
Automobile Liability	1,000,000
Errors and Omissions (Public Officials) Liability	1,000,000
Employee Benefits Liability	1,000,000
Pollution Liability	1,000,000
COVERAGE DESCRIPTION - CRIME:	
Blanket Bond	500,000
Depositors Forgery	500,000
Computer Crime	500,000
Money and Securities - Loss Inside and Outside the Premise	500,000
DEDUCTIBLE:	
All coverages are subject to a per occurrence deductible of	1,000
COVERAGES SUBJECT TO A RETROACTIVE DATE:	
<i>(Unless stated otherwise in the Coverage Exceptions)</i>	
Public Officials Liability	1/1/1990
Employee Benefits Liability	1/1/1990
Pollution Liability	5/1/1998

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities - GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

The City of Palmetto must participate at all times in at least one fund which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

- To assist and cooperate with GIRMA, or its authorized representatives, in defense and settlement of claims against the City.
- To use due diligence and concur in doing all things reasonable practicable to avoid or diminish any loss of or damage to the property herein covered.
- To allow GIRMA, or their duly authorized representatives, reasonable access to inspect the premises and to examine the books or records so far as they relate to coverage provided by GIRMA.
- To follow all loss reduction and prevention procedures established by GIRMA.
- To report as promptly as possible, and in accordance with any Coverage Descriptions issued, all incidents which could result in GIRMA or any Fund established by GIRMA being required to pay claim for loss or injuries to municipal property or injuries to persons or property when such loss or injury is within the scope of the protection of a Fund or Funds in which the City participates.

The City of Palmetto retains the first \$1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to the \$1,000 deductible.

The City is not aware of any claims which the City is liable for (up to the \$1,000) which were outstanding and unpaid at June 30, 2014. No provisions have been made in the financial statements for the year ended June 30, 2014 for any estimate of potential unpaid claims.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Palmetto became a member of the Georgia Municipal Workers' Compensation Self Insurance Fund (GMWCSIF). The liability of the fund to the employees of any employer (City of Palmetto) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and/or employer's liability. GMWCSIF is to defend and process claims in accordance with the member government contract.

The responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GMWCSIF at such times and in such amounts as shall be established by GMWCSIF.
- To assist and cooperate with GMWCSIF, or its authorized representatives, in defense and settlement of workers compensation claims against the City.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at any time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding or compensation therefor, although such suits, other proceedings,

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

allegations or demands be wholly groundless, false or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

The City of Palmetto also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

### **(8) Regional Development Center Membership**

The City of Palmetto, Georgia, in conjunction with cities and counties in the nine (9) county Atlanta Metropolitan area are members of the Atlanta Regional Commission (ARC). Membership in a regional development center (RDC) is automatic for each municipality and county in the state. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The City paid no annual dues to the ARC for the year ended June 30, 2014 because currently all dues are paid on the City's behalf by Fulton County. An RDC Board membership includes the chief elected official of each county and a rotating chief elected official of each municipality from South Fulton. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the County or municipality) to serve as the non-public Board member from a County.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentality's of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources, (O.C.G.A. 50-8-39.1). Separate financial statements may be obtained from:

Atlanta Regional Commission (ARC)  
40 Courtland Street, NE  
Atlanta, GA 30303

### **(9) Contingencies**

#### **A. Litigation**

The City Attorney has advised that there are no pending or threatened litigation or potential claims against the City as of June 30, 2014.

#### **B. Contingencies**

The City has participated in a number of grant programs funded by certain Federal and State agencies. Several of these programs are subject to program compliance audits and reviews by the grantor, some of which have not been concluded. Accordingly, the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2014

be determined at this time although the City expects such amounts to be immaterial based upon previous experience.

The City has entered into contracts with the Municipal Electric Authority of Georgia (the "Authority") which requires the City to purchase, from the Authority, all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. These contracts contain certain minimum purchase requirements regardless of the City's ability to sell its allocation, through the year 2020. The minimum purchase requirements are based upon the Authority's system output.

### **(10) Related Organizations**

#### A. South Fulton Municipal Water and Sewer Authority

The South Fulton Municipal Water and Sewer Authority was formed on March 13, 2001 by resolutions of the City of Union City, the City of Fairburn, and the City of Palmetto pursuant to the authority of the General Assembly of the State of Georgia, Act 540 Georgia Law 2000 page 3739 and following and as may be thereafter amended. The Authority is governed by a Board of seven directors, three of whom are the chief elected official of each member city, three of whom are appointed one each by each of the member cities, and one director being appointed by members of the local delegation of the Georgia General Assembly who represent all, or any part of, a member city.

The Authority is a special purpose governmental entity engaged in business-like activities. The purpose of the authority is to acquire and develop adequate sources of water supply, including, but not limited to, the construction of reservoirs, the treatment of such water, and the collection and treatment of waste water. The Authority will provide these services to the area in and around the three municipalities.

#### B. The Housing Authority of the City of Palmetto, Georgia

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

### **(11) Prior Period Adjustments**

Prior period adjustments were made in the Electric Fund and the Water and Sewer Fund by the City for capital assets which were included in error on both the inventory listing and the capital asset listing. The net result is to reduce the net position of the Electric Fund by \$52,458 and the Water and Sewer Fund by \$32,540.



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CITY OF PALMETTO, GEORGIA

INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF PALMETTO, GEORGIA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS

June 30, 2014

<b>ASSETS</b>	<u>Confiscated Assets Fund</u>	<u>SPLOST Fund</u>	<u>Total Non-Major Governmental</u>
Cash on Hand and in Banks	\$ -	\$ 191,239	\$ 191,239
Local Option Sales Tax Receivable	-	4,043	4,043
Total Assets	<u>-</u>	<u>195,282</u>	<u>195,282</u>
<b>LIABILITIES AND FUND BALANCE</b>			
Fund Balances			
Restricted for:			
Drug Related Expenditures	-	-	-
Capital Projects Financed with SPLOST	-	195,282	195,282
Total Liabilities and Fund Balance	<u>\$ -</u>	<u>\$ 195,282</u>	<u>\$ 195,282</u>



CITY OF PALMETTO, GEORGIA

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS

Year Ended June 30, 2014

	<u>Confiscated Asset Fund</u>	<u>SPLOST Fund</u>	<u>Total Non-Major Governmental</u>
<b>Revenues:</b>			
Intergovernmental L.O.S.T. Taxes	\$ -	\$114,242	\$ 114,242
Interest Income	<u>14</u>	<u>107</u>	<u>121</u>
Total Revenues	<u>14</u>	<u>114,349</u>	<u>114,363</u>
<b>Expenditures:</b>			
Current			
Administrative	4	22	26
Capital Outlays	<u>-</u>	<u>52,783</u>	<u>52,783</u>
Total Expenditures	<u>4</u>	<u>52,805</u>	<u>52,809</u>
Excess (Deficiency) of Revenues over Expenditures	<u>10</u>	<u>61,544</u>	<u>61,554</u>
<b>Other Financing (Uses)</b>			
Transfers Out	(37,390)	-	(37,390)
Net Change in Fund Balances	(37,380)	61,544	24,164
Fund Balance at Beginning of Year	<u>37,380</u>	<u>133,738</u>	<u>171,118</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$195,282</u>	<u>\$ 195,282</u>

CITY OF PALMETTO, GEORGIA

ELECTRIC FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Years Ended June 30, 2014 and 2013

	2014		Variance- Positive (Negative)	2013		Variance- Positive (Negative)
	Budget	Actual		Budget	Actual	
<b>Operating Revenues:</b>						
Sale of Utilities	\$ 3,496,534	\$ 3,310,560	\$ (185,974)	\$ 3,313,000	\$ 3,130,384	\$ (182,616)
Cut On and Permit Fees	1,500	1,685	185	33,000	3,305	(29,695)
Penalties	90,000	80,551	(9,449)	90,000	89,046	(954)
Service Fees	20,000	6,027	(13,973)	1,500	590	(910)
Miscellaneous	115,000	28,271	(86,729)	5,000	108,266	103,266
<b>Total Operating Revenue</b>	<b>3,723,034</b>	<b>3,427,094</b>	<b>(295,940)</b>	<b>3,442,500</b>	<b>3,331,591</b>	<b>(110,909)</b>
<b>Operating Expenses:</b>						
<b>Personnel Services:</b>						
Salaries	148,656	156,347	(7,691)	148,856	153,864	(5,008)
Payroll Taxes	12,500	11,731	769	11,795	11,599	196
Retirement	21,268	20,291	977	12,666	19,496	(6,830)
Insurance (Group and Worker's Compensation)	43,100	42,542	558	33,832	35,969	(2,137)
Training Expense	12,000	11,740	260	12,000	12,165	(165)
Uniforms	4,000	3,938	62	4,500	3,874	626
<b>Total Personal Services</b>	<b>241,524</b>	<b>246,589</b>	<b>(5,065)</b>	<b>223,649</b>	<b>236,967</b>	<b>(13,318)</b>
<b>Administrative Expenses:</b>						
Insurance - Vehicles and Equipment	9,000	8,760	240	8,500	7,648	852
Insurance - Other	6,000	5,346	654	5,000	4,614	386
Miscellaneous	-	1,253	(1,253)	8,700	700	8,000
Office Supplies	500	573	(73)	500	-	500
Postage	4,500	1,267	3,233	4,500	-	4,500
Georgia Public Web	2,500	1,771	729	2,500	2,485	15
Professional Fees and Contracted Services	70,000	31,004	38,996	40,000	47,432	(7,432)
<b>Total Administrative Expenses</b>	<b>92,500</b>	<b>49,974</b>	<b>42,526</b>	<b>69,700</b>	<b>62,879</b>	<b>6,821</b>
Depreciation Expense	75,000	73,045	1,955	-	75,666	(75,666)
<b>Other Operating Expenses:</b>						
Purchase of Utilities	2,750,000	2,760,568	(10,568)	2,469,245	2,585,671	(116,426)
<b>Repairs and Maintenance:</b>						
Buildings	4,000	1,043	2,957	4,000	742	3,258
Distribution System	20,000	-	20,000	20,000	3,676	16,324
Equipment	3,000	2,041	959	3,000	-	3,000
Vehicles	5,000	1,812	3,188	12,000	2,309	9,691
Bad Debt Expense	-	160	(160)	-	21,421	(21,421)
Equipment Rental	200	40	160	200	512	(312)
Gas and Oil	8,000	11,431	(3,431)	10,000	6,741	3,259
Miscellaneous Operating Expenses	14,300	28,696	(14,396)	6,000	7,539	(1,539)
Supplies	10,000	11,479	(1,479)	20,000	16,097	3,903
Telephone	2,800	4,456	(1,656)	2,500	2,385	115
Utilities	1,500	1,531	(31)	1,500	1,054	446
<b>Total Other Operating Expenses</b>	<b>2,818,800</b>	<b>2,823,257</b>	<b>(4,457)</b>	<b>2,548,445</b>	<b>2,648,147</b>	<b>(99,702)</b>
<b>Total Expenses</b>	<b>3,227,824</b>	<b>3,192,865</b>	<b>34,959</b>	<b>2,841,794</b>	<b>3,023,659</b>	<b>(181,865)</b>
<b>Operating Income (Loss)</b>	<b>495,210</b>	<b>234,229</b>	<b>(260,981)</b>	<b>600,706</b>	<b>307,932</b>	<b>(292,774)</b>
<b>Nonoperating Revenues (Expenses):</b>						
Insurance Proceeds	-	-	-	-	10,953	10,953
Interest on Investments	-	-	-	1,000	-	1,000
MEAG Telecom	15,000	12,506	27,506	15,000	12,492	27,492
Miscellaneous Revenue	100	-	100	100	-	100
Transferred to General Fund	-	(160,000)	(160,000)	-	(600,000)	(600,000)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>15,100</b>	<b>(147,494)</b>	<b>(132,394)</b>	<b>16,100</b>	<b>(576,555)</b>	<b>(571,408)</b>
<b>Change in Net Position</b>	<b>510,310</b>	<b>86,735</b>	<b>(423,575)</b>	<b>616,806</b>	<b>(268,623)</b>	<b>(885,429)</b>
<b>Net Position at Beginning of Year</b>	<b>2,517,565</b>	<b>2,517,565</b>	<b>-</b>	<b>2,954,453</b>	<b>2,954,453</b>	<b>-</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(52,458)</b>	<b>(52,458)</b>	<b>-</b>	<b>(168,265)</b>	<b>(168,265)</b>
<b>Net Position at End of Year</b>	<b>\$ 3,027,875</b>	<b>\$ 2,551,842</b>	<b>\$ (476,033)</b>	<b>\$ 3,571,259</b>	<b>\$ 2,517,565</b>	<b>\$ (1,053,694)</b>

CITY OF PALMETTO, GEORGIA

WATER AND SEWER FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Years Ended June 30, 2014 and 2013

	2014			2013		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
<b>Operating Revenues:</b>						
Sale of Utilities	\$ 1,663,368	\$ 1,850,134	\$ 186,766	\$ 1,300,000	\$ 1,090,985	\$ (209,015)
Water and Sewer Taps	125,000	98,000	(27,000)	125,000	-	(125,000)
Penalties	50,000	43,911	(6,089)	50,000	42,911	(7,089)
Miscellaneous	1,300	10	(1,290)	800	976	176
Total Operating Revenues	<u>1,839,668</u>	<u>1,992,055</u>	<u>152,387</u>	<u>1,475,800</u>	<u>1,134,872</u>	<u>(340,928)</u>
<b>Operating Expenses:</b>						
<b>Personnel Services:</b>						
Salaries	280,968	199,192	81,776	280,918	216,080	64,838
Payroll Taxes	16,100	14,690	1,410	20,100	15,987	4,113
Retirement	19,150	25,670	(6,520)	32,120	17,555	14,565
Insurance (Group and Worker's Compensation)	61,000	53,903	7,097	67,109	58,866	8,243
Training Expenses	4,000	743	3,257	4,000	3,281	719
Uniforms	4,000	3,411	589	4,000	2,710	1,290
Total Personal Services	<u>385,218</u>	<u>297,609</u>	<u>87,609</u>	<u>408,247</u>	<u>314,479</u>	<u>93,768</u>
<b>Administrative Expenses:</b>						
Insurance - Vehicles and Equipment	3,000	2,539	461	3,500	2,205	1,295
Insurance - Other	12,000	12,032	(32)	9,000	8,743	257
Miscellaneous	11,000	8,564	2,436	11,000	7,110	3,890
Professional Fees	60,000	23,050	36,950	40,000	60,326	(20,326)
Office Supplies	200	-	200	200	-	200
Total Administrative Expenses	<u>86,200</u>	<u>46,185</u>	<u>40,015</u>	<u>63,700</u>	<u>78,384</u>	<u>(14,684)</u>
Depreciation Expense	-	368,531	(368,531)	-	370,608	(370,608)
<b>Other Operating Expenses:</b>						
Water Purchases	40,000	19,013	20,987	40,000	18,152	21,848
Sewer Treatment	210,000	301,988	(91,988)	205,000	220,647	(15,647)
Bad Debt Expense	-	2,541	(2,541)	-	(2,290)	2,290
Equipment Rental	5,000	9,763	(4,763)	35,000	3,307	31,693
Gas and Oil	7,000	10,791	(3,791)	10,000	7,041	2,959
Landfill Sludge Disposal	-	-	-	6,000	-	6,000
Miscellaneous Operating Expense	4,000	1,715	2,285	3,600	3,576	24
Repairs and Maintenance:						
Buildings	2,000	-	2,000	1,000	4,199	(3,199)
Distribution - Water and Sewer Systems	120,000	100,364	19,636	125,000	71,689	53,311
Equipment	20,000	7,687	12,313	37,000	26,531	10,469
Vehicles	5,000	1,350	3,650	5,000	2,529	2,471
Supplies	85,000	39,918	45,082	85,000	57,111	27,889
Telephone	8,000	9,528	(1,528)	8,000	8,887	(887)
Utilities	4,000	2,555	1,445	3,000	3,684	(684)
Total Other Operating Expenses	<u>510,000</u>	<u>507,213</u>	<u>2,787</u>	<u>563,600</u>	<u>425,063</u>	<u>138,537</u>
Total Expenses	<u>981,418</u>	<u>1,219,538</u>	<u>(238,120)</u>	<u>1,035,547</u>	<u>1,188,534</u>	<u>(152,987)</u>
Operating Income (Loss)	<u>858,250</u>	<u>772,517</u>	<u>(85,733)</u>	<u>440,253</u>	<u>(53,662)</u>	<u>(493,915)</u>
<b>Nonoperating Revenues (Expenses):</b>						
Interest on Investments	-	-	-	1,000	3	(997)
Bond Interest	(683,726)	(289,321)	394,405	(330,000)	(301,246)	28,754
Amortization	-	(27,050)	(27,050)	-	(27,050)	(27,050)
Contribution from MEAG	-	200,000	200,000	-	500,000	500,000
Transferred from Electric Fund	-	-	-	-	-	-
Transferred to General Fund	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>(683,726)</u>	<u>(116,371)</u>	<u>567,355</u>	<u>(329,000)</u>	<u>171,707</u>	<u>500,707</u>
Capital Contributions						
Transferred in	-	52,783	52,783	-	124,460	124,460
Change in Net Position	\$ 174,524	\$ 708,929	\$ 534,405	\$ 111,253	\$ 242,505	\$ 131,252
Net Position at Beginning of Year	8,277,250	8,277,250	-	8,034,745	8,034,745	-
Prior Period Adjustment	-	(32,540)	(32,540)	-	-	-
Net Position at End of Year	<u>\$ 8,451,774</u>	<u>\$ 8,953,639</u>	<u>\$ 501,865</u>	<u>\$ 8,145,998</u>	<u>\$ 8,277,250</u>	<u>\$ 131,252</u>

CITY OF PALMETTO, GEORGIA

SANITATION FUND

COMPARATIVE SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION - BUDGET (GAAP BASIS) AND ACTUAL

For the Fiscal Years Ended June 30, 2014 and 2013

	2014			2013		
	Budget	Actual	Variance- Positive (Negative)	Budget	Actual	Variance- Positive (Negative)
<b>Operating Revenues:</b>						
Sanitation Charges	\$ 300,000	\$ 315,795	\$ 15,795	\$ 285,000	\$ 299,995	\$ 14,995
Penalties	20,000	16,384	(3,616)	30,000	16,168	(13,832)
Miscellaneous	2,000	1,025	(975)	2,000	1,545	(455)
Total Operating Revenue	<u>322,000</u>	<u>333,204</u>	<u>11,204</u>	<u>317,000</u>	<u>317,708</u>	<u>708</u>
<b>Operating Expenses:</b>						
Contracted Services - Garbage	238,000	227,147	10,853	235,000	243,149	(8,149)
Bad Debt Expense	-	10,560	(10,560)	-	1,256	(1,256)
Other Operating Expenses	2,500	-	2,500	4,400	-	4,400
Total Operating Expenses	<u>240,500</u>	<u>237,707</u>	<u>2,793</u>	<u>239,400</u>	<u>244,405</u>	<u>(5,005)</u>
Change in Net Position	81,500	95,497	13,997	77,600	73,303	(4,297)
Net Position at Beginning of Year	<u>279,590</u>	<u>279,590</u>	<u>-</u>	<u>206,287</u>	<u>206,287</u>	<u>-</u>
Net Position at End of Year	<u>\$ 361,090</u>	<u>\$ 375,087</u>	<u>\$ 13,997</u>	<u>\$ 283,887</u>	<u>\$ 279,590</u>	<u>\$ (4,297)</u>

CITY OF PALMETTO, GEORGIA

NON-MAJOR GOVERNMENTAL FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL

Year Ended June 30, 2014  
 With Comparative Actual Amounts for Year Ended June 30, 2013

	Confiscated Asset Fund		Variance- Positive (Negative)	2013 Actual	SPLOST FUND		Variance- Positive (Negative)	2013 Actual	Total Non-Major Governmental
	Budgeted	Actual			Budgeted	Actual			
<b>Revenues:</b>									
Intergovernmental S.P.L.O.S.T.	\$ -	-	\$ -	\$ -	\$ 160,000	\$ 114,242	\$ (45,758)	\$ 94,471	\$ 114,242
State and Federal Confiscations	-	-	-	-	-	-	-	-	-
Interest Income	-	14	14	41	-	107	107	285	121
<b>Total Revenues</b>	-	14	14	41	160,000	114,349	(45,651)	94,756	114,363
<b>Expenditures:</b>									
Current									
Administrative		4	(4)	10	-	22	(22)	11,122	26
Debt Service									
Principal	-		-	-	-	-	-	-	-
Interest	-		-	-	-	-	-	-	-
Capital Outlays (Transferred to W/S)									
Administrative	-		-	-	160,000	52,783	107,217	124,460	52,783
<b>Total Expenditures</b>	-	4	(4)	10	160,000	52,805	107,195	135,582	52,809
<b>Excess (Deficiency) of Revenues over Expenditures</b>	-	10	10	31	-	61,544	(152,846)	(40,826)	61,554
<b>Other Financing (Uses)</b>									
Transfers Out		(37,390)	(37,390)			-	-		
<b>Net Change in Fund Balances</b>	-	(37,380)	(37,380)		-	61,544	61,544		
<b>Fund Balance at Beginning of Year</b>		37,380	37,380	37,349	133,738	133,738	133,738	174,564	171,118
<b>Fund Balance at End of Year</b>	\$ -	\$ -	\$ 37,390	\$ 37,380	\$ 133,738	\$ 195,282	\$ (19,108)	\$ 133,738	\$ 232,672

# CITY OF PALMETTO, GEORGIA

## Capital Assets Used in the Operation of Governmental Funds Schedule by Source

June 30, 2014

### **Governmental Funds Capital Assets:**

Land	\$	291,180
Buildings and Improvements		3,066,224
Furniture and Fixtures		92,757
Vehicles and Equipment		1,595,240
Infrastructure		<u>1,536,421</u>
	\$	<u>6,581,822</u>

### **Investment in Governmental Funds Capital Assets by Source:**

General Fund	\$	6,399,447
Special Revenue Fund		<u>182,375</u>
Total Investment in Capital Assets	\$	<u>6,581,822</u>

CITY OF PALMETTO, GEORGIA

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2014

Function and Activity	Total June 30, 2014					
		Land	Buildings & Improvements	Furniture & Fixtures	Vehicles & Equipment	Infrastructure
Administrative	\$ 572,649	\$ 26,681	\$ 326,898	\$ 41,024	\$ 178,046	\$ -
Police Department	1,225,874	60,000	595,378	11,343	559,153	-
Fire Department	953,519	135,633	161,519	21,045	635,322	-
Street Department	1,758,620	39,466	-	7,475	175,258	1,536,421
Special Services	2,071,160	29,400	1,982,429	11,870	47,461	-
<b>Total Capital Assets Allocated to Functions</b>	<b>\$ 6,581,822</b>	<b>\$ 291,180</b>	<b>\$ 3,066,224</b>	<b>\$ 92,757</b>	<b>\$ 1,595,240</b>	<b>\$ 1,536,421</b>

CITY OF PALMETTO, GEORGIA

Capital Assets Used in the Operation of Governmental Funds

Schedule of Changes by Function and Activity

For The Fiscal Year Ended June 30, 2014

Function and Activity	Governmental Funds Capital Assets 7/1/2013	Additions	Deductions	Governmental Funds Capital Assets 6/30/2014
Administrative	\$ 579,901	\$ 7,748	\$ 15,000	\$ 572,649
Police Department	1,152,856	73,018		1,225,874
Fire Department	946,918	6,601	-	953,519
Street Department	1,711,221	47,399	-	1,758,620
Special Services	2,070,840	320	-	2,071,160
Water and Sewer	-	52,783	52,783	-
<b>Total Capital Assets</b>	<b>\$ 6,461,736</b>	<b>\$ 187,869</b>	<b>\$ 67,783</b>	<b>\$ 6,581,822</b>





## CITY OF PALMETTO, GEORGIA

### STATISTICAL SECTION

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

#### **Contents**

#### **Financial Trends**

##### **Tables 1-4**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

#### **Revenue Capacity**

##### **Tables 5-9**

*These schedules contain information to help the reader assess the City's most significant local revenue sources.*

#### **Debt Capacity**

##### **Tables 10-13**

*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.*

#### **Demographic and Economic Information**

##### **Tables 14-17**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.*

#### **Operating Information**

##### **Tables 18-21**

*These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.*

CITY OF PALMETTO, GEORGIA

TABLE 1

NET POSITION BY COMPONENT

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Primary Government</b>										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 2,209,805	\$ 2,208,130	\$ 2,302,669	\$ 2,304,120	\$ 2,275,090	\$ 2,220,713	\$ 2,397,322	\$ 3,723,723	\$ 3,675,475	\$ 3,490,664
Restricted	-	-	-	-	-	-	-	211,913	171,118	195,282
Unrestricted	563,166	698,358	642,106	805,574	951,434	1,055,010	936,215	511,484	(120,782)	252,893
Total Governmental Activities Net Position	2,772,971	2,906,488	2,944,775	3,109,694	3,226,524	3,275,723	3,333,537	4,447,120	3,725,811	3,938,839
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	5,725,806	5,517,370	5,180,360	6,432,491	7,599,153	7,844,028	7,935,711	9,286,082	9,716,077	10,197,166
Restricted	2,561,094	3,990,207	641,500	296,767	-	-	-	-	-	-
Unrestricted	1,610,085	1,785,235	5,887,636	4,174,602	3,107,674	2,565,256	1,959,125	1,909,403	1,958,328	1,683,402
Total Business-Type Activities Net Position	9,896,985	11,292,812	11,709,496	10,903,860	10,706,827	10,409,284	9,894,836	11,195,485	11,674,405	11,880,568
Primary Government										
Net Invested in Capital Assets	7,935,611	7,725,500	7,483,029	8,736,611	9,874,243	10,064,741	10,333,033	13,009,805	13,391,552	13,687,830
Restricted	2,561,094	3,990,207	641,500	296,767	-	-	-	211,913	171,118	195,282
Unrestricted	2,173,251	2,483,593	6,529,742	4,980,176	4,059,108	3,620,266	2,895,340	2,420,887	1,837,546	1,936,295
Total Primary Government Net Position	\$ 12,669,956	\$ 14,199,300	\$ 14,654,271	\$ 14,013,554	\$ 13,933,351	\$ 13,685,007	\$ 13,228,373	\$ 15,642,605	\$ 15,400,216	\$ 15,819,407

CITY OF PALMETTO, GEORGIA  
CHANGES IN NET POSITION

TABLE 2

	Last Ten Fiscal Years									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
Governmental Activities										
Administrative	\$ 576,471	\$ 862,373	\$ 704,027	\$ 750,063	\$ 931,951	\$ 786,794	\$ 821,240	\$ 644,152	\$ 589,941	\$ 615,047
Public Safety	833,178	922,142	1,497,973	1,969,734	2,624,123	2,644,167	2,539,246	2,375,890	2,361,333	2,372,200
Streets	322,197	372,317	389,707	467,539	415,722	310,413	397,364	487,995	410,129	367,571
Special Services	69,284	83,245	101,643	116,011	94,278	59,529	54,886	95,494	177,631	184,752
Interest on Long-Term debt	-	-	-	-	-	-	2,569	-	-	-
Total Governmental Activities Expenses	1,801,130	2,240,077	2,693,350	3,303,347	4,066,074	3,800,903	3,815,305	3,613,531	3,539,033	3,539,570
Business-Type Activities										
Electric Utilities	2,245,057	2,385,629	2,561,226	2,851,614	2,576,265	2,620,385	2,732,624	2,774,172	3,023,659	3,192,865
Water and Sewer Utilities	1,148,403	1,250,719	1,514,935	1,744,976	1,561,412	1,915,631	1,970,354	1,561,719	1,516,830	1,535,909
Sanitation	238,280	295,460	295,946	282,535	295,946	274,746	229,712	229,712	244,405	237,707
Total Business-Type Activities Expenses	3,631,720	3,892,808	4,332,007	4,879,125	4,433,615	4,811,752	5,031,712	4,565,603	4,784,894	4,966,481
Total Primary Government Expenses	5,432,850	6,132,885	7,025,357	8,182,472	8,499,689	8,611,655	8,847,017	8,179,134	8,323,927	8,506,051
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services:										
Licenses and Permits	Not available	Not available	Not available	Not available	92,008	84,804	123,231	79,462	64,932	87,786
Federal and State Securities	Not available	Not available	Not available	Not available	200,191	7,204	16,932	-	-	-
Fines and Forfeitures	Not available	Not available	Not available	Not available	342,546	256,639	331,057	177,784	54,152	79,935
Landfill Tipping Fees	Not available	Not available	Not available	Not available	404,818	217,214	160,370	169,789	149,005	120,873
Other	Not available	Not available	Not available	Not available	Not available	-	-	22,220	21,579	21,579
Total Charges for Services	220,689	143,347	397,308	618,601	1,039,263	566,061	633,580	449,255	289,619	310,172
Grants and Contributions	878,275	1,029,657	1,221,949	1,078,000	992,132	973,849	1,065,811	1,882,072	1,371,652	1,381,295
Total Governmental Activities Program Revenues	1,099,964	1,172,004	1,619,157	1,696,601	2,031,395	1,539,910	1,699,401	2,331,327	1,661,271	1,691,427
Business-Type Activities										
Charges for Services:										
Electric	2,806,980	3,036,804	2,977,552	2,881,859	3,214,458	3,358,980	3,354,155	3,061,188	3,331,591	3,427,094
Water	646,633	607,530	597,011	600,224	505,570	533,842	513,701	577,271	476,421	774,086
Sewer	809,710	959,056	937,715	975,283	890,719	907,086	736,476	756,476	658,451	1,217,969
Sanitation	231,895	232,968	244,992	260,171	311,605	311,513	333,373	303,008	317,708	333,204
Grants and Contributions	4,485,218	4,636,358	4,757,270	4,817,537	4,922,652	5,111,421	5,137,439	4,652,962	5,284,171	5,952,353
Total Business-Type Activities Program Revenues	5,594,182	6,009,362	6,376,427	6,514,138	6,954,047	6,651,331	6,836,840	6,794,289	6,945,442	7,643,780
<b>Net (Expense) Revenue</b>										
Governmental Activities	(702,166)	(1,068,073)	(1,074,193)	(1,606,746)	(2,034,679)	(2,260,993)	(2,115,904)	(1,282,204)	(1,877,762)	(1,848,143)
Business-Type Activities	863,498	943,550	425,263	(61,588)	489,037	300,669	105,277	1,867,359	499,277	985,872
Total Primary Government Net (Expense)	\$ 161,332	\$ (124,523)	\$ (648,930)	\$ (1,668,334)	\$ (1,545,642)	\$ (1,960,324)	\$ (2,010,177)	\$ 585,155	\$ (1,378,485)	\$ (862,271)
<b>General Revenue and Other Changes in Net Assets</b>										
Governmental Activities										
Taxes										
Property	\$ 339,734	\$ 389,411	\$ 398,387	\$ 489,390	\$ 983,957	\$ 1,231,906	\$ 1,044,553	\$ 927,402	\$ 861,840	\$ 918,796
Franchise	56,067	66,392	65,265	67,881	84,979	69,823	71,113	62,137	74,227	92,327
Insurance Premium	158,276	170,283	178,160	185,840	190,292	188,507	183,028	210,506	223,593	231,509
Beer, Wine and Liquor Tax	83,706	92,859	89,189	83,747	96,162	90,836	88,374	96,560	83,660	86,266
Other	49,888	54,911	59,481	57,060	57,592	61,170	65,144	65,708	5,530	7,376
Other Local Revenue	7,253	12,382	11,752	24,407	23,260	20,503	21,057	21,057	31,397	17,311
Unrestricted Investment Earnings	62,244	128,833	147,265	63,340	15,266	2,647	1,113	666	666	369
Transfers	196,154	286,519	162,981	800,000	700,000	600,000	700,000	1,066,157	(124,460)	160,000
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Prior Period Adjustments	-	-	-	-	-	-	-	(54,853)	-	-
Total Governmental Activities	985,322	1,201,590	1,112,480	1,771,665	2,151,508	2,285,492	2,173,718	2,395,787	1,156,453	1,566,737
Business-Type Activities										
Unrestricted Investment Income	63,888	322,123	154,402	56,952	13,930	1,788	322	4	3	-
Other	(196,154)	(286,519)	(162,981)	(800,000)	(700,000)	(600,000)	(700,000)	(1,066,157)	124,460	(160,000)
Transfers	-	-	-	-	-	-	-	67,236	(168,265)	(52,783)
Capital Contributions	(134,266)	452,277	(8,579)	(744,048)	(686,070)	(598,212)	(699,678)	(816,337)	(20,357)	(285,275)
Prior Period Adjustments	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	831,056	1,653,867	1,103,901	1,027,617	1,465,438	1,667,280	1,474,040	1,578,850	1,136,096	1,281,462
Total Primary Government	263,156	135,517	38,287	164,919	116,629	4,499	57,814	1,113,583	(721,309)	(281,406)
<b>Change in Net Position</b>	729,232	1,395,827	416,684	(805,636)	(197,033)	(297,543)	(593,951)	1,050,422	478,920	700,597
Governmental Activities	992,388	1,529,344	454,971	(640,717)	(80,204)	(293,044)	(536,137)	2,164,005	(242,389)	419,191
Total Business-Type Activities	-	-	-	-	-	-	-	-	-	-
Total Primary Government	992,388	1,529,344	454,971	(640,717)	(80,204)	(293,044)	(536,137)	2,164,005	(242,389)	419,191

CITY OF PALMETTO, GEORGIA

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund										
Nonspendable	\$ Not Available	\$ Not Available	\$ Not Available	\$ Not Available	\$ Not Available	\$ Not Available	\$ 201,254	\$ 206,785	\$ 206,782	\$ 183,002
Assigned	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	173,727	159,727	(491,038)	(75,690)
Total General Fund	235,792	527,459	365,301	375,554	379,343	416,230	374,981	366,512	(284,256)	107,312
All Other Governmental Funds										
Restricted, Reported in:										
Confiscated Fund	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	37,798	37,349	37,380	-
Capital Projects Fund (SPLOST)	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available	477,887	174,564	133,738	195,282
Total All Other Governmental Funds	281,252	116,200	217,261	356,324	490,306	506,792	515,685	211,913	171,118	195,282
Total Governmental Funds	\$ 517,044	\$ 643,659	\$ 582,562	\$ 731,878	\$ 869,649	\$ 923,022	\$ 890,666	\$ 578,425	\$ (113,138)	\$ 302,594

CITY OF PALMETTO, GEORGIA

TABLE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues:</b>										
Taxes	1,529,309	1,652,976	1,814,147	1,917,175	1,334,438	1,589,903	1,529,491	1,337,707	1,229,053	1,353,038
Licenses and Permits	157,225	86,384	102,099	98,896	92,008	84,804	123,231	79,462	64,932	87,786
Fines and Forfeitures	63,464	56,963	46,032	70,623	342,246	256,839	331,057	177,784	54,152	79,935
Landfill Tipping Fees	-	-	249,177	449,082	404,818	217,214	160,370	169,789	149,005	120,873
Intergovernmental Revenue	29,697	140,960	193,337	30,589	1,192,323	958,061	1,084,743	1,852,072	1,371,652	1,381,134
Investment Earnings	62,244	128,833	147,265	63,340	14,795	2,647	1,003	1,113	666	490
Other Local Revenue	7,253	12,382	11,756	24,407	23,731	24,853	20,503	45,972	55,141	31,230
<b>Total All Governmental Funds</b>	<b>\$ 1,849,192</b>	<b>\$ 2,078,498</b>	<b>\$ 2,563,813</b>	<b>\$ 2,654,112</b>	<b>\$ 3,404,359</b>	<b>\$ 3,134,321</b>	<b>\$ 3,250,398</b>	<b>\$ 3,693,899</b>	<b>\$ 2,924,601</b>	<b>\$ 3,054,486</b>
<b>Expenditures</b>										
Administrative	559,321	843,881	696,924	740,607	919,196	936,277	849,177	621,649	559,410	592,670
Public Safety	800,146	875,150	1,496,474	1,996,641	2,522,051	2,556,263	2,447,974	2,320,883	2,305,173	2,349,155
Streets	431,916	386,425	507,970	470,344	393,036	276,751	519,565	717,825	521,166	362,408
Special Services	207,971	132,945	86,521	97,206	132,306	55,664	82,801	1,357,087	105,955	49,398
Water and Sewer	-	-	-	-	-	-	-	412,566	124,460	52,783
Debt Service	-	-	-	-	-	28,870	80,669	-	-	-
Principal	-	-	-	-	-	-	2,569	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>1,999,354</b>	<b>2,238,401</b>	<b>2,787,889</b>	<b>3,304,798</b>	<b>3,966,589</b>	<b>3,853,825</b>	<b>3,982,755</b>	<b>5,430,010</b>	<b>3,616,164</b>	<b>3,406,414</b>
<b>Excess (deficit) of Revenues Over Revenues</b>	<b>\$ (150,162)</b>	<b>\$ (159,903)</b>	<b>\$ (224,076)</b>	<b>\$ (650,686)</b>	<b>\$ (562,230)</b>	<b>\$ (719,504)</b>	<b>\$ (732,357)</b>	<b>\$ (1,736,111)</b>	<b>\$ (691,563)</b>	<b>\$ (351,928)</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	198,154	286,519	162,981	800,000	700,000	600,000	700,000	1,478,723	-	160,000
Transfers out	-	-	-	-	-	-	-	-	-	-
Proceeds from Capital Leases	-	-	-	-	-	109,539	-	-	-	-
Insurance Proceeds from Vehicle Crash	-	-	-	-	-	-	-	-	-	7,660
<b>Total Other Financing Sources (Uses)</b>	<b>198,154</b>	<b>286,519</b>	<b>162,981</b>	<b>800,000</b>	<b>700,000</b>	<b>709,539</b>	<b>700,000</b>	<b>1,478,723</b>	<b>-</b>	<b>167,660</b>
<b>Net Change in Fund Balance</b>	<b>47,992</b>	<b>126,616</b>	<b>(61,095)</b>	<b>149,314</b>	<b>137,770</b>	<b>(9,965)</b>	<b>(32,357)</b>	<b>(257,388)</b>	<b>(691,563)</b>	<b>(184,268)</b>
<b>Fund Balance Beginning</b>	<b>469,052</b>	<b>517,044</b>	<b>643,659</b>	<b>582,564</b>	<b>731,877</b>	<b>869,647</b>	<b>923,023</b>	<b>890,666</b>	<b>578,425</b>	<b>486,862</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,341</b>	<b>-</b>	<b>(54,853)</b>	<b>-</b>	<b>-</b>
<b>Fund Balance Ending</b>	<b>\$ 517,044</b>	<b>\$ 643,660</b>	<b>\$ 582,564</b>	<b>\$ 731,878</b>	<b>\$ 869,647</b>	<b>\$ 923,023</b>	<b>\$ 890,666</b>	<b>\$ 578,425</b>	<b>\$ (113,138)</b>	<b>\$ 302,594</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.80%</b>	<b>2.27%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>

\* Prior to 2008 City counted Intergovernmental SPLOSTas tax revenue

CITY OF PALMETTO

Table 5

ASSESSED VALUE AND ESTIMATED TRUE VALUE  
OF ALL TAXABLE PROPERTY

Last Ten Fiscal Years

Year	Real Property		Personal Property		Public Utilities		Total Property		Ratio	
	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Assessed Value	Estimated True Value	Total Assessed Value to Total True Value	Total Direct Tax Rate
2005	68,135,489	170,338,723	2,979,797	7,449,493	1,102,492	2,756,230	72,217,778	180,544,445	40.00%	4.50
2006	77,419,450	193,548,625	3,094,553	7,736,383	1,089,367	2,723,418	81,603,370	204,008,425	40.00%	4.50
2007	82,749,310	206,873,275	3,057,219	7,643,048	1,228,346	3,070,865	87,034,875	217,587,188	40.00%	4.50
2008	102,565,682	256,414,205	3,673,565	9,183,914	1,226,064	3,065,159	107,465,311	313,771,613	40.00%	4.50
2009	136,901,589	342,253,974	3,801,608	9,504,021	7,076,538	17,691,345	147,779,735	369,449,340	40.00%	8.50
2010	123,676,184	309,190,460	4,046,882	10,117,205	8,829,080	22,072,700	136,552,146	341,380,365	40.00%	8.45
2011	117,575,173	293,937,933	4,550,140	11,375,350	8,931,487	22,328,718	131,056,800	327,642,000	40.00%	8.45
2012	86,136,985	215,342,463	4,811,810	12,029,525	8,719,561	21,798,903	99,668,356	249,170,890	40.00%	8.45
2013	73,669,988	184,174,970	10,727,001	26,817,503	9,130,073	22,825,183	93,527,062	233,817,655	40.00%	8.50
2014	72,074,421	180,186,053	16,253,580	40,633,950	9,344,802	23,362,005	97,672,803	244,182,008	40.00%	8.50

Note: The most significant own source revenue is Ad Valorem tax; the revenue base for this tax is the above assessed property value multiplied by the millage rate as shown in table 7. Prior to 2009, Local Option Sales Tax was the highest revenue source, but due to the increase in millage rate for property t

CITY OF PALMETTO

Table 6

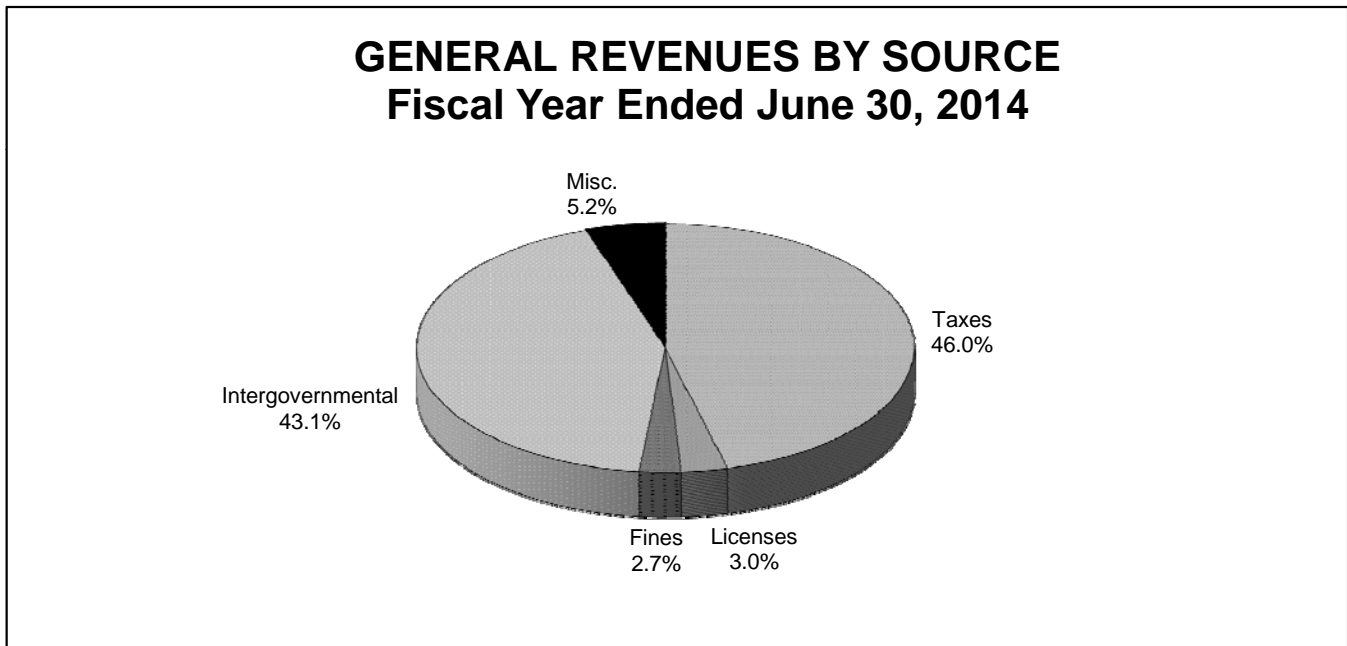
GENERAL FUND REVENUES BY SOURCE (1)

Last Ten Fiscal Years

<u>Year</u>	<u>Taxes</u>	<u>Licenses and Permits</u>	<u>Fines and Forfeitures</u>	<u>Inter-Governmental Revenues</u>	<u>Miscellaneous</u>	<u>Total</u>
2005	1,423,328	165,875	63,464	29,697	67,146	1,749,510
2006	1,554,799	86,384	56,963	140,960	138,944	1,978,050
2007	1,704,243	102,099	46,032	193,337	400,783	2,446,494
2008	1,785,461	98,896	70,623	30,589	526,830	2,512,399
2009	1,334,438	92,008	342,246	859,997	440,760	3,069,449
2010	1,589,903	84,804	256,839	838,444	236,902	3,006,892
2011	1,529,491	123,231	331,057	950,806	181,192	3,115,777
2012	1,337,707	79,462	177,784	1,757,756	216,449	3,569,158
2013	1,229,053	64,932	54,152	1,277,181	204,486	2,829,804
2014	1,353,038	87,786	79,935	1,266,892	152,471	2,940,122

(1) Includes General Fund Revenues Only.

(2) Prior to 2009 LOST revenue was classified as tax revenue rather than intergovernmental revenue



# CITY OF PALMETTO, GEORGIA

Table 7

## TAX RATES AND TAX LEVIES

Last Ten Fiscal Years

### Tax Rate per Hundred Dollars

<u>Year</u>	<u>Total</u>	L.O.S.T. Tax <u>Rollback (1)</u>	Net Tax <u>Rate</u>	General <u>Fund</u>
2005	15.25	-10.75	4.50	4.50
2006	15.25	-10.75	4.50	4.50
2007	15.25	-10.75	4.50	4.50
2008	15.25	-10.75	4.50	4.50
2009	15.25	-6.75	8.50	8.50
2010	14.86	-6.41	8.45	8.45
2011	16.06	-7.61	8.45	8.45
2012	17.35	-8.90	8.45	8.45
2013	17.40	-8.90	8.50	8.50
2014	17.50	-9.00	8.50	8.50

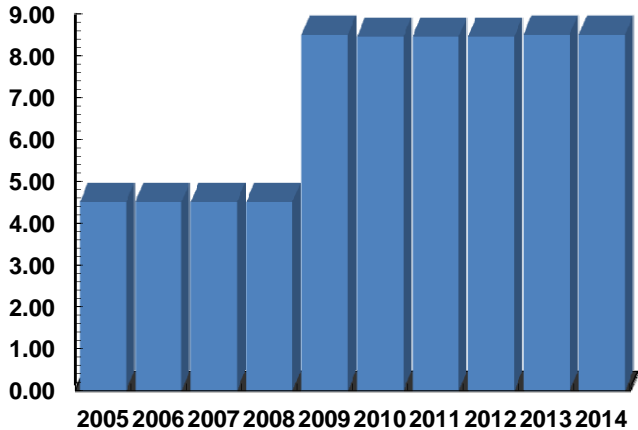
### Tax Levies Based Upon the Above Rates

<u>Year</u>	<u>Total</u>	L.O.S.T. Tax <u>Rollback (1)</u>	Net Tax	General <u>Fund</u>
2005	1,101,321	(776,341)	324,980	324,980
2006	1,244,451	(877,236)	367,215	367,215
2007	1,329,532	(937,211)	392,321	392,321
2008	1,638,845	(1,155,252)	483,593	483,593
2009	2,295,019	(997,513)	1,297,506	1,297,506
2010	2,029,165	(875,299)	1,153,866	1,153,866
2011	2,104,772	(997,342)	1,107,430	1,107,430
2012	1,734,229	(887,048)	847,181	847,181
2013	1,627,371	(832,391)	794,980	794,980
2014	1,709,274	(879,055)	830,219	830,219

(1) Due to approval by voters of Local Option Sales Tax (LOST) in 1984 local governments are required to roll back millage rate by the amount of tax collected under LOST. From 1990 to 1993 the City of Palmetto rolled back the entire millage rate. Due to an increase of the net tax rate of 4.00 for 2009, property tax became the most significant own source revenue.

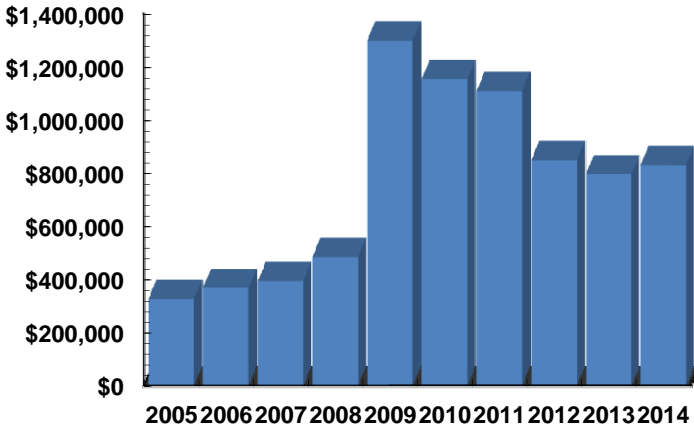


**TAX RATES  
LAST TEN FISCAL YEARS**



■ MILLS

**TAX LEVIES  
LAST TEN FISCAL YEARS**



CITY OF PALMETTO, GEORGIA

TABLE 8

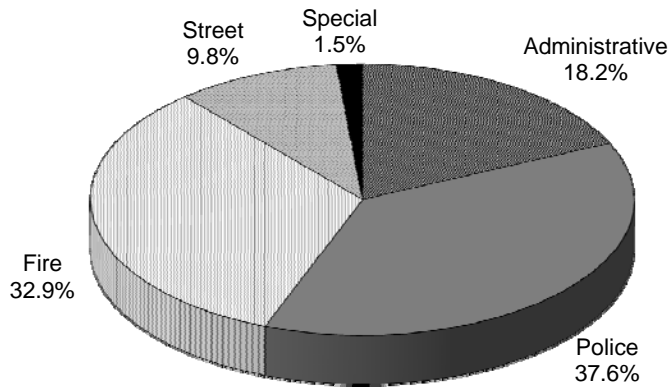
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years

Year	<u>Administrative</u>	<u>Police</u>	<u>Fire</u>	<u>Street</u>	<u>Services Special</u>	<u>Total</u>
2005	558,950	725,622	74,524	431,916	207,971	1,998,983
2006	578,381	800,996	74,154	386,425	132,945	1,972,901
2007	680,667	930,198	566,276	507,970	86,521	2,771,632
2008	737,956	1,211,771	784,870	470,344	97,206	3,302,147
2009	699,644	1,411,028	1,042,772	375,452	58,042	3,586,938
2010	744,665	1,468,625	1,054,828	273,403	23,293	3,564,814
2011	771,826	1,383,465	1,017,390	356,625	20,425	3,549,731
2012	605,702	1,294,011	1,022,064	458,540	50,291	3,430,608
2013	558,810	1,189,118	1,065,681	353,521	41,812	3,208,942
2014	584,922	1,211,391	1,058,145	315,009	49,078	3,218,545

(1) Includes non-capital general governmental expenditures only.

**GENERAL GOVERNMENT EXPENDITURES  
Fiscal Year Ended June 30, 2014**



CITY OF PALMETTO, GEORGIA

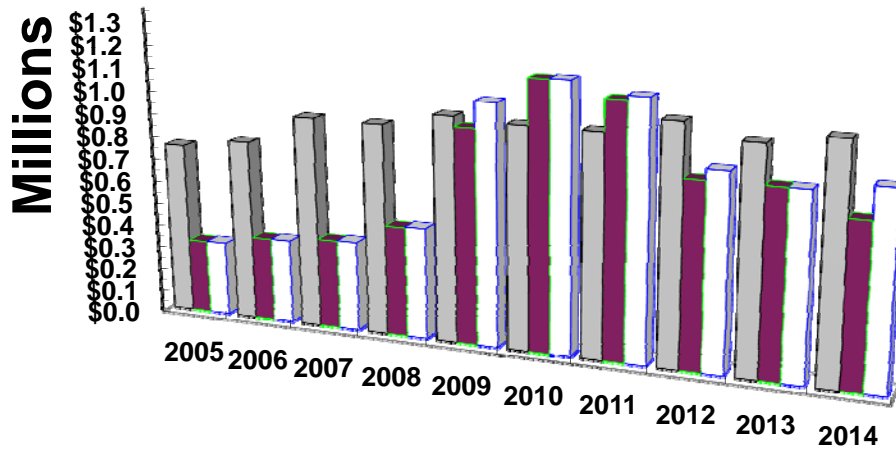
Table 9

PROPERTY TAX LEVIES AND COLLECTIONS AND L.O.S.T. COLLECTIONS

Last Ten Fiscal Years

Year	Total Tax Levy	Collections of Current Years Taxes During Year	Percentage of Levy Collected During Year	Adjustments and Collections in Subsequent Years	Total Collections to Date		Intergovernmental Local Option Sales Tax Collected
					Amount	Percent of Levy	
2005	324,980	296,544	91.25%	25,889	322,433	99.22%	751,248
2006	367,215	336,254	91.57%	28,886	365,140	99.43%	789,520
2007	392,321	357,472	91.12%	31,808	389,280	99.22%	918,608
2008	483,593	441,008	91.19%	37,485	478,493	98.95%	915,697
2009	1,042,513	901,648	86.49%	136,602	930,306	89.24%	973,849
2010	1,153,866	1,038,999	90.05%	112,062	1,151,061	99.76%	958,061
2011	1,107,430	990,981	89.48%	99,101	1,090,082	98.43%	956,425
2012	842,198	704,025	83.59%	90,608	794,633	94.35%	1,023,253
2013	794,980	649,700	81.73%	145,280	794,980	100.00%	961,851
2014	830,219	694,888	83.70%	-	694,888	83.70%	1,003,696

## TAX LEVIES AND TAX COLLECTIONS LAST TEN FISCAL YEARS



■ L.O.S.T. ■ Total Collections □ Total Tax Levy

CITY OF PALMETTO

TABLE 10

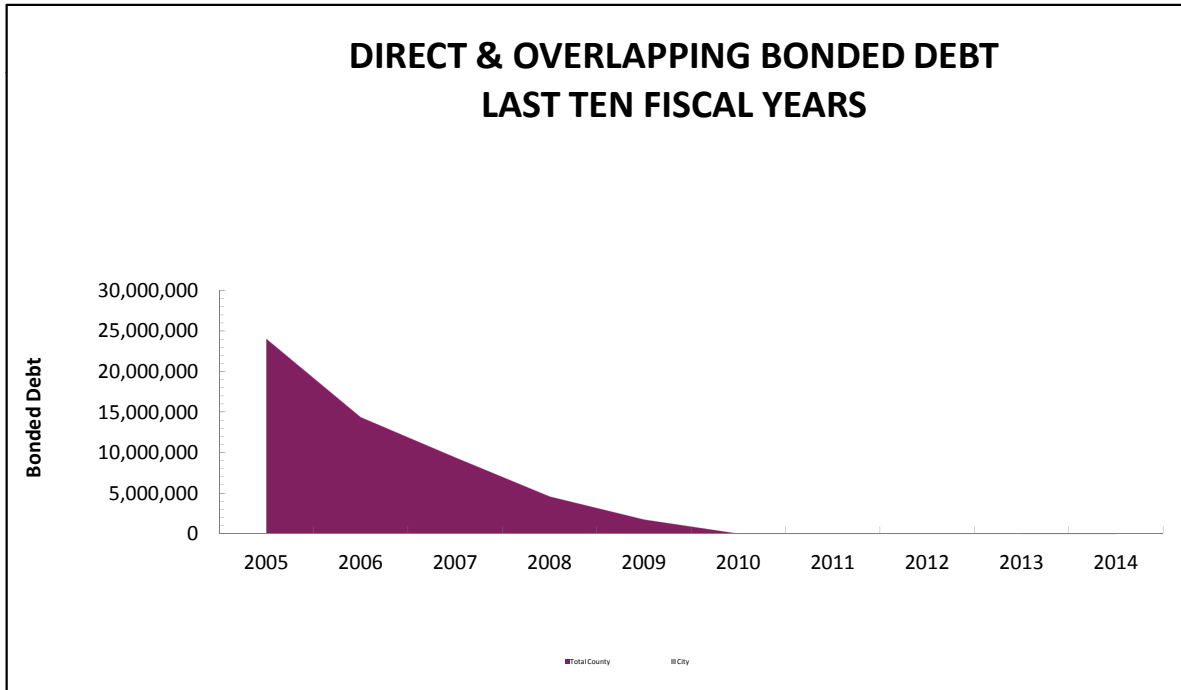
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
GENERAL OBLIGATION BONDS

Last Ten Fiscal Years

Net General Obligation  
Bonded Debt Outstanding

Year	Direct Total City	Overlapping Debt Total County	% Of County Debt Applicable To City (1)	Total
2005	-	24,077,659	100,196	24,077,659
2006	-	14,381,148	60,646	14,381,148
2007	-	9,428,153	39,284	9,428,153
2008	-	4,581,096	19,373	4,581,096
2009	-	1,760,000	8,343	1,760,000
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-

- (1) Method used is to calculate the City's ratio based on the City's population divided by the county's population.



CITY OF PALMETTO, GEORGIA

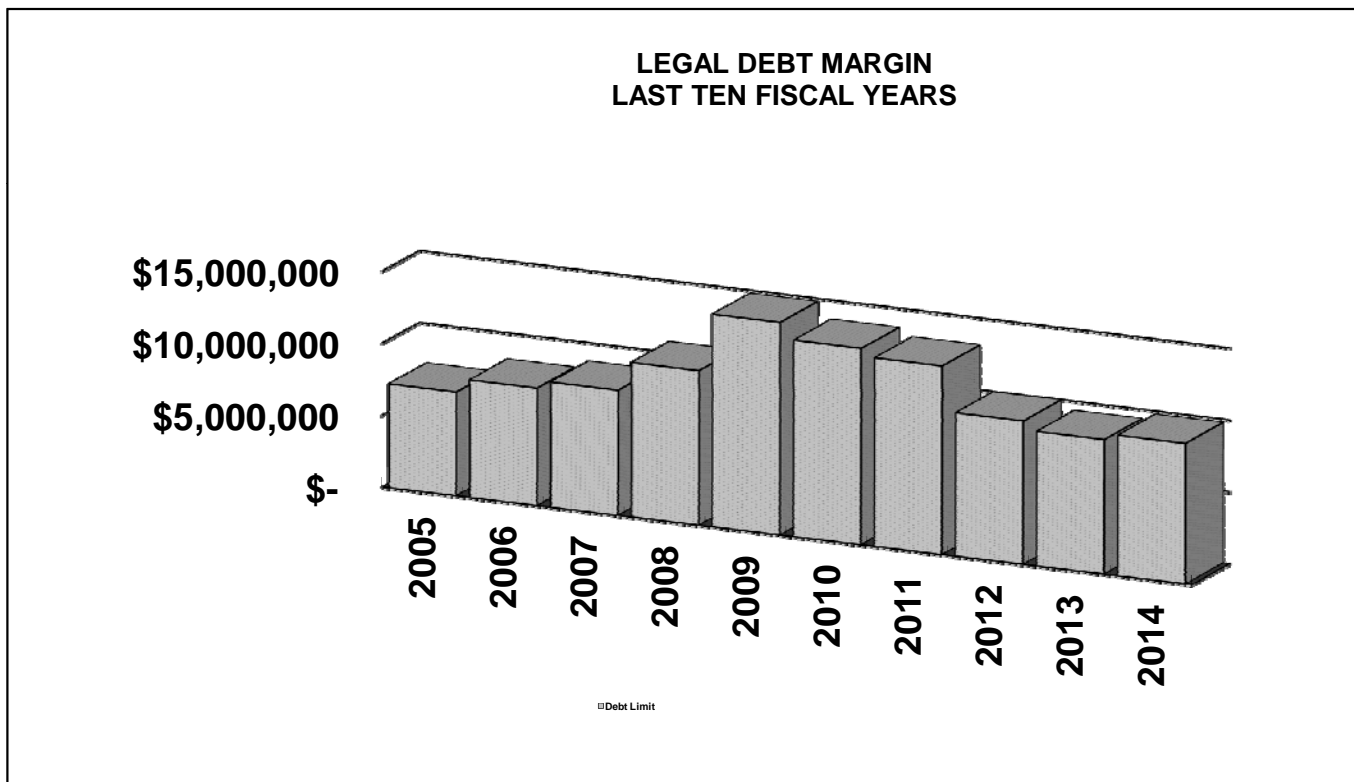
Table 11

LEGAL DEBT MARGIN TABLE

Last Ten Fiscal Years

Year	Assessed Value	Percentage	Debt Limit	Amount Applicable	Legal Debt Margin
2005	72,217,778	10.00%	7,221,778	-	7,221,778
2006	81,732,203	10.00%	8,173,220	-	8,173,220
2007	87,034,875	10.00%	8,703,488	-	8,703,488
2008	107,465,311	10.00%	10,746,531	-	10,746,531
2009	147,779,735	10.00%	14,777,974	-	14,777,974
2010	136,552,146	10.00%	13,655,215	-	13,655,215
2011	131,056,800	10.00%	13,105,680	-	13,105,680
2012	99,668,356	10.00%	9,966,836	-	9,966,836 *
2013	93,527,062	10.00%	9,352,706	-	9,352,706 *
2014	97,672,803	10.00%	9,767,280	-	9,767,280

\* Contain corrections from prior report.





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CITY OF PALMETTO, GEORGIA

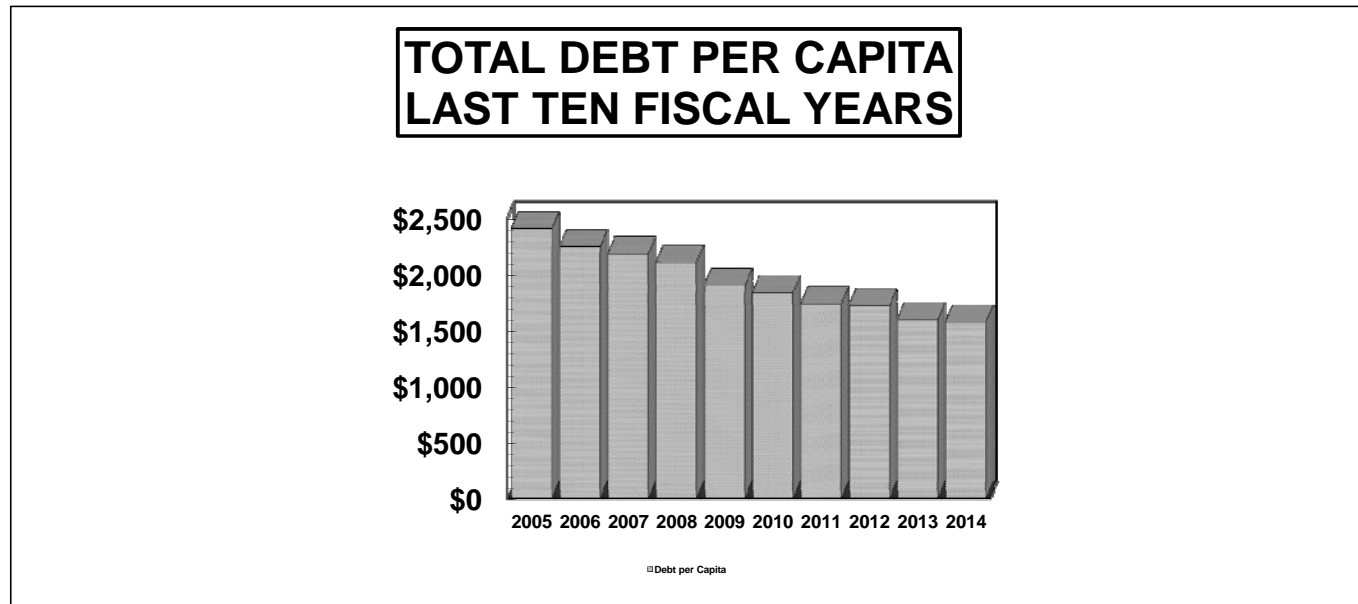
Table 12

RATIO OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income(1)	Per Capita (1)
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	General Obligation Bonds	Revenue Bonds	Capital Leases			
2005	-	-	-	-	9,555,000	-	9,555,000	Not Available	2,401
2006	-	-	-	-	9,555,000	-	9,555,000	Not Available	2,240
2007	-	-	-	-	9,555,000	-	9,555,000	Not Available	2,179
2008	-	-	-	-	9,555,000	-	9,555,000	10.95%	2,100
2009	-	-	-	-	8,865,000	-	8,865,000	10.16%	1,893
2010	-	-	80,669	-	8,765,000	-	8,845,669	10.14%	1,833
2011	-	-	-	-	8,355,000	-	8,355,000	10.52%	1,732
2012	-	-	-	-	7,930,000	-	7,930,000	9.98%	1,715
2013	-	-	-	-	7,490,000	-	7,490,000	10.54%	1,592
2014	-	-	-	-	7,035,000	-	7,035,000	8.40%	1,571

(1) See table 17 for population and per capita information.



CITY OF PALMETTO, GEORGIA

Table 13

REVENUE BOND COVERAGE  
COMBINED PUBLIC UTILITY REVENUE BONDS

Last Ten Fiscal Years

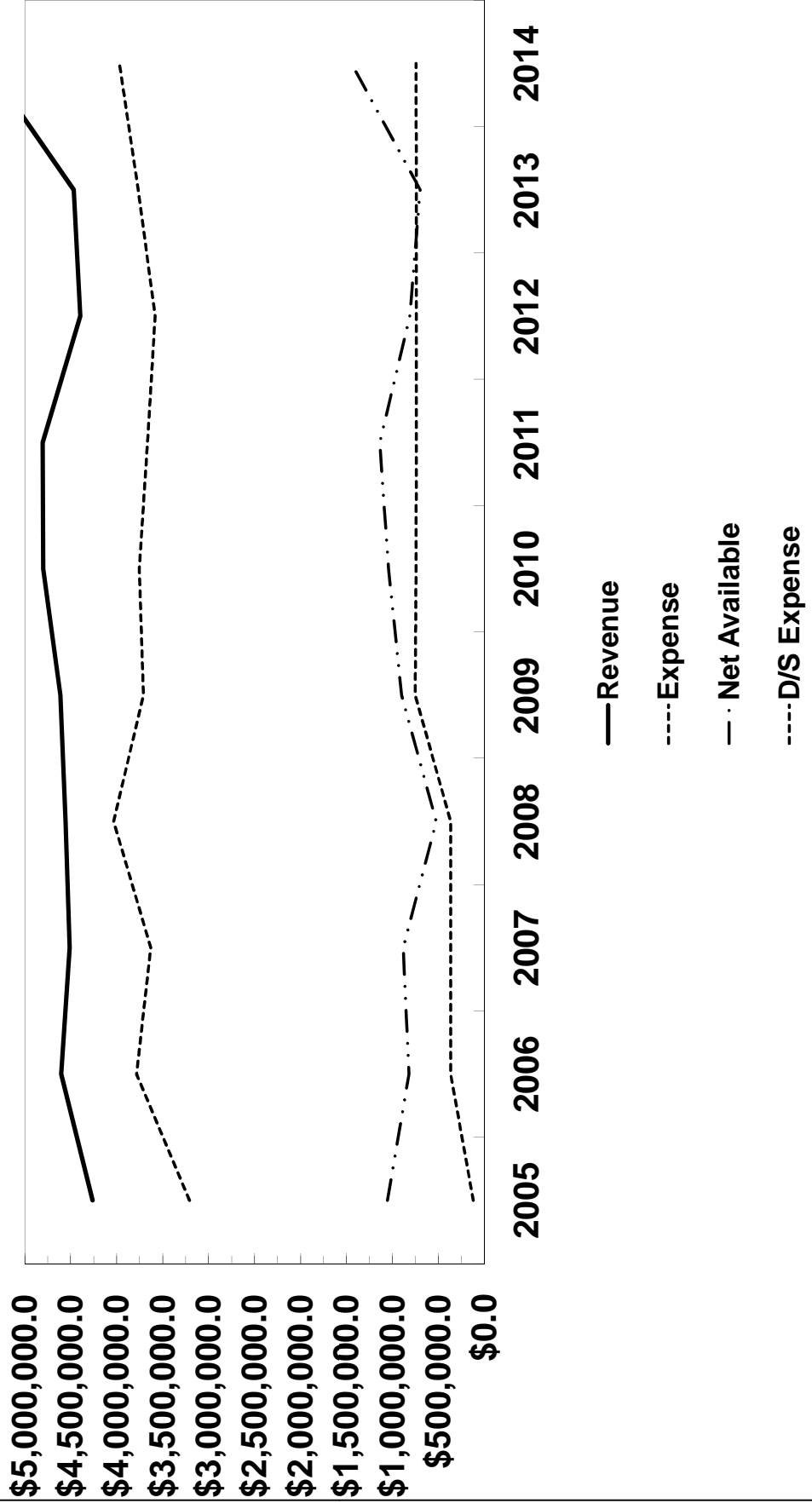
Fiscal Year	Electric Fund			Water & Sewer Fund			Combined		
	Gross Revenue(1)	Direct Operating Expenses(2)	Net Revenue Available for Debt Service	Gross Revenue(1)	Direct Operating Expenses(2)	Net Revenue Available for Debt Service	Net Revenue Available for Debt Service	Debt Service Payments	Coverage
2005	2,806,980	2,179,192	627,788	1,456,342	1,029,679	426,663	1,054,451	122,527	8.61
2006	3,036,804	2,332,368	704,436	1,566,586	1,450,438	116,148	820,584	367,581	2.23
2007	2,977,552	2,509,434	468,118	1,534,726	1,120,005	414,721	882,839	367,641	2.40
2008	2,981,859	2,795,154	186,705	1,575,507	1,237,030	338,477	525,182	367,641	1.43
2009	3,214,458	2,517,868	696,590	1,396,589	1,192,188	204,401	900,991	751,975	1.20
2010	3,358,980	2,558,282	800,698	1,440,928	1,196,694	244,234	1,044,932	743,402	1.41
2011	3,554,155	2,669,587	884,568	1,249,911	996,756	253,155	1,137,723	740,019	1.54
2012	3,061,188	2,701,054	360,134	1,333,747	882,126	451,621	811,755	741,206	1.10
2013	3,331,591	2,947,993	383,598	1,134,872	817,926	316,946	700,544	741,246	0.95
2014	3,427,094	3,119,820	307,274	1,992,056	851,007	1,141,049	1,448,323	744,321	1.95

(1) Includes revenues from sale of water, sewerage services, tapping fees, and other revenues from the water & sewer system and other revenues derived from the operation of the water & sewer system. Includes the electric system revenues due to the issuance of the combined utility bonds.

(2) Includes expenses from cost of water, operating expenses, personal services and administrative expenses associated with the operation of the water & sewer system, (excluding depreciation per bond ordinances). Includes the electric system expenses due to the issuance of the combined utility bonds.



# REVENUE BOND COVERAGE LAST TEN FISCAL YEARS



CITY OF PALMETTO

Table 14

PRINCIPAL PROPERTY TAXPAYERS

Last Year and Seven Years Ago

Taxpayer	2014		2007	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
Coweta/Fayette EMC	8,335,666	8.53%	-	0.00%
Lowes Home Center, Inc.	5,052,000	5.17%	-	0.00%
Soful LLC	3,313,120	3.39%	-	0.00%
William Gause	1,833,800	1.88%	465,556	0.53%
National Ready Mix	1,086,160	1.11%	-	0.00%
Genesis Garden Apartments	1,052,760	1.08%	1,720,000	1.98%
Asset Holding Company LLC	1,034,427	1.06%	-	0.00%
Wilkerson M OSCP One LLC	1,018,640	1.04%	1,346,444	1.55%
Flash Foods	962,310	0.99%	-	0.00%
DRGN Properties	750,040	0.77%	-	0.00%
Cannon Garfield	639,000	0.65%	-	0.00%
W. H. M. Chattahoochee Hills Investment	606,140	0.62%	-	0.00%
Spurlin Industries	595,880	0.61%	399,556	0.46%
Bellsouth Telecomm Fulton	380,694	0.39%	1,025,556	1.18%
Walker Concrete	346,930	0.36%	882,000	1.01%
Singh Creative	110,860	0.11%	724,444	0.83%
J. M. Pacific Enterprises	\$ -	0.00%	\$ 6,800,000	7.81%
Palmetto Center	-	0.00%	564,222	0.65%
Prudential Ind'l Prop-Dewitt Corp.	-	0.00%	611,556	0.70%
Other Taxpayers	70,554,376	72.24%	72,495,541	83.29%
	<u>\$ 97,672,803</u>	<u>100.00%</u>	<u>\$ 87,034,875</u>	<u>100.00%</u>

Note 1: Due to a property tax millage rate increase in 2009, property tax revenue currently is the City's most significant own source revenue.

Note 2 : Information for 2001 not available.

CITY OF PALMETTO, GEORGIA

Table 15

SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS

6/30/2014

	Fees or Salary	Amount of Surety Bond
<b>MEMBERS OF THE CITY COUNCIL</b>		
J. Clark Boddie	\$ 3,000	\$ 500,000
Larry Parrott	1,500	500,000
Patty O'Hara Willey	1,500	500,000
Laura Mullis	1,500	500,000
Gregory Rusch	1,500	500,000
Leon Sumlin	1,500	500,000
Lucinda Rockemore, Mayor Pro-Tem	2,000	500,000
<b>OTHER CITY OFFICIALS</b>		
William H. Shell, City Administrator	84,822	500,000
Bobby L. Fronebarger	75,504	500,000
Henry Argo, Fire Chief	68,765	500,000
Antone Allison, City Recorder	13,200	500,000

CITY OF PALMETTO, GEORGIA

Table 16

SUMMARY OF INSURANCE COVERAGE

6/30/2014

**Coverage**

**Property Coverage:**

Values Declared	\$10,688,768
Deductible Per Occurrence	1,000
All Risk Coverage	1,000,000 Limit
Business Interruption	100,000 Limit
Valuable Paper and Records	100,000 Limit
Builders Risk - Automatic To	100,000 Limit

**Casualty Coverage:**

General Liability	Occurrence	1,000,000 Limit
Police Professional	Occurrence	1,000,000 Limit
Public Officials	Claims Made	1,000,000 Limit
Automobile Liability	Occurrence	1,000,000 Limit
Employee Benefits Liability	Claims Made	1,000,000 Limit
Watercraft Liability	Occurrence	1,000,000 Limit
Paramedics, EMT	Occurrence	1,000,000 Limit
Liquor Liability	Occurrence	1,000,000 Limit

**Crime Coverage:**

Money and Securities	500,000 Limit
Blanket Employee Dishonesty	500,000 Limit
Depositor's Forgery or Alteration	500,000 Limit
Computer Crime	500,000 Limit

CITY OF PALMETTO, GEORGIA

TABLE 17

DEMOGRAPHIC STATISTICS

As Available from Public Records

Fiscal Year	Population (1)	Personal Income (2)	Per Capita Income (2)	Median Age (2)	Median Education Level in Years of Formal Schooling (1)	School Enrollment (2)	Unemployment Rate (3)
2005	3,980	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	4.50%
2006	4,266	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	4.40%
2007	4,385	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	4.20%
2008	4,550	87,232,600	19,172	31.2	Unavailable	Unavailable	9.30%
2009	4,682	89,763,304	19,172	31.2	Unavailable	Unavailable	9.50%
2010	4,825	92,504,900	19,172	31.2	Unavailable	Unavailable	10.00%
2011	4,488	79,428,624	17,698	31.2	12th	Unavailable	10.10%
2012	4,625	79,428,624	18,506	33.4	12th	Unavailable	9.60%
2013	4,706	71,046,482	15,097	33.4	12th	Unavailable	9.30%
2014	4,477	83,715,423	18,699	33.0	12th	Unavailable	7.40%

(1) Source: 2000, 2012 - U.S. Census, 2013 city-data.com, 2014 bestplaces.net, all other years - City count

(2) Source: city-data.com, 2012-2014 bestplaces.net

(3) Source: Georgia Department of Labor for State of Georgia, 2012-2014 bestplaces.net

CITY OF PALMETTO, GEORGIA

TABLE 18

PRINCIPAL EMPLOYERS  
Last Year and Seven Years Ago  
As Available from Public Records

Employer	2014		2007	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Coweta Fayette EMC	200	20.45%		
Fulton County Board of Education	130	13.29%	150	15.51%
Georgia Baptist Children's Home	78	7.98%	70	7.24%
Lowes Warehouse	75	7.67%		
City of Palmetto	55	5.62%	64	6.62%
Spurlin Industries	45	4.60%	70	7.24%
McDonalds	45	4.60%		
Baptist Manor & Garrison Personal Care	40	4.09%	42	4.34%
Palmetto Community Health	29	2.97%		
Bradley's Big Buy	21	2.15%	35	3.62%
Another Bright Creation	21	2.15%		
Lambert Pharmacy	19	1.94%		
Jack Peek Sales and Service	16	1.64%	15	1.55%
Bojangles	15	1.53%	31	3.21%
Dairy Queen	14	1.43%	25	2.59%
Cannon Load Banks	13	1.33%		
American-APEC-Pair Engineering Company	8	0.82%	26	2.69%
Total Principal Employers	824	84.26%	528	54.61%
Total Employees	978		967	

Note: Information for the prior two years is not available.

CITY OF PALMETTO, GEORGIA

TABLE 19

FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION  
Last Eight Fiscal Years

<u>Function</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
General Government	5	5	5	5	5	6	7	6
Public Safety:								
Officers	17	17	17	18	19	20	20	14
Civilians	2	2	2	3	3	3	3	3
Fire								
Firefighters and Officers	15	15	15	18	18	18	17	-
Highways and Streets								
Maintenance	6	6	6	6	4	6	9	9
Special Services	-	-	-	-	-	-	2	2
Electric	4	4	4	5	5	6	5	5
Water and Sewer	6	6	6	6	7	9	9	10
	<u>55</u>	<u>55</u>	<u>55</u>	<u>61</u>	<u>61</u>	<u>68</u>	<u>72</u>	<u>49</u>

Note: Information for the prior two years is not available.

CITY OF PALMETTO, GEORGIA

TABLE 20

OPERATING INDICATORS BY FUNCTION  
Last Eight Fiscal Years

<b>Function</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>	<b>2007</b>
<b>Police</b>								
Physical Arrests	197	200	235	255	148	58	216	154
Parking Violations	-	2	5	1	2	-	1	2
Traffic Violations	737	828	760	2,354	2,000	2,738	934	353
<b>Fire</b>								
Number of Calls Answered	966	951	920	869	848	775	767	-
Inspections	454	479	495	282	264	254	192	-
<b>Highways and Streets</b>								
Street Resurfacing (Feet)	-	1,200	1,200	1,200	850	1,000	1,200	1,000
Potholes Repaired	10	-	-	80	60	60	24	24
<b>Community Services</b>								
Admissions	-	-	-	-	-	-	47	24
<b>Water</b>								
New Connections	1	-	-	1	2	-	36	26
Water Main Breaks	3	5	4	10	8	4	2	4
Average Daily Consumption (Gallons)	258,756	266,200	321,041	272,354	277,670	295,000	291,770	301,193
<b>Sewer</b>								
Average Daily Sewerage Treatment(Gallons)	386,180	406,384	251,934	367,681	512,838	420,708	423,199	413,368

Sources: Various City Departments.

Note 1: Full Fire Department function implemented in fiscal year 2008.

Note 2: No Operating Indicators are available for the General Government functions.

Note 3: City services two trailor parks for sewer only.

Note 4: Information for the prior two years is not available.



CITY OF PALMETTO, GEORGIA

TABLE 21

CAPITAL ASSET STATISTICS BY FUNCTION  
Last Eight Fiscal Years

<b>Function</b>	2014	2013	2012	2011	2010	2009	2008	2007
Public Safety								
Police Stations	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	17	17	16	16
Fire Stations	1	1	1	1	1	1	1	1
Highways and Streets								
Streets (Miles)	51	51	51	51	51	51	51	47
Streetlights	410	408	408	408	408	408	408	408
Traffic Signals	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1
Water								
Water Mains(Miles)	25	25	25	25	25	25	25	25
Fire Hydrants	174	174	174	174	174	174	174	174
Maximum Daily Capacity (thousand gals.)	450	450	450	450	450	450	450	450
Sewer								
Sanitary Sewers(Miles)	15	15	15	15	15	15	15	15
Storm Sewers(Miles)	2	2	2	2	2	2	2	2
Maximum Daily Treatment Capacity	-	-	-	-	-	-	-	-
Electric								
Number of Distribution Stations	1	1	1	1	1	1	1	1
Miles of Service Lines	39	39	39	39	39	39	39	39

Sources: Various City Departments.  
 Note 1: No Capital Asset Indicators are available for the General Government function.  
 Note 2: Information for the prior two years is not available.