

# CITY OF PALMETTO, GEORGIA



## *COMPREHENSIVE ANNUAL FINANCIAL REPORT*

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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

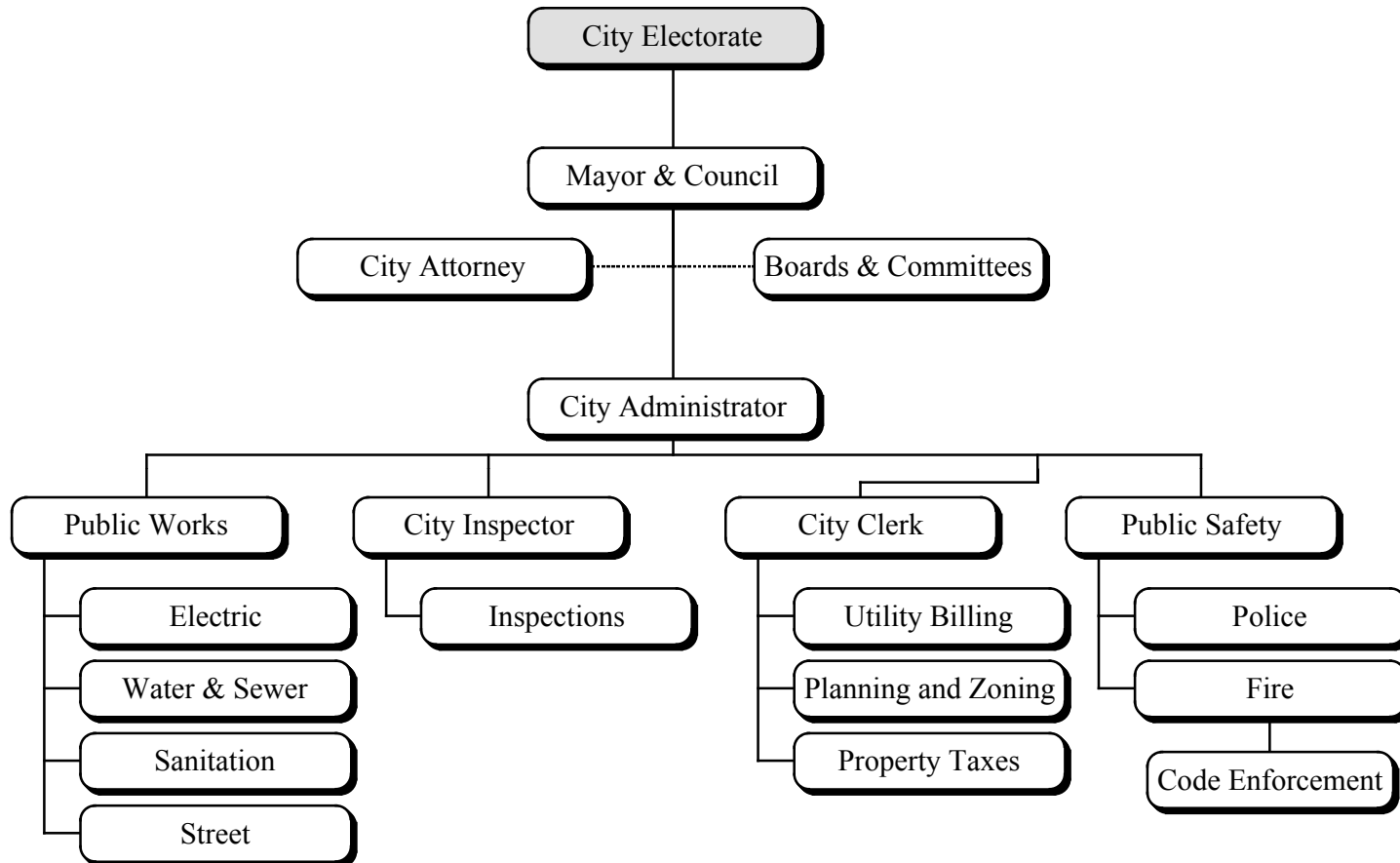
TABLE OF CONTENTS

CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING

LETTER OF TRANSMITTAL

# City of Palmetto, Georgia

## Organizational Chart



**CITY OF PALMETTO, GEORGIA  
CITY OFFICIALS  
2016**

MAYOR

*J. Clark Boddie*

CITY COUNCIL

*Michael Arnold*

*Tara Miller*

*Laura Mullis*

*Larry Parrott*

*Nathan Slaton*

*Patty O'Hara Willey*

CITY ADMINISTRATOR

*William H. Shell*

CITY CLERK

*Cynthia Hanson*

CHIEF OF POLICE

*Randy Mundy*

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

## Table of Contents

<b>INTRODUCTORY SECTION</b>	
Title Page - Introductory Section	1
Organization Chart	2
Listing of City Officials	3
Table of Contents	4-5
Certificate of Achievement for Excellence in Financial Reporting	6
Letter of Transmittal	7-10
<b>FINANCIAL SECTION</b>	
Title Page - Financial Section	11
Independent Auditors' Report	12-13
Management's Discussion and Analysis	14-20
<u>Basic Financial Statements</u>	
Government-wide Financial Statements	
Statement of Net Position	21
Statement of Activities	22
Fund Financial Statements	
Balance Sheet - Governmental Funds	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	24-25
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds to the Statement of Activities	26
Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	27
Statement of Net Position - Proprietary Funds	29
Statement of Revenues, Expenses, and Changes in Net Fund Position- Proprietary Funds	30-31
Statement of Cash Flows - Proprietary Funds	32
Notes to the Financial Statements	33-53
Title Page - Individual Fund Statements and Schedules	55
Combining and Individual Fund Statements and Schedules	
Combining Balance Sheet, Non-Major Governmental Funds	56
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non-Major Governmental Funds	57
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position - Budget to Actual	
Electric Fund	58
Water and Sewer Fund	59
Sanitation Fund	60
Non-Major Governmental Funds	61
Capital Assets Used in the Operation of Governmental Funds	
Schedule by Source	62
Schedule by Function and Activity	63
Schedule of Change by Function and Activity	64

**STATISTICAL SECTION**

Title Page - Statistical Section		65
Tables		
Net Position by Component	1	66
Change in Net Position	2	67
Fund Balances, Governmental Funds	3	68
Change in Fund Balances, Governmental Funds	4	67
Assessed Value and Estimated True Value	5	69
General Revenue by Source	6	70
Tax Rates and Tax Levies	7	72-73
General Governmental Expenditures by Function	8	74
Property Tax Levies and Collections	9	75
Computation of Direct and Overlapping Bonded Debt-General Obligation	10	76
Legal Debt Margin Table	11	77
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capital	12	78
Revenue Bond Coverage	13	80-81
Principal Taxpayers	14	82
Salaries and Surety Bonds of Principal Officials	15	83
Summary of Insurance Coverage	16	84
Demographic Statistics	17	85
Principal Employers	18	86
Full Time City Government Employees by Function	19	87
Operating Indicators by Function	20	88
Capital Asset Statistics by Function	21	89
Schedule of Changes in the Net Pension Liability and Related Ratios	22	90



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

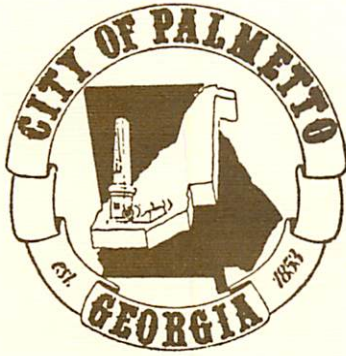
**City of Palmetto  
Georgia**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

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, 2016, 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 2015.

### 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 storm water drains have been replaced on Honeysuckle Lane with the use of Community Development Block Grant funds. The storm water utility startup that was planned for 2016 has been delayed until spring of 2017. The two (2) houses on Fayetteville Road that were condemned have been removed. The City also purchased a defibrillator for \$32,232.99 with general fund money. The sidewalk across the bridge on Phillips Road and a MARTA bus shelter has been completed.

#### FOR THE FUTURE

Plans are to finish the sidewalk on Phipps Road to the MARTA shelter. The old fire truck that had mechanical problems is being put into use as a service truck at the station. Plans are under way for an ISO inspection due sometime in February. The City continues to do free limb pick-up and bulk drop off for furniture. The City will resurface several streets and build some new sidewalks with the transportation money it will receive. The City will also purchase another defibrillator with Coweta SPLOST money.

### **Other Information**

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, 2015. This was the twenty-third 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 14, 2016



CITY OF PALMETTO, GEORGIA

FINANCIAL SECTION

This Section Contains the Following Subsections:

INDEPENDENT AUDITORS' REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

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

### **Report on Financial Statements**

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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City Palmetto, Georgia, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

3475 Dallas Highway, Suite 125 • Marietta, Georgia 30064 • Office: (678) 290-5100 • Fax: (678) 290-3307

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

postcpas.com

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 13-19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Palmetto, Georgia's basic financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report December 14, 2016 on our consideration of the City of Palmetto's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Palmetto's internal control over financial reporting and compliance.



Marietta, Georgia  
December 14, 2016

## **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, 2016. 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 and deferred outflows of the City of Palmetto exceeded its liabilities and deferred inflows at the close of the fiscal year by nearly \$17 million.
- The government's total net position increased by \$820,000 which was \$39,000 more than the increase in 2015.
- As of the close of the current fiscal year, the City of Palmetto's governmental funds reported combined ending net position of \$4.2 million, an increase of \$132,000 in comparison with the prior year. Transferred into the governmental funds were \$600,000 in 2015 and \$300,000 in 2016 from business-type funds.
- The City of Palmetto's total liabilities decreased by \$327,000 during the current fiscal year due primarily to a decrease in revenue bonds payable of \$603,000 countered by an increase in net pension liability of \$245,000.

### **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 21 & 22) 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 33-53 of this report.

**Government-Wide Financial Analysis**  
 City of Palmetto, Georgia  
 Statement of Net Position - Primary Government

	<u>June 30, 2016</u>			<u>June 30, 2015</u>		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Current and Other Assets	\$ 862,899	\$ 2,498,376	\$ 3,361,275	\$ 1,144,231	\$ 2,324,309	\$ 3,468,540
Capital Assets - Net	3,974,632	17,119,741	21,094,373	3,491,094	17,180,166	20,671,260
Total as sets	<u>4,837,531</u>	<u>19,618,117</u>	<u>24,455,648</u>	<u>4,635,325</u>	<u>19,504,475</u>	<u>24,139,800</u>
Deferred Outflows	255,267	523,049	778,316	118,886	547,395	666,281
Total Assets and Deferred Outflows	<u>\$ 5,092,798</u>	<u>\$ 20,141,166</u>	<u>\$ 25,233,964</u>	<u>\$ 4,754,211</u>	<u>\$ 20,051,870</u>	<u>\$ 24,806,081</u>
Long-Term Liabilities	678,746	5,919,620	6,598,366	452,053	6,801,768	7,253,821
Other Liabilities	167,385	1,540,006	1,707,391	136,220	1,242,367	1,378,587
Total Liabilities	<u>846,131</u>	<u>7,459,626</u>	<u>8,305,757</u>	<u>588,273</u>	<u>8,044,135</u>	<u>8,632,408</u>
Deferred Inflows	-	-	-	51,306	15,118	66,424
Total Liabilities and Deferred Inflows	<u>\$ 846,131</u>	<u>\$ 7,459,626</u>	<u>\$ 8,305,757</u>	<u>\$ 639,579</u>	<u>\$ 8,059,253</u>	<u>\$ 8,698,832</u>
Net Investment in Capital Assets	\$ 3,974,632	\$ 10,889,123	\$ 14,863,755	\$ 3,491,094	\$ 10,205,108	\$ 13,696,202
Restricted for:						
Capital Projects	34,687	324,896	359,583	389,054	324,896	713,950
Unrestricted	237,348	1,467,521	1,704,869	234,484	1,462,613	1,697,097
Total Net Position	<u>\$ 4,246,667</u>	<u>\$ 12,681,540</u>	<u>\$ 16,928,207</u>	<u>\$ 4,114,632</u>	<u>\$ 11,992,617</u>	<u>\$ 16,107,249</u>

City of Palmetto, Georgia  
Statement of Activities- Primary Government

	June 30, 2016			June 30, 2015		
	Governmental Activities	Business-Type Activities	Total	Governmental Activities	Business-Type Activities	Total
Revenues:						
Program Revenues:						
Charges for Services	\$ 495,641	\$ 5,844,534	\$ 6,340,175	\$ 558,933	\$ 5,712,637	\$ 6,271,570
Grants and Contributions	1,454,903	-	1,454,903	1,336,937	46,262	1,383,199
General Revenues:						
Property Taxes	1,028,561	-	1,028,561	1,043,331	-	1,043,331
Other Taxes	449,622	-	449,622	426,266	-	426,266
Other	12,975	12,506	25,481	13,046	35,682	48,728
Total Revenues	<u>3,441,702</u>	<u>5,857,040</u>	<u>9,298,742</u>	<u>3,378,513</u>	<u>5,794,581</u>	<u>9,173,094</u>
Expenses:						
General Government	698,675	-	698,675	701,746	-	701,746
Public Safety	2,296,009	-	2,296,009	2,108,026	-	2,108,026
Street	446,732	-	446,732	437,686	-	437,686
Community Services	168,251	-	168,251	182,725	-	182,725
Interest on Long-Term Debt	-	213,445	213,445	-	165,343	165,343
Electric	-	2,991,913	2,991,913	-	3,248,998	3,248,998
Water and Sewer	-	1,423,333	1,423,333	-	1,332,651	1,332,651
Sanitation	-	239,426	239,426	-	213,801	213,801
Total Expenses	<u>3,609,667</u>	<u>4,868,117</u>	<u>8,477,784</u>	<u>3,430,183</u>	<u>4,960,793</u>	<u>8,390,976</u>
Increase (Decrease) in Net Position Before Transfers and contributions	(167,965)	988,923	820,958	(51,670)	833,788	782,118
Transfers and Contributions	300,000	(300,000)	-	600,000	(600,000)	-
Increase in Net Position	132,035	688,923	820,958	548,330	233,788	782,118
Net Position, July 1	4,114,632	11,992,617	16,107,249	3,566,302	11,758,829	15,325,131
Net Position, June 30	<u>\$ 4,246,667</u>	<u>\$ 12,681,540</u>	<u>\$ 16,928,207</u>	<u>\$ 4,114,632</u>	<u>\$ 11,992,617</u>	<u>\$ 16,107,249</u>

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 \$1.8 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 \$168,000 prior to a transfer in of \$300,000 from the Electric Fund.

**Business-type activities:** Business-type activities increased the City of Palmetto's net position by \$389,000 before a transfer out of \$300,000.

## **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 \$199,000 and the unassigned fund balance was \$360,000. The Confiscated Fund had no fund balance at year end. SPLOST had a restricted balance of \$33,000. At June 30, 2016, the governmental funds of City of Palmetto reported a combined fund balance of \$593,000, an increase of 96% over the prior year. The main reason for the increase in the fund balance over the previous year is due to a transfer in from the Electric Fund.

**General Fund Budgetary Highlights:** Overall revenues were below the budgeted amounts and expenditures came in less than budgeted. The fund balance came in with a positive variance of \$774,000 after a transfer in of \$300,000.

**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 business-like funds at the end of the fiscal year amounted to just over \$1.6 million. This represents an increase of \$146,000 over the previous year.

## **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, 2016, totals \$21 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 42 and 43 of the Basic Financial Statements.

### City of Palmetto's Capital Assets

	Governmental Activities	Business-Type Activities	Total
Land	\$ 291,180	\$ 6,667	\$ 297,847
Construction in Progress	-	2,560,532	2,560,532
Buildings and Improvements	3,117,813	345,347	3,463,160
Distribution System	-	20,123,195	20,123,195
Vehicles, Equipment, and Furniture	2,038,066	464,018	2,502,084
Infrastructure	2,191,438	-	2,191,438
<b>Total</b>	<b>\$ 7,638,497</b>	<b>\$ 23,499,759</b>	<b>\$ 31,138,256</b>

Long-term Debt. As of June 30, 2016 the City of Palmetto had long term bonded debt outstanding of \$6.37 million (including the amount due within one year) resulting from the issuance of a Combined Public Utility Refunding Revenue Bond Series 2015 to be repaid by the City commenced January 1, 2015 with the final payment due July 1, 2025. See note 5D on pages 43-44.

The City of Palmetto's total debt decreased by \$393,000 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 \$10.75 million.

Additional information regarding the City of Palmetto's long-term debt can be found in Note 5 on pages 44-46 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, 2017**

**Governmental Activities:** Tax revenue is expected to be about \$3.3 million in 2017 which is about \$630,000 more than the actual for 2016. Intergovernmental revenues are expected to decrease by \$257,000 over actual from 2016. Overall governmental revenues are budgeted to increase \$747,000 over the actual received in 2016. Expenditures overall are budgeted to increase by \$588,000 over actual 2016 numbers.

**Business - type Activities:** The budget for 2016 for the Electric Fund anticipates revenue of \$4.1 million which is in about \$370,000 higher than the actual received in 2016. Anticipated expenditures are \$3.5 million. This is \$496,000 more than the actual expended in 2016.

The Water and Sewer Fund is budgeted for total revenues of \$2.1 million, an increase of \$296,000 over actual 2016 revenues. Expenses are budgeted to be \$2.6 million excluding depreciation of around \$373,000 and principal payments of \$915,000.

The Sanitation Fund is expected to perform similarly to 2016.

### **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, 2016

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current Assets:			
Cash on Hand and In Banks	\$ 90,131	\$ 934,507	\$ 1,024,638
Ad Valorem Taxes Receivable	246,369	-	246,369
Local Option Sales Taxes Receivable	101,508	-	101,508
Alcoholic Beverage Taxes Receivable	9,058	-	9,058
Franchise Taxes Receivable	14,225	-	14,225
Police Fines Receivable	74,697	-	74,697
CDBG Receivable	126,338	-	126,338
Prepaid Assets	175,037	57,643	232,680
Utility Accounts Receivable (Net of Allowance for Uncollectibles)	-	789,301	789,301
Inventories	23,618	392,029	415,647
Restricted Assets:			
Temporarily Restricted			
Cash	1,918	324,896	326,814
Total Current Assets	<u>862,899</u>	<u>2,498,376</u>	<u>3,361,275</u>
Non-Current Assets:			
Capital Assets not being Depreciated			
Land and Improvements	291,180	6,667	297,847
Construction In Progress	-	2,560,532	2,560,532
Capital Assets being Depreciated			
Capital Assets (net of Accumulated Depreciation)	<u>3,683,452</u>	<u>14,552,542</u>	<u>18,235,994</u>
Total Non-current Assets	<u>3,974,632</u>	<u>17,119,741</u>	<u>21,094,373</u>
Total Assets	<u>4,837,531</u>	<u>19,618,117</u>	<u>24,455,648</u>
Deferred Outflows			
Related to Pensions	255,267	56,988	312,255
Related to Bond Refinancing	-	466,061	466,061
Total Deferred Outflows	<u>255,267</u>	<u>523,049</u>	<u>778,316</u>
Total Assets and Deferred Outflows	<u>5,092,798</u>	<u>20,141,166</u>	<u>25,233,964</u>
<b>LIABILITIES AND NET POSITION</b>			
Liabilities			
Current Liabilities (Payable from Current Assets):			
Accounts Payable	17,995	311,221	329,216
Accrued Liabilities and Payroll Taxes	66,997	30,630	97,627
Accrued Compensated Absences	70,430	8,559	78,989
Utility Deposits	-	508,645	508,645
Inspector Deposit-Developments	11,963	-	11,963
Revenue Bonds Payable	-	602,897	602,897
Accrued Bond Interest Payable	-	78,054	78,054
Total Current Liabilities (Payable from Current Assets):	<u>167,385</u>	<u>1,540,006</u>	<u>1,707,391</u>
Noncurrent Liabilities			
Compensated Absences	7,824	951	8,775
Revenue Bonds Payable	-	5,768,886	5,768,886
Net Pension Liability	<u>670,922</u>	<u>149,783</u>	<u>820,705</u>
Total Noncurrent Liabilities	<u>678,746</u>	<u>5,919,620</u>	<u>6,598,366</u>
Total Liabilities	<u>846,131</u>	<u>7,459,626</u>	<u>8,305,757</u>
Deferred Inflows Related to Pensions	-	-	-
Total Liabilities and Deferred Inflows	<u>846,131</u>	<u>7,459,626</u>	<u>8,305,757</u>
Net Position:			
Net Investment in Capital Assets	3,974,632	10,889,123	14,863,755
Restricted for:			
Capital Projects	34,687	324,896	359,583
Unrestricted	<u>237,348</u>	<u>1,467,521</u>	<u>1,704,869</u>
Total Net Position	<u>\$ 4,246,667</u>	<u>\$ 12,681,540</u>	<u>\$ 16,928,207</u>

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

CITY OF PALMETTO, GEORGIA

STATEMENT OF ACTIVITIES

Year Ended June 30, 2016

	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	\$ 698,675	\$ 114,082	\$ -	\$ 1,197,785	\$ 613,192	\$ -	\$ 613,192
Public Safety	2,296,009	43,807	98,599	-	(2,153,603)	-	(2,153,603)
Street	446,732	314,307	-	158,519	26,094	-	26,094
Special Services	168,251	23,445	-	-	(144,806)	-	(144,806)
Total governmental activities	<u>3,609,667</u>	<u>495,641</u>	<u>98,599</u>	<u>1,356,304</u>	<u>(1,659,123)</u>	<u>-</u>	<u>(1,659,123)</u>
Business activities:							
Electric Utilities	2,991,913	3,693,793	-	-	-	701,880	701,880
Water and Sewer Utilities	1,636,778	1,819,269	-	-	-	182,491	182,491
Sanitation Utilities	239,426	331,472	-	-	-	92,046	92,046
Total Business-type Activities	<u>4,868,117</u>	<u>5,844,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>976,417</u>	<u>976,417</u>
Total primary government	<u>\$ 8,477,784</u>	<u>\$ 6,340,175</u>	<u>\$ 98,599</u>	<u>\$ 1,356,304</u>	<u>(1,659,123)</u>	<u>976,417</u>	<u>(682,706)</u>
General Revenues:							
Ad Valorem Tax					931,907	-	931,907
Motor Vehicle Tax					96,654	-	96,654
Franchise Tax					93,610	-	93,610
Insurance Premium Tax					258,658	-	258,658
Beer/Wine/Liquor Tax					87,892	-	87,892
Transfer Tax					2,547	-	2,547
Intangible Tax					6,915	-	6,915
Interest Income					633	-	633
Miscellaneous					12,342	12,506	24,848
Transfers					300,000	(300,000)	-
Total General Revenues and Transfers					<u>1,791,158</u>	<u>(287,494)</u>	<u>1,503,664</u>
Change in Net Position					132,035	688,923	820,958
Net Position Beginning					4,114,632	11,992,617	16,107,249
Net Position Ending					<u>\$ 4,246,667</u>	<u>\$ 12,681,540</u>	<u>\$ 16,928,207</u>

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



CITY OF PALMETTO, GEORGIA

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2016

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash on Hand and In Banks	\$ 61,457	\$ 28,674	\$ 90,131
LMIG Cash in Bank	1,918	-	1,918
Ad Valorem Taxes Receivable	246,369	-	246,369
Local Option Sales Taxes Receivable	97,413	4,095	101,508
Alcoholic Beverage Taxes Receivable	9,058	-	9,058
Franchise Taxes Receivable	14,225	-	14,225
Police Fines Receivable	74,697	-	74,697
Community Development Grant Receivable	126,338	-	126,338
Prepaid Items	175,037	-	175,037
Inventories	<u>23,618</u>	<u>-</u>	<u>23,618</u>
Total Assets	<u>\$ 830,130</u>	<u>\$ 32,769</u>	<u>\$ 862,899</u>
<b>LIABILITIES</b>			
Liabilities:			
Accounts Payable	17,995	-	17,995
Accrued Salaries and Taxes Payable	66,997	-	66,997
Inspector Deposit - Developments	<u>11,963</u>	<u>-</u>	<u>11,963</u>
Total Liabilities	<u>96,955</u>	<u>-</u>	<u>96,955</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Ad Valorem Tax Revenue	<u>172,459</u>	<u>-</u>	<u>172,459</u>
Total Deferred Inflows of Resources	<u>172,459</u>	<u>-</u>	<u>172,459</u>
Fund Balance			
Nonspendable			
Prepaid Items	175,037	-	175,037
Inventories	23,618	-	23,618
Restricted for:			
Capital Projects	1,918	32,769	34,687
Unassigned	<u>360,143</u>	<u>-</u>	<u>360,143</u>
Total Fund Balance	<u>560,716</u>	<u>32,769</u>	<u>593,485</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 830,130</u>	<u>\$ 32,769</u>	
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets of \$7,638,497 net of accumulated depreciation of \$3,663,865 are not financial resources and, therefore, are not reported in the funds.			3,974,632
Accrued compensated absences considered long-term do not require the use of current resources and therefore not recorded in the governmental funds.			(78,254)
Long-term liabilities are not due and payable in the current period and therefore not reported in the funds.			
Net pension liability and related derred inflows and outflows of resources			(415,655)
Deferred ad valorem taxes are not available to pay current-period expenditures and, therefore, are deferred in the funds.			<u>172,459</u>
Net Position of Governmental Activities			<u>\$ 4,246,667</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, 2016

	General	Other Governmental Funds	Total
<b>Revenues:</b>			
Taxes:			
Ad Valorem Tax	\$ 974,640	\$ -	\$ 974,640
Motor Vehicle Tax	96,654	-	96,654
Franchise Tax	93,610	-	93,610
Insurance Premium Tax	258,658	-	258,658
Beer, Wine, Liquor Tax	87,892	-	87,892
Transfer Taxes	2,547	-	2,547
Intangibles Taxes	6,915	-	6,915
Total Taxes	<u>1,520,916</u>	<u>-</u>	<u>1,520,916</u>
Licenses and Permits:			
Business Licenses	90,034	-	90,034
Building & Other Permits	24,048	-	24,048
Total Licenses and Permits	<u>114,082</u>	<u>-</u>	<u>114,082</u>
Intergovernmental Revenues:			
Intergovernmental L.O.S.T. Taxes	1,148,225	49,560	1,197,785
LMI Grant	32,181	-	32,181
FEMA Fire Grant	98,599	-	98,599
Fulton County Community Development Grant	126,338	-	126,338
Total Intergovernmental Revenues	<u>1,405,343</u>	<u>49,560</u>	<u>1,454,903</u>
Fines, Forfeitures, and Court Technologies :			
Police	43,807	-	43,807
Miscellaneous:			
Landfill Tipping Fees	314,307	-	314,307
Senior Center Transportation	23,445	-	23,445
Community Center and Train Depot	6,700	-	6,700
Cemetery Lot Sales	5,000	-	5,000
Interest Income	633	-	633
Other Miscellaneous	817	-	817
Total Miscellaneous	<u>350,902</u>	<u>-</u>	<u>350,902</u>
Total Revenues	<u>3,435,050</u>	<u>49,560</u>	<u>3,484,610</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, 2016

	General	Other Governmental Funds	Totals
<b>Expenditures:</b>			
Current:			
Administrative	\$ 655,188	\$ 5,891	\$ 661,079
Police	1,137,772	-	1,137,772
Fire Department	1,024,380	-	1,024,380
Street	368,270	-	368,270
Special Services	41,984	-	41,984
Total Current Expenditures	<u>3,227,594</u>	<u>5,891</u>	<u>3,233,485</u>
Capital Outlay:			
Administrative	14,696	-	14,696
Police	62,603	-	62,603
Fire Department	43,972	249,299	293,271
Street	445,653	-	445,653
Special Services	1,171	-	1,171
Total Capital Outlay	<u>568,095</u>	<u>249,299</u>	<u>817,394</u>
Total Expenditures	<u>3,795,689</u>	<u>255,190</u>	<u>4,050,879</u>
Excess (Deficit) of Revenues Over Expenditures Before	<u>(360,639)</u>	<u>(205,630)</u>	<u>(566,269)</u>
<b>Other Financing Sources</b>			
Transfers in	300,000	-	300,000
Transfers out	-	-	-
Total Other Financing Sources	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Net Change in Fund Balance	(60,639)	(205,630)	(266,269)
Fund Balance Beginning	<u>621,359</u>	<u>238,399</u>	<u>859,758</u>
Fund Balance Ending	<u>\$ 560,720</u>	<u>\$ 32,769</u>	<u>\$ 593,489</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, 2016

Net change in fund balances - total governmental funds:	\$ (266,269)
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 \$817,223 exceeded depreciation of \$333,685 in the current period.	483,538
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.	
Compensated absences	(3,878)
Change in net pension liability and related deferred inflows and outflows of resources	(38,619)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(42,737)
Change in Net Position of Government Activities	<u>\$ 132,035</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, 2016

	Budget		Actual	Variance- Positive (Negative)
	Original	Revised		
<b>Revenues:</b>				
Taxes	\$ 1,601,500	\$ 1,601,500	1,520,916	\$ (80,584)
Licenses and Permits	55,500	55,500	114,082	58,582
Intergovernmental Revenues	1,515,572	1,515,572	1,405,343	(110,229)
Fines and Forfeitures	110,000	110,000	43,807	(66,193)
Special Services	36,200	36,200	35,145	(1,055)
Miscellaneous Revenue	309,300	309,300	315,757	6,457
Total Revenues	<u>3,628,072</u>	<u>3,628,072</u>	<u>3,435,050</u>	<u>(193,022)</u>
<b>Expenditures:</b>				
Administrative	753,659	753,659	643,438	110,221
Police Department	1,345,600	1,345,600	1,137,772	207,828
Fire/Emergency Medical Department	1,197,806	1,197,806	1,024,380	173,426
Street Department	605,400	605,400	368,270	237,130
Special Services	75,200	75,200	41,984	33,216
Mayor & Council Contingency	103,668	103,668	11,750	91,918
Capital Outlay	381,150	381,150	568,095	(186,945)
Total Expenditures	<u>4,462,483</u>	<u>4,462,483</u>	<u>3,795,689</u>	<u>666,794</u>
Excess (Deficiency) of Revenues over Expenditures	(834,411)	(834,411)	(360,639)	473,772
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balance	(534,411)	(534,411)	(60,639)	473,772
Fund Balance at Beginning of Year	<u>621,359</u>	<u>621,359</u>	<u>621,359</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 86,948</u>	<u>\$ 86,948</u>	<u>\$ 560,720</u>	<u>\$ 473,772</u>

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



*This page intentionally left blank.*

CITY OF PALMETTO, GEORGIA

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

June 30, 2016

	Electric Fund	Water and Sewer Fund	Sanitation Fund	Total
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash in Banks	\$ 620,733	\$ 69,125	\$ 244,649	\$ 934,507
Restricted for Construction		324,896	-	324,896
Prepaid Expenses	15,349	42,294	-	57,643
Utility Accounts Receivable (Net of Allowance for Uncollectibles)	530,919	198,726	59,656	789,301
Inventories	365,527	26,502	-	392,029
<b>Total Current Assets</b>	<b>1,532,528</b>	<b>661,543</b>	<b>304,305</b>	<b>2,498,376</b>
<b>Noncurrent Assets:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	6,667	-	-	6,667
Construction In Progress	-	2,560,532	-	2,560,532
<b>Capital Assets Being Depreciated:</b>				
Buildings	62,132	1,850	-	63,982
Utility Distribution System	2,652,015	17,471,180	-	20,123,195
Water Tanks	-	281,365	-	281,365
Machinery, Vehicles, and Equipment	295,847	168,171	-	464,018
<b>Total</b>	<b>3,016,661</b>	<b>20,483,098</b>	<b>-</b>	<b>23,499,759</b>
Less: Accumulated Depreciation	(1,284,152)	(5,095,866)	-	(6,380,018)
<b>Total Capital Assets</b>	<b>1,732,509</b>	<b>15,387,232</b>	<b>-</b>	<b>17,119,741</b>
<b>Total Noncurrent Assets</b>	<b>1,732,509</b>	<b>15,387,232</b>	<b>-</b>	<b>17,119,741</b>
<b>Total Assets</b>	<b>3,265,037</b>	<b>16,048,775</b>	<b>304,305</b>	<b>19,618,117</b>
<b>Deferred Outflows</b>				
Related to Pension	25,211	31,777	-	56,988
Related to Bond Refinancing	-	466,061	-	466,061
<b>Total Deferred Outflows</b>	<b>25,211</b>	<b>497,838</b>	<b>-</b>	<b>523,049</b>
<b>Total Assets and Deferred Outflows</b>	<b>3,290,248</b>	<b>16,546,613</b>	<b>304,305</b>	<b>20,141,166</b>
<b>LIABILITIES AND NET POSITION</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities (Payable from Current Assets):</b>				
Accounts Payable	228,010	63,935	19,276	311,221
Accrued Payroll and Payroll Taxes	21,495	9,135	-	30,630
Accrued Compensated Absences	4,025	4,534	-	8,559
Utility Deposits	486,206	22,439	-	508,645
Revenue Bonds Payable	-	602,897	-	602,897
<b>Total Current Liabilities (Payable from Current Assets):</b>	<b>739,736</b>	<b>702,940</b>	<b>19,276</b>	<b>1,461,952</b>
<b>Current Liabilities Payable from Restricted Assets:</b>				
Accrued Bond Interest Payable	-	78,054	-	78,054
<b>Total Current Liabilities (Payable from Restricted Assets)</b>	<b>-</b>	<b>78,054</b>	<b>-</b>	<b>78,054</b>
<b>Total Current Liabilities</b>	<b>739,736</b>	<b>780,994</b>	<b>19,276</b>	<b>1,540,006</b>
<b>Noncurrent Liabilities</b>				
Compensated Absences	447	504	-	951
Revenue Bonds Payable	-	5,768,886	-	5,768,886
Net Pension Liability	66,263	83,520	-	149,783
<b>Total Non-Current Liabilities</b>	<b>66,710</b>	<b>5,852,910</b>	<b>-</b>	<b>5,919,620</b>
<b>Total Liabilities</b>	<b>806,446</b>	<b>6,633,904</b>	<b>19,276</b>	<b>7,459,626</b>
Deferred Inflow Related to Pension	-	-	-	-
<b>Total Liabilities and Deferred Inflows</b>	<b>806,446</b>	<b>6,633,904</b>	<b>19,276</b>	<b>7,459,626</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,732,509	9,156,614	-	10,889,123
Restricted for Construction	-	324,896	-	324,896
Unrestricted	751,293	431,199	285,029	1,467,521
<b>Total Net Position</b>	<b>2,483,802</b>	<b>\$ 9,912,709</b>	<b>285,029</b>	<b>\$ 12,681,540</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 POSITION

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2016

	Electric Fund	Water and Sewer Fund	Sanitation Fund	Total
<b>Operating Revenues:</b>				
Sales of Utilities	\$ 3,573,190	\$1,746,425	\$ -	\$ 5,319,615
Sanitation Charges	-	-	311,959	311,959
Penalties	106,637	56,364	18,348	181,349
Service, Cut on, and Permit Fees	6,924	-	-	6,924
Miscellaneous	7,042	16,480	1,165	24,687
Total Operating Revenue	<u>3,693,793</u>	<u>1,819,269</u>	<u>331,472</u>	<u>5,844,534</u>
<b>Operating Expenses:</b>				
Purchase of Utilities	2,598,373	79,303	-	2,677,676
Sewer Treatment	-	323,928	-	323,928
Salaries	111,468	240,966	-	352,434
Payroll Taxes	8,391	18,354	-	26,745
Retirement	8,271	8,517	-	16,788
Insurance (Group)	29,915	53,625	-	83,540
Training	11,439	2,976	-	14,415
Uniforms	3,827	2,798	-	6,625
Insurance - Vehicles and Equipment	7,893	10,884	-	18,777
Insurance - Other	6,637	6,244	-	12,881
Georgia Public Web	4,434	-	-	4,434
Bad Debts	2,288	1,001	11,675	14,964
Professional Fees	32,347	54,712	-	87,059
Miscellaneous Administrative Expenses	1,155	-	-	1,155
Office Supplies	14	196	-	210
Depreciation Expense	74,223	373,742	-	447,965
Contracted Services	-	-	227,751	227,751
Repairs and Maintenance:				
Buildings	6,169	11,534	-	17,703
Distribution System	19,833	134,521	-	154,354
Equipment	5,529	10,560	-	16,089
Vehicles	7,586	3,129	-	10,715
Gas and Oil	6,142	4,735	-	10,877
Supplies	15,639	48,572	-	64,211
Equipment Rental	-	9,723	-	9,723
Telephone	4,153	10,748	-	14,901
Utilities	1,282	2,590	-	3,872
Miscellaneous Operating Expense	24,905	9,975	-	34,880
Total Operating Expenses	<u>2,991,913</u>	<u>1,423,333</u>	<u>239,426</u>	<u>4,654,672</u>
Operating Income	<u>701,880</u>	<u>395,936</u>	<u>92,046</u>	<u>1,189,862</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 POSITION

PROPRIETARY FUNDS

For the Fiscal Year Ended June 30, 2016

	Electric Fund	Water and Sewer Fund	Sanitation Fund	Total
<b>Nonoperating Revenues (Expenses):</b>				
Contribution from MEAG	\$ 12,506	\$ -	\$ -	\$ 12,506
Bond Interest	-	(213,445)	-	(213,445)
Total Nonoperating Revenues (Expenses)	<u>12,506</u>	<u>(213,445)</u>	<u>-</u>	<u>(200,939)</u>
Transfers In (Out)	<u>(400,000)</u>	<u>400,000</u>	<u>(300,000)</u>	<u>(300,000)</u>
Change in Net Position	314,386	582,491	(207,954)	688,923
Net Position, Beginning of Year	<u>2,169,416</u>	<u>9,330,218</u>	<u>492,983</u>	<u>11,992,617</u>
Net Position, End of Year	<u>\$ 2,483,802</u>	<u>\$9,912,709</u>	<u>\$285,029</u>	<u>\$ 12,681,540</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, 2016

	Electric Fund	Water & Sewer Fund	Sanitation Fund	Total
Increase (Decrease) in Cash:				
Cash Provided by (Used in) Operating Activities:				
Receipts from Customers	\$ 3,680,755	\$ 1,839,899	\$ 331,102	\$ 5,851,756
Payments to Providers	(2,862,039)	(822,150)	(239,071)	(3,923,260)
Payments to Employees	(111,468)	(240,966)	-	(352,434)
Net Cash Provided by (Used in) Operating Activities	<u>707,248</u>	<u>776,783</u>	<u>92,031</u>	<u>1,576,062</u>
Cash Flows from Non-Capital Financing Activities:				
Transferred from (to) Other Funds	<u>(400,000)</u>	<u>400,000</u>	<u>(300,000)</u>	<u>(300,000)</u>
Net Cash Flows from Non-Capital Financing Activities:	<u>(400,000)</u>	<u>400,000</u>	<u>(300,000)</u>	<u>(300,000)</u>
Cash Flows from Capital and Related Financing Activities:				
Cash Paid for Additions to Property, Plant and Equipment	(5,869)	(353,636)	-	(359,505)
Contribution from MEAG	12,506	-	-	12,506
Principal Paid on Bond Indebtedness	-	(603,275)	-	(603,275)
Interest Paid on Bond Indebtedness	-	(167,144)	-	(167,144)
Net Cash Flows from Capital and Related Financing Activities	<u>6,637</u>	<u>(1,124,055)</u>	<u>-</u>	<u>(1,117,418)</u>
Net Increase (Decrease) in Cash	313,885	52,728	(207,969)	158,644
Cash at Beginning of Year	<u>306,848</u>	<u>341,293</u>	<u>452,618</u>	<u>1,100,759</u>
Cash at End of Year	<u>\$ 620,733</u>	<u>\$ 394,021</u>	<u>\$ 244,649</u>	<u>\$ 1,259,403</u>
Classified As:				
Cash on Hand and in Banks	620,733	394,021	244,649	1,259,403
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:				
Operating Income (Loss)	<u>701,880</u>	<u>395,936</u>	<u>92,046</u>	<u>1,189,862</u>
Adjustments Not Affecting Cash:				
Depreciation and Amortization	74,223	373,742	-	447,965
Deferred Outflows Pension	(16,553)	(2,293)	-	(18,846)
(Increase) Decrease in Accounts Receivable	(25,293)	20,541	(370)	(5,122)
(Increase) Decrease in Inventory	(45,345)	3,386	-	(41,959)
(Increase) Decrease in Prepaid Expenses	3,465	(18,070)	-	(14,605)
Increase (Decrease) in Accounts Payable	(10,344)	1,148	355	(8,841)
Increase (Decrease) in Accrued Liabilities	12,960	2,304	-	15,264
Increase (Decrease) in Utility Deposits	12,255	89	-	12,344
Total Adjustments	<u>5,368</u>	<u>380,847</u>	<u>(15)</u>	<u>386,200</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 707,248</u>	<u>\$ 776,783</u>	<u>\$ 92,031</u>	<u>\$ 1,576,062</u>

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

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### 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, 2016, 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 position and the statement of changes in net position) 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

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.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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.

Proprietary 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.

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.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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 Position 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 position. 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, 2016. Reported prepaid items 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 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 positions are available.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### 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 Position. The liability for compensated vacation benefits city-wide was \$87,764 compared to \$88,236 in the previous year which represents a decrease of \$472. 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

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

effective interest method. Bonds payable are reported net of the applicable bond premium or discount. As of June 30, 2016 the City had outstanding bonds of \$6,371,783 resulting from the issuance of a Combined Utility Revenue Refunding Bond, Series 2014 on August 18, 2014.

### 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	\$ 175,037
Inventories	23,618
Total	<u>\$ 198,655</u>

- Restricted - The following fund balances are restricted for:

<u>General Fund</u>	
Capital Projects	\$ 1,918
<u>SPLOST Fund</u>	
Capital Projects	32,769
Total	<u>\$ 34,687</u>

- Unassigned – The following fund balance is unassigned:

<u>General Fund</u>	
Unassigned	<u>\$ 360,143</u>

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, 2016

### (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 position 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	\$	817,394
Depreciation expense		(333,685)
Net adjustment to increase changes in fund balances total government funds to arrive at changes in net position of governmental activities		\$ 483,709

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	\$	172,459
Deferred ad valorem taxes-prior year		(215,192)
Net adjustment to decrease changes in fund balances total government funds to arrive at changes in net position of governmental activities		\$ (42,733)

Another element states “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. The detail of this difference is as follows:

Change in net pension liability and related deferred inflows and outflows of resources		
Net pension liability - prior	444,616	
Net pension liability - current	670,922	(226,306)
Deferred outflows prior	118,886	
Deferred outflows current	255,267	136,381
Deferred inflows prior	(51,306)	
Deferred inflows current	-	51,306
		\$ (38,619)



# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### **(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 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 \$1,360,753 and a bank balance of \$1,577,862. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,077,862 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, 2016.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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>
Ninety days or less	\$ 1,024,638

### **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, \$32,506 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, 2016 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.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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, 2016 the following allowances and receivable balances existed:

Fund	Receivable	Allowance	Net
Electric	\$663,186	\$132,267	\$530,919
Water & Sewer	291,300	92,574	198,726
Sanitation	106,762	47,106	59,656
Total	\$1,061,248	\$271,947	\$789,301

*This space intentionally left blank.*

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### C. Capital Assets

Governmental activities as of June 30, 2016:

Asset Class	Balance 6/30/2015	Increases	Decreases	Balance 6/30/2016
<u>Capital assets not being depreciated:</u>				
Land	\$ 291,180	\$ -	\$ -	\$ 291,180
<u>Capital assets being depreciated:</u>				
Building	3,094,913	22,900	-	3,117,813
Furniture	92,757	-	-	92,757
Machinery, Equipment, & Vehicles	1,669,637	350,696	(75,024)	1,945,309
Infrastructure	1,747,811	443,627	-	2,191,438
Total capital assets being depreciated	6,605,118	817,223	(75,024)	7,347,317
Less accumulated depreciation for:				
Buildings	1,361,130	158,785	-	1,519,915
Furniture	87,528	1,466	-	88,994
Machinery, Equipment, & Vehicles	1,392,333	103,687	(75,024)	1,420,996
Infrastructure	564,213	69,747	-	633,960
Total accumulated depreciation	3,405,204	333,685	(75,024)	3,663,865
Total capital assets being depreciated, net	3,199,914	483,538	-	3,683,452
Government activities capital assets, net	\$ 3,491,094	\$ 483,538	\$ -	\$ 3,974,632

*This space intentionally left blank.*

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

Business-type activities as of June 30, 2016:

Asset Class	Balance 7/1/2015	Increases	Decreases	Balance 6/30/2016
<u>Capital assets not being depreciated:</u>				
Land	\$ 6,667	\$ -	\$ -	\$ 6,667
Construction In Progress	2,215,207	345,325	-	2,560,532
Total capital assets not being depreciated	<u>2,221,874</u>	<u>345,325</u>	<u>-</u>	<u>2,567,199</u>
<u>Capital assets being depreciated:</u>				
Buildings	63,982	-	-	63,982
Machinery, Vehicles, and Equipment	444,350	19,668	-	464,018
Water Tanks	257,732	23,633	-	281,365
Distribution System	20,123,195	-	-	20,123,195
Total capital assets being depreciated	<u>20,889,259</u>	<u>43,301</u>	<u>-</u>	<u>20,932,560</u>
Less accumulated depreciation for:				
Buildings	52,724	1,922	276	54,370
Machinery, Vehicles, and Equipment	365,259	24,335	-	389,594
Water Tanks	154,928	13,283	-	168,211
Distribution system	5,359,418	408,425	-	5,767,843
Total accumulated depreciation	<u>5,932,329</u>	<u>447,965</u>	<u>276</u>	<u>6,380,018</u>
Total capital assets being depreciated, net	<u>14,956,930</u>	<u>(404,664)</u>	<u>(276)</u>	<u>14,552,542</u>
Business type activities capital assets, net	<u>\$ 17,178,804</u>	<u>\$ (59,339)</u>	<u>\$ (276)</u>	<u>\$ 17,119,741</u>

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

Governmental Activities	
Administration	\$ 31,129
Police	59,509
Fire	42,212
Streets	74,568
Special Services	<u>126,267</u>
Total depreciation expense-governmental activities	<u><u>333,685</u></u>
Business-type activities:	
Electric	74,223
Water and Sewer	<u>373,742</u>
Total depreciation expense-business-type activities	<u><u>\$ 447,965</u></u>

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### D. Long - Term Liabilities

The following is a summary of bond transactions of the City for the year ended June 30, 2016:

	Water & Sewer Revenue
Bonds Payable July 1, 2015	\$ 6,975,058
Bonds Issued	-
Bonds Retired	603,275
Bonds Payable June 30, 2016	\$ 6,371,783

On August 27, 2014, the City of Palmetto issued a Combined Utility Revenue Refunding Bond, Series 2014 amounting to \$7,280,757 of long term debt. The Series 2014 Bonds were issued for the purpose of an advanced refinancing of the Combined Utility Revenue Bonds Series 2005.

Bonds Payable at June 30, 2016 are comprised of the following:

- \$7,280,757 Series 2014, Combined Utility Revenue Refunding Bonds due in annual installments of \$602,897 to \$733,893 through July 1, 2025; interest at 2.45%. The first line on the table below indicates the amounts due within one year.

For Year Ending	Water & Sewer System Principal	Water & Sewer System Interest	Water & Sewer System Total
2017	602,897	152,463	755,360
2018	617,928	137,598	755,526
2019	634,531	122,369	756,900
2020	650,374	106,710	757,084
2021	665,405	90,695	756,100
2022	682,031	74,288	756,319
2023	697,953	57,478	755,431
2024	715,328	40,283	755,611
2025	733,893	22,640	756,533
2026	371,443	4,550	375,993
Total	\$ 6,371,783	\$ 809,074	\$ 6,804,864

The net carrying amount of the Series 2005 bonds was \$6,294,502, and the 2005 Series is considered defeased and therefore not recorded on the financial statements. The Water and Sewer Fund retained \$324,896 in a construction account and paid \$126,542 in issuance costs which have been recorded as an expense. The refunding resulted in an economic gain of \$262,595. The reacquisition price was greater than the net carrying amount on the financial statements resulting in a deferred outflow on refunding debt of \$534,817. This deferred outflow will be allocated in a systematic and rational manner over the life of the new loan as a component of interest expense as follows:

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

Pmt Date	Principal Payment	Actual New Debt	Deferred Refunding	Net New Debt	Effective Interest	Stated Interest	Deferred Refunding Amortization
7/1/2016	297,577	6,074,206	466,061	5,608,145	100,888	78,054	22,834
1/1/2017	305,320	5,768,886	443,227	5,325,659	97,836	74,409	23,427
7/1/2017	305,320	5,463,566	419,801	5,043,765	94,127	70,669	23,458
1/1/2018	312,608	5,150,958	396,343	4,754,615	90,949	66,929	24,020
7/1/2018	312,607	4,838,351	372,323	4,466,028	87,153	63,099	24,054
1/1/2019	321,924	4,516,427	348,269	4,168,158	84,043	59,270	24,773
7/1/2019	321,923	4,194,504	323,497	3,871,007	80,151	55,327	24,824
1/1/2020	328,451	3,866,053	298,673	3,567,380	76,714	51,383	25,331
7/1/2020	328,450	3,537,603	273,341	3,264,262	72,733	47,359	25,374
1/1/2021	336,955	3,200,648	247,967	2,952,681	69,372	43,336	26,036
7/1/2021	336,955	2,863,693	221,931	2,641,762	65,313	39,208	26,105
1/1/2022	345,076	2,518,617	195,826	2,322,791	61,823	35,080	26,743
7/1/2022	345,075	2,173,542	169,083	2,004,459	57,683	30,853	26,830
1/1/2023	352,878	1,820,664	142,253	1,678,411	54,076	26,625	27,451
7/1/2023	352,877	1,467,787	114,802	1,352,985	49,874	22,303	27,571
1/1/2024	362,451	1,105,336	87,231	1,018,105	46,329	17,980	28,349
7/1/2024	362,450	742,886	58,882	684,004	42,144	13,540	28,604
1/1/2025	371,443	371,443	30,278	341,165	38,541	9,100	29,441
7/1/2025	371,443	-	837	(837)	5,387	4,550	837
	<u>6,371,783</u>				<u>1,275,135</u>	<u>809,074</u>	<u>466,061</u>

The amount of deferred outflows recognized during the year was \$46,301.

The following is a summary of compensated absences for governmental activities of the City for the year ended June 30, 2016:

<u>Compensated Absences</u>	<u>Governmental Activities</u>
Compensated Absences July 1, 2015	\$ 74,377
Absences Accrued	70,818
Absences (Used)	<u>(66,941)</u>
Compensated Absences Payable June 30, 2016	<u>\$ 78,254</u>
Due Within One Year	<u>\$ 70,430</u>

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

The following is a summary of compensated absences for business-type activities of the City for the year ended June 30, 2016:

<u>Compensated Absences</u>	<u>Business-Type Activities</u>
Compensated Absences July 1, 2015	\$ 13,860
Absences Accrued	8,124
Absences (Used)	(12,474)
Compensated Absences Payable June 30, 2016	<u>\$ 9,510</u>
Due Within One Year	<u>\$ 8,559</u>

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

### E. Transfers

During the year the City transferred money between funds. The Electric Fund transferred \$400,000 to the Water and Sewer Fund for the purpose of overcoming a cash deficiency in that fund. The Sanitation Fund transferred \$300,000 to the General Fund for the purpose of overcoming a cash deficiency.

### (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.

*Plan Benefits.* Benefits vest after ten years of service for employees, immediate vesting for officials. 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 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.



# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

*Employees Covered by Benefit Term.* At the January 1, 2015 valuation date the following employees were covered by the benefit terms:

Active participants	59
Inactive vested participants	21
Retired participants and beneficiary	<u>25</u>
Total covered by plan	<u><u>105</u></u>

*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 9.66% 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.

*Net Pension Liability.* The City's net pension liability was measured as of September 30, 2015 which makes them applicable to the Fiscal Year beginning July 1, 2015 and ending June 30, 2016.

### *Plan Changes and Assumptions.*

- As a result of the plan change to provide immediate participation for employees, the eligibility assumption has been changed from one year to immediate.
- The inflation assumption was changed from 3.5% to 3.25 %.
- The salary increase assumption was changed from select period rates during the first five years of service, followed by age related rates to an assumption based on new service-related rates. Under the prior assumption the salary increases ranged from 4% to 11% and included an inflation rate of 3.5%. Under the new assumption, the salary increases range from 3.75% to 8% and include an inflation rate of 3.25%.
- The retirement rates where normal retirement is only available on or after age 65 were changed from the prior assumption of 100% at age 65 to the new assumption of 60% at ages 65 to 69 and 100% at age 70. Where normal retirement is available prior to age 65, the rates were changed from the prior assumption of 100%) at earliest unreduced age, but not below age 60, to the new assumption of 10% at ages 55 to 59, 20% at age 60, 25% at age 61, 35% at age 62, 40% at age 63, 45% at age 64, 50% at ages 65 to 69, and 100% at age 70.
- The projection of cash flows used to determine the discount rate assumed a 3.25% inflation rate, a social security wage base increase of 3.25%, a cost of living adjustment of 3%, and administrative expenses of \$2,500 plus \$45 per participant plus 0.05% of the market value of assets.
- *Discount Rate.* The discount rate to measure the total pension liability was 7.75% for 2016 and will be on an ongoing basis. The rate was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The ranges are combined to produce the long-term expected rate of return by weighting the expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The difference between the resulting rate and the rate of the ongoing basis is a margin for adverse deviation. Best Estimates of arithmetic real rates of return for each major asset class included in the pensions plan's target asset allocation as of September 30, 2015 are summarized in the following table:

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Long-term Nominal Real Rate of Return
Domestic Equity	50.00%	5.95%	9.20%
International Equity	15.00%	6.45%	9.70%
Fixed Income	25.00%	1.55%	4.80%
Real Estate	10.00%	3.75%	7.00%
Cash	0.00%		
<b>Total</b>	<b>100.00%</b>		

- The mortality and economic actuarial assumptions used in the January 1, 2016 valuation were based upon the results of an actuarial experience for the period January 1, 2010 to June 30, 2014 conducted by the actuarial company. There were no *ad hoc* postemployment benefit changes.

*Healthy:* RP-2000 Combined Healthy Table with sex-distinct rates, set forward two years for males and one year for females

*Disabled:* RP-2000 Disabled Retiree Mortality Table with sex-distinct rates

*Plan termination basis (all lives):* 1994 Group Annuity Reserving Unisex Table

### Changes in Net Pension Liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2014	\$ 3,146,713	\$ 2,571,075	\$ 575,638
Changes for the year:			
Service cost	144,922	-	144,922
Interest	237,418	-	237,418
Difference between expected and actual experience	87,835	-	87,835
Contributions - employer	-	204,467	(204,467)
Contributions - employee	-	-	-
Net investment income	-	28,681	(28,681)
Benefit payments. Including refunds of employee contributions	(166,505)	(166,505)	-
Administrative expense	-	(8,040)	8,040
Other	-	-	-
<b>Net changes</b>	<b>303,670</b>	<b>58,603</b>	<b>245,067</b>
<b>Balances at September 30, 2015</b>	<b>\$ 3,450,383</b>	<b>\$ 2,629,678</b>	<b>\$ 820,705</b>

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

*Sensitivity of Net Pension Liability to Changes in the Discount Rate.* The following presents the net pension liability of the City, calculated using the discount rate of 7.75% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one per cent lower than the current rate and also one per cent higher than the current rate.

	Current Discount		
	1% Decrease 6.75%	Rate 7.75%	1% Increase 8.75%
City's Net Pension Liability	\$ 1,234,856	\$ 820,705	\$ 474,320

*Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2016 the City recognized pension expense of \$228,664. At June 30, 2016 the City reported deferred outflows of resources and deferred inflows of resources related to, pensions from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 75,680	\$ -
Changes in assumptions	4,764	-
Net difference between projected and actual earnings on pension plan investments	87,570	-
Post measurement contributions	144,241	-
Total	\$ 312,255	\$ -

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2017	\$ 38,700
2018	38,700
2019	38,700
2020	51,914

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)

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### (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. The coverage is as follows:

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
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
COVERAGES SUBJECT TO A RETROACTIVE DATE:	
<i>(Unless stated otherwise in the Coverage Exceptions)</i>	
Blanket Bond	500,000
Depositors Forgery	500,000
Computer Crime	500,000
Money and Securities - Loss Inside and Outside the Premise	500,000
COVERAGES SUBJECT TO A RETROACTIVE DATE:	
<i>(Unless stated otherwise in the Coverage Exceptions)</i>	
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
COVERAGES SUBJECT TO A RETROACTIVE DATE:	
<i>(Unless stated otherwise in the Coverage Exceptions)</i>	
Buildings and Contents	\$10,165,855
Mobile Equipment	522,913
Automobile Physical Damage	Per application on file with GIRMA

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.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

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.
- 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, 2015. No provisions have been made in the financial statements for the year ended June 30, 2015 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.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

- 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 therefore, although such suits, other proceedings, 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, 2016 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 October 30, 2016.

# CITY OF PALMETTO, GEORGIA

## NOTES TO THE FINANCIAL STATEMENTS

June 30, 2016

### 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 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.



*This page intentionally left blank.*





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, 2016

	Confiscated Assets Fund	SPLOST Fund	Total Non-Major Governmental
<b>ASSETS</b>			
Cash on Hand and in Banks	\$ -	\$ 28,674	\$ 28,674
Local Option Sales Tax Receivable	-	4,095	4,095
Total Assets	-	32,769	32,769
<b>LIABILITIES AND FUND BALANCE</b>			
Fund Balances			
Restricted for:			
Drug Related Expenditures	-	-	-
Capital Projects Financed with SPLOST	-	32,769	32,769
Total Liabilities and Fund Balance	\$ -	\$ 32,769	\$ 32,769

CITY OF PALMETTO, GEORGIA

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

Year Ended June 30, 2016

	<u>Confiscated Asset Fund</u>	<u>SPLOST Fund</u>	<u>Total Non-Major Governmental</u>
<b>Revenues:</b>			
Intergovernmental SPLOST Taxes	\$ -	\$ 49,561	\$ 49,561
Interest Income	-	-	-
Total Revenues	<u>-</u>	<u>49,561</u>	<u>49,561</u>
<b>Expenditures:</b>			
Current			
Administrative	-	5,892	5,892
Capital Outlays	-	249,299	249,299
Total Expenditures	<u>-</u>	<u>255,191</u>	<u>255,191</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(205,630)</u>	<u>(205,630)</u>
<b>Other Financing (Uses)</b>			
Transfers Out	-	-	-
Net Change in Fund Balances	-	(205,630)	(205,630)
Fund Balance at Beginning of Year	<u>-</u>	<u>238,399</u>	<u>238,399</u>
Fund Balance at End of Year	<u>\$ -</u>	<u>\$ 32,769</u>	<u>\$ 32,769</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, 2016 and 2015

	2016			2015		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
<b>Operating Revenues:</b>						
Sale of Utilities	\$ 3,850,000	\$ 3,573,190	\$ (276,810)	\$ 3,570,000	\$ 3,533,296	\$ (36,704)
Cut On and Permit Fees	1,500	1,655	155	1,500	970	(530)
Penalties	175,000	106,637	(68,363)	175,000	112,240	(62,760)
Service Fees	10,000	5,269	(4,731)	10,000	4,650	(5,350)
Miscellaneous	15,000	7,042	(7,958)	15,000	27,465	12,465
<b>Total Operating Revenue</b>	<b>4,051,500</b>	<b>3,693,793</b>	<b>(357,707)</b>	<b>3,771,500</b>	<b>3,678,621</b>	<b>(92,879)</b>
<b>Operating Expenses:</b>						
Personnel Services:						
Salaries	169,525	111,468	58,057	149,400	145,892	3,508
Payroll Taxes	12,100	8,391	3,709	12,500	11,198	1,302
Retirement	19,800	8,271	11,529	21,000	19,097	1,903
Insurance (Group and Worker's Compensation)	43,000	29,915	13,085	45,000	43,669	1,331
Training Expense	12,000	11,439	561	12,000	11,679	321
Uniforms	4,000	3,827	173	4,000	3,351	649
<b>Total Personal Services</b>	<b>260,425</b>	<b>173,311</b>	<b>87,114</b>	<b>243,900</b>	<b>234,886</b>	<b>9,014</b>
Administrative Expenses:						
Insurance - Vehicles and Equipment	10,000	7,893	2,107	10,000	9,450	550
Insurance - Other	7,000	6,637	363	6,000	5,804	196
Miscellaneous	3,000	1,155	1,845	1,000	394	606
Office Supplies	500	-	500	500	220	280
Postage	3,000	14	2,986	3,000	-	3,000
Georgia Public Web	2,500	4,434	(1,934)	2,500	2,124	376
Professional Fees and Contracted Services	51,000	32,347	18,653	60,000	28,880	31,120
<b>Total Administrative Expenses</b>	<b>77,000</b>	<b>52,480</b>	<b>24,520</b>	<b>83,000</b>	<b>46,872</b>	<b>36,128</b>
Depreciation Expense	-	74,223	(74,223)	-	73,512	(73,512)
Other Operating Expenses:						
Purchase of Utilities	2,850,789	2,598,373	252,416	2,500,000	2,773,537	(273,537)
Repairs and Maintenance:						
Buildings	4,000	6,169	(2,169)	4,000	(26)	4,026
Distribution System	35,000	19,833	15,167	29,000	14,092	14,908
Equipment	8,000	5,529	2,471	3,000	776	2,224
Vehicles	15,000	7,586	7,414	5,000	10,552	(5,552)
Bad Debt Expense	-	2,288	(2,288)	-	3,891	(3,891)
Equipment Rental	200	-	200	200	-	200
Gas and Oil	10,000	6,142	3,858	10,000	7,804	2,196
Miscellaneous Operating Expenses	36,200	24,905	11,295	34,200	27,084	7,116
Supplies	15,000	15,639	(639)	15,000	51,015	(36,015)
Telephone	5,000	4,153	847	5,000	3,802	1,198
Utilities	1,600	1,282	318	1,600	1,201	399
<b>Total Other Operating Expenses</b>	<b>2,980,789</b>	<b>2,691,899</b>	<b>288,890</b>	<b>2,607,000</b>	<b>2,893,728</b>	<b>(286,728)</b>
<b>Total Expenses</b>	<b>3,318,214</b>	<b>2,991,913</b>	<b>326,301</b>	<b>2,933,900</b>	<b>3,248,998</b>	<b>(315,098)</b>
Operating Income (Loss)	733,286	701,880	(31,406)	837,600	429,623	(407,977)
Nonoperating Revenues (Expenses):						
MEAG Telecom	-	12,506	12,506	15,000	12,506	27,506
Miscellaneous Revenue	-	-	-	-	23,176	23,176
Transferred to Water and Sewer Fund	(400,000)	(400,000)	(800,000)	-	(200,000)	(600,000)
Transferred to General Fund	-	-	-	-	(600,000)	(600,000)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(400,000)</b>	<b>(387,494)</b>	<b>(787,494)</b>	<b>15,000</b>	<b>(764,318)</b>	<b>(549,318)</b>
Change in Net Position	333,286	314,386	(18,900)	852,600	(334,695)	(1,187,295)
Net Position at Beginning of Year	2,169,416	2,169,416	-	2,551,842	2,551,842	-
Prior Period Adjustment	-	-	-	-	(47,731)	(47,731)
<b>Net Position at End of Year</b>	<b>\$ 2,502,702</b>	<b>\$ 2,483,802</b>	<b>\$ (18,900)</b>	<b>\$ 3,404,442</b>	<b>\$ 2,169,416</b>	<b>\$ (1,235,026)</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, 2016 and 2015

	2016			2015		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
<b>Operating Revenues:</b>						
Sale of Utilities	\$ 1,880,000	\$ 1,645,825	\$ (234,175)	\$ 1,875,000	\$ 1,592,474	\$ (282,526)
Water and Sewer Taps	170,000	100,600	(69,400)	170,000	43,250	(126,750)
Penalties	65,000	56,364	(8,636)	50,000	66,270	16,270
Community Development Block Grant	-	-	-	-	46,262	-
Miscellaneous	-	16,480	16,480	300	325	25
<b>Total Operating Revenues</b>	<b>2,115,000</b>	<b>1,819,269</b>	<b>(295,731)</b>	<b>2,095,300</b>	<b>1,748,581</b>	<b>(392,981)</b>
<b>Operating Expenses:</b>						
<b>Personnel Services:</b>						
Salaries	256,950	240,966	15,984	250,600	202,300	48,300
Payroll Taxes	13,000	18,354	(5,354)	16,100	15,081	1,019
Retirement	24,075	8,517	15,558	25,000	24,074	926
Insurance (Group and Worker's Compensation)	61,000	53,625	7,375	61,000	60,398	602
Training Expenses	3,000	2,976	24	-	-	-
Uniforms	2,000	2,798	(798)	4,000	1,727	2,273
<b>Total Personal Services</b>	<b>360,025</b>	<b>327,236</b>	<b>32,789</b>	<b>356,700</b>	<b>303,580</b>	<b>53,120</b>
<b>Administrative Expenses:</b>						
Insurance - Vehicles and Equipment	4,000	10,884	(6,884)	3,000	2,747	253
Insurance - Other	15,000	6,244	8,756	15,000	12,948	2,052
Miscellaneous	10,000	-	10,000	10,000	11,531	(1,531)
Professional Fees	70,000	54,712	15,288	60,000	41,799	18,201
Office Supplies	800	196	604	500	742	(242)
<b>Total Administrative Expenses</b>	<b>99,800</b>	<b>72,036</b>	<b>27,764</b>	<b>88,500</b>	<b>69,767</b>	<b>18,733</b>
Depreciation Expense	-	373,742	(373,742)	-	373,191	(373,191)
<b>Other Operating Expenses:</b>						
Water Purchases	80,000	79,303	697	40,000	42,211	(2,211)
Sewer Treatment	325,000	323,928	1,072	275,000	226,352	48,648
Bad Debt Expense	-	1,001	(1,001)	-	863	(863)
Equipment Rental	5,000	9,723	(4,723)	7,000	3,241	3,759
Gas and Oil	10,000	4,735	5,265	10,000	8,695	1,305
Miscellaneous Operating Expense	2,500	9,975	(7,475)	6,500	2,110	4,390
<b>Repairs and Maintenance:</b>						
Buildings	12,000	11,534	466	2,000	611	1,389
Distribution - Water and Sewer Systems	140,000	134,521	5,479	120,000	113,017	6,983
Equipment	20,000	10,560	9,440	10,000	1,740	8,260
Vehicles	3,000	3,129	(129)	5,000	1,313	3,687
Supplies	65,000	48,572	16,428	90,000	46,051	43,949
Telephone	10,000	10,748	(748)	9,000	10,508	(1,508)
Utilities	4,000	2,590	1,410	4,000	2,859	1,141
<b>Total Other Operating Expenses</b>	<b>676,500</b>	<b>650,319</b>	<b>26,181</b>	<b>578,500</b>	<b>459,571</b>	<b>118,929</b>
<b>Total Expenses</b>	<b>1,136,325</b>	<b>1,423,333</b>	<b>(287,008)</b>	<b>1,023,700</b>	<b>1,206,109</b>	<b>(182,409)</b>
<b>Operating Income (Loss)</b>	<b>978,675</b>	<b>395,936</b>	<b>(582,739)</b>	<b>1,071,600</b>	<b>542,472</b>	<b>(575,390)</b>
<b>Nonoperating Revenues (Expenses):</b>						
Bond Interest	(215,000)	(213,445)	1,555	(300,000)	(165,343)	134,657
Amortization	-	-	-	-	-	-
Contribution from MEAG	-	-	-	-	-	-
Bond Issue Costs	-	-	-	-	(126,542)	-
Transferred from Electric Fund	-	400,000	400,000	-	200,000	200,000
Transferred to General Fund	-	-	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(215,000)</b>	<b>186,555</b>	<b>401,555</b>	<b>(300,000)</b>	<b>(91,885)</b>	<b>334,657</b>
<b>Change in Net Position</b>	<b>763,675</b>	<b>582,491</b>	<b>(181,184)</b>	<b>771,600</b>	<b>450,587</b>	<b>(240,733)</b>
<b>Net Position at Beginning of Year</b>	<b>9,330,218</b>	<b>9,330,218</b>	<b>-</b>	<b>8,953,639</b>	<b>8,953,639</b>	<b>-</b>
<b>Prior Period Adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(74,008)</b>	<b>(74,008)</b>
<b>Net Position at End of Year</b>	<b>\$ 10,093,893</b>	<b>\$ 9,912,709</b>	<b>\$ (181,184)</b>	<b>\$ 9,725,239</b>	<b>\$ 9,330,218</b>	<b>\$ (314,741)</b>

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, 2016 and 2015

	2016			2015		
	Budget	Actual	Variance-Positive (Negative)	Budget	Actual	Variance-Positive (Negative)
<b>Operating Revenues:</b>						
Sanitation Charges	\$ 310,000	\$ 311,959	1,959	\$ 310,000	\$ 309,348	\$ (652)
Penalties	20,000	18,348	(1,652)	20,000	21,434	1,434
Miscellaneous	2,000	1,165	(835)	2,000	915	(1,085)
Total Operating Revenue	<u>332,000</u>	<u>331,472</u>	<u>(528)</u>	<u>332,000</u>	<u>331,697</u>	<u>(303)</u>
<b>Operating Expenses:</b>						
Contracted Services - Garbage	240,000	227,751	12,249	240,000	209,058	30,942
Bad Debt Expense	-	11,675	(11,675)	-	4,743	(4,743)
Other Operating Expenses	2,500	-	2,500	2,500	-	2,500
Total Operating Expenses	<u>242,500</u>	<u>239,426</u>	<u>3,074</u>	<u>242,500</u>	<u>213,801</u>	<u>28,699</u>
Transfers in (out)	(300,000)	(300,000)	-	-	-	-
Change in Net Position	(210,500)	(207,954)	2,546	89,500	117,896	28,396
Net Position at Beginning of Year	<u>492,983</u>	<u>492,983</u>	<u>-</u>	<u>375,087</u>	<u>375,087</u>	<u>-</u>
Net Position at End of Year	<u>\$ 282,483</u>	<u>\$ 285,029</u>	<u>\$ 2,546</u>	<u>\$ 464,587</u>	<u>\$ 492,983</u>	<u>\$ 28,396</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, 2016  
 With Comparative Actual Amounts for Year Ended June 30, 2015

	Confiscated Asset Fund		Variance- Positive (Negative)	2015 Actual	SPLOST Fund		Variance- Positive (Negative)	Total Non-Major Governmental	2015 Actual
	Budgeted	2016 Actual			Budgeted	2016 Actual			
<b>Revenues:</b>									
Intergovernmental S.P.L.O.S.T.	\$ -	\$ -	\$ -	\$ -	\$ 140,000	\$ 49,560	\$ (90,440)	\$ 49,560	\$ 115,349
State and Federal Confiscations	-	-	-	-	-	-	-	-	-
Interest Income	-	-	-	-	-	-	-	-	33
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>49,560</b>	<b>(90,440)</b>	<b>49,560</b>	<b>115,382</b>
<b>Expenditures:</b>									
Current									
Administrative	-	-	-	-	-	5,891	(5,891)	5,891	-
Debt Service									
Principal	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Capital Outlays	-	-	-	-	-	249,299	(249,299)	249,299	72,265
Administrative	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>255,190</b>	<b>(255,190)</b>	<b>255,190</b>	<b>72,265</b>
Excess (Deficiency) of Revenues over Expenditures	-	-	-	-	140,000	(205,630)	164,750	(205,630)	43,117
<b>Other Financing (Uses)</b>									
Transfers Out	-	-	-	-	-	-	-	-	-
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>140,000</b>	<b>(205,630)</b>	<b>(345,630)</b>	<b>(205,630)</b>	<b>43,117</b>
Fund Balance at Beginning of Year	-	-	-	-	238,399	238,399	238,399	238,399	195,282
<b>Fund Balance at End of Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 378,399</b>	<b>\$ 32,769</b>	<b>\$ 403,149</b>	<b>\$ 32,769</b>	<b>\$ 238,399</b>

# CITY OF PALMETTO, GEORGIA

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

June 30, 2016

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

Land	\$	291,180
Buildings and Improvements		3,117,813
Furniture and Fixtures		92,757
Vehicles and Equipment		1,945,309
Infrastructure		<u>2,191,438</u>
	\$	<u>7,638,497</u>

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

General Fund	\$	7,456,122
Special Revenue Fund		<u>182,375</u>
Total Investment in Capital Assets	\$	<u>7,638,497</u>



# 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, 2016

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 7/1/2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Governmental Funds Capital Assets 6/30/2016</u>
Administrative	\$ 589,649	\$ 14,298	\$ -	\$ 603,947
Police Department	1,284,903	64,305	75,024	1,274,184
Fire Department	980,576	292,188	-	1,272,764
Street Department	1,970,010	445,633	-	2,415,643
Special Services	<u>2,071,160</u>	<u>799</u>	<u>-</u>	<u>2,071,959</u>
Total Capital Assets	<u>\$ 6,896,298</u>	<u>\$ 817,223</u>	<u>\$ 75,024</u>	<u>\$ 7,638,497</u>

CITY OF PALMETTO, GEORGIA

Capital Assets Used in the Operation of Governmental Funds

Schedule by Function and Activity

June 30, 2016

Function and Activity	Total June 30, 2016	Land	Buildings & Improvements	Furniture & Fixtures	Vehicles & Equipment	Infrastructure
Administrative	\$ 603,947	\$ 26,681	\$ 348,798	\$ 41,024	\$ 187,444	\$ -
Police Department	1,274,184	60,000	606,178	11,343	596,663	-
Fire Department	1,272,764	135,633	180,408	21,045	935,678	-
Street Department	2,415,643	39,466	-	7,475	177,264	2,191,438
Special Services	<u>2,071,959</u>	<u>29,400</u>	<u>1,982,429</u>	<u>11,870</u>	<u>48,260</u>	<u>-</u>
Total Capital Assets Allocated to Functions	<u>\$ 7,638,497</u>	<u>\$ 291,180</u>	<u>\$ 3,117,813</u>	<u>\$ 92,757</u>	<u>\$ 1,945,309</u>	<u>\$ 2,191,438</u>



## 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Primary Government</b>										
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 2,302,669	\$ 2,304,120	\$ 2,275,090	\$ 2,220,713	\$ 2,397,322	\$ 3,723,723	\$ 3,675,475	\$ 3,490,664	\$ 3,491,094	\$ 3,974,632
Restricted	-	-	-	-	-	211,913	171,118	195,282	389,054	34,687
Unrestricted	642,106	805,574	951,434	1,055,010	936,215	511,484	(120,782)	252,893	234,484	237,348
Total Governmental Activities Net Position	<u>2,944,775</u>	<u>3,109,694</u>	<u>3,226,524</u>	<u>3,275,723</u>	<u>3,333,537</u>	<u>4,447,120</u>	<u>3,725,811</u>	<u>3,938,839</u>	<u>4,114,632</u>	<u>4,246,667</u>
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	5,180,360	6,432,491	7,599,153	7,844,028	7,935,711	9,286,082	9,716,077	10,197,166	10,205,108	10,889,123
Restricted	641,500	296,767	-	-	-	-	-	-	324,896	324,896
Unrestricted	5,887,636	4,174,602	3,107,674	2,565,256	1,959,125	1,909,403	1,958,328	1,683,402	1,462,613	1,467,521
Total Business-Type Activities Net Position	<u>11,709,496</u>	<u>10,903,860</u>	<u>10,706,827</u>	<u>10,409,284</u>	<u>9,894,836</u>	<u>11,195,485</u>	<u>11,674,405</u>	<u>11,880,568</u>	<u>11,992,617</u>	<u>12,681,540</u>
Primary Government										
Net Invested in Capital Assets	7,483,029	8,736,611	9,874,243	10,064,741	10,333,033	13,009,805	13,391,552	13,687,830	13,696,202	14,863,755
Restricted	641,500	296,767	-	-	-	211,913	171,118	195,282	713,950	359,583
Unrestricted	6,529,742	4,980,176	4,059,108	3,620,266	2,895,340	2,420,887	1,837,546	1,936,295	1,697,097	1,704,869
Total Primary Government Net Position	<u>\$ 14,654,271</u>	<u>\$ 14,013,554</u>	<u>\$ 13,933,351</u>	<u>\$ 13,685,007</u>	<u>\$ 13,228,373</u>	<u>\$ 15,642,605</u>	<u>\$ 15,400,216</u>	<u>\$ 15,819,407</u>	<u>\$ 16,107,249</u>	<u>\$ 16,928,207</u>

CITY OF PALMETTO, GEORGIA

TABLE 2

CHANGES IN NET POSITION

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental Activities</b>										
Administrative	\$ 704,027	\$ 750,063	\$ 931,951	\$ 786,794	\$ 821,240	\$ 644,152	\$ 589,941	\$ 615,047	\$ 701,746	\$ 698,675
Public Safety	1,497,973	1,969,734	2,624,123	2,644,167	2,539,246	2,375,890	2,361,333	2,372,200	2,108,026	2,296,009
Streets	389,707	467,539	415,722	310,413	397,364	497,995	410,129	367,571	437,686	446,732
Special Services	101,643	116,011	94,278	59,529	54,886	95,494	177,631	184,752	182,725	168,251
Interest on Long-Term debt	-	-	-	-	2,569	-	-	-	-	-
<b>Total Governmental Activities Expenses</b>	<b>2,693,350</b>	<b>3,303,347</b>	<b>4,066,074</b>	<b>3,800,903</b>	<b>3,815,305</b>	<b>3,613,531</b>	<b>3,539,033</b>	<b>3,539,570</b>	<b>3,430,183</b>	<b>3,609,667</b>
<b>Business-Type Activities</b>										
Electric Utilities	2,561,226	2,851,614	2,576,265	2,620,385	2,732,624	2,774,172	3,023,659	3,192,865	3,248,998	2,991,913
Water and Sewer Utilities	1,514,835	1,744,976	1,561,412	1,915,621	1,970,354	1,581,719	1,516,830	1,535,909	1,497,994	1,636,778
Sanitation	255,946	282,535	295,938	274,746	328,734	229,712	244,405	237,707	213,801	239,426
<b>Total Business-Type Activities Expenses</b>	<b>4,332,007</b>	<b>4,879,125</b>	<b>4,433,615</b>	<b>4,810,752</b>	<b>5,031,712</b>	<b>4,585,603</b>	<b>4,784,894</b>	<b>4,966,481</b>	<b>4,960,793</b>	<b>4,868,117</b>
<b>Total Primary Government Expenses</b>	<b>7,025,357</b>	<b>8,182,472</b>	<b>8,499,689</b>	<b>8,611,655</b>	<b>8,847,017</b>	<b>8,199,134</b>	<b>8,323,927</b>	<b>8,506,051</b>	<b>8,390,976</b>	<b>8,477,784</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
<b>Charges for Services:</b>										
Licenses and Permits	Not available	Not available	92,008	84,804	123,231	79,462	64,932	87,786	103,390	114,082
Federal and State Seizures	Not available	Not available	200,191	7,204	18,932	-	-	-	-	-
Fines and Forfeitures	Not available	Not available	342,246	256,839	331,057	177,784	54,152	79,935	76,048	43,807
Landfill Tipping Fees	Not available	Not available	404,818	217,214	160,370	169,789	149,005	120,873	264,961	314,307
Other	Not available	Not available	-	-	-	22,220	21,530	21,578	22,971	23,445
<b>Total Charges for Services</b>	<b>397,308</b>	<b>618,601</b>	<b>1,039,263</b>	<b>566,061</b>	<b>633,590</b>	<b>449,255</b>	<b>289,619</b>	<b>310,172</b>	<b>467,370</b>	<b>495,641</b>
Grants and Contributions	1,221,849	1,078,000	992,132	973,849	1,065,811	1,882,072	1,371,652	1,381,255	1,336,937	1,454,903
<b>Total Governmental Activities Program Revenues</b>	<b>1,619,157</b>	<b>1,696,601</b>	<b>2,031,395</b>	<b>1,539,910</b>	<b>1,699,401</b>	<b>2,331,327</b>	<b>1,661,271</b>	<b>1,691,427</b>	<b>1,804,307</b>	<b>1,950,544</b>
<b>Business-Type Activities</b>										
<b>Charges for Services:</b>										
Electric	2,977,552	2,981,859	3,214,458	3,358,980	3,554,155	3,061,188	3,331,591	3,427,094	3,678,621	3,693,793
Water	597,011	600,224	505,870	533,842	513,701	577,271	476,421	774,086	645,833	684,562
Sewer	937,715	975,283	890,719	907,086	736,210	756,476	658,451	1,217,969	1,056,486	1,122,201
Sanitation	244,992	260,171	311,605	311,513	333,373	303,008	317,708	333,204	331,697	331,472
Grants and Contributions	-	-	-	-	-	1,755,019	500,000	200,000	137,825	12,506
<b>Total Business-Type Activities Program Revenues</b>	<b>4,757,270</b>	<b>4,817,537</b>	<b>4,922,652</b>	<b>5,111,421</b>	<b>5,137,439</b>	<b>6,452,962</b>	<b>5,284,171</b>	<b>5,952,353</b>	<b>5,850,462</b>	<b>5,844,534</b>
<b>Total Primary Government Program Revenues</b>	<b>6,376,427</b>	<b>6,514,138</b>	<b>6,954,047</b>	<b>6,651,331</b>	<b>6,836,840</b>	<b>8,784,289</b>	<b>6,945,442</b>	<b>7,643,780</b>	<b>7,654,769</b>	<b>7,795,078</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	(1,074,193)	(1,606,746)	(2,034,679)	(2,260,993)	(2,115,904)	(1,282,204)	(1,877,762)	(1,848,143)	(1,625,876)	(1,659,123)
Business-Type Activities	425,263	(61,588)	489,037	300,669	105,727	1,867,359	499,277	985,872	889,669	976,417
<b>Total Primary Government Net (Expense)</b>	<b>\$ (648,930)</b>	<b>\$ (1,668,334)</b>	<b>\$ (1,545,642)</b>	<b>\$ (1,960,324)</b>	<b>\$ (2,010,177)</b>	<b>\$ 585,155</b>	<b>\$ (1,378,485)</b>	<b>\$ (862,271)</b>	<b>\$ (736,207)</b>	<b>\$ (682,706)</b>
<b>General Revenue and Other Changes in Net Position</b>										
<b>Governmental Activities</b>										
<b>Taxes</b>										
Property	\$ 398,387	\$ 489,390	\$ 983,957	\$ 1,231,906	\$ 1,044,553	\$ 927,402	\$ 861,840	\$ 918,796	\$ 1,043,331	\$ 1,028,561
Franchise	65,265	67,881	84,979	69,823	71,113	62,137	74,227	92,327	85,705	93,610
Insurance Premium	178,160	185,840	190,292	188,507	183,028	210,506	223,593	231,509	242,113	258,658
Beer, Wine and Liquor Tax	89,189	83,747	96,162	90,936	88,374	96,560	83,660	86,266	91,517	87,892
Other	59,481	57,060	57,592	61,170	65,144	65,708	5,530	7,376	6,931	9,462
Other Local Revenue	11,752	24,407	23,260	20,503	20,503	21,057	31,397	17,311	12,610	12,342
Unrestricted Investment Earnings	147,265	63,340	15,266	2,647	1,003	1,113	666	369	436	633
Transfers	162,981	800,000	700,000	600,000	700,000	1,066,157	(124,460)	160,000	600,000	300,000
Capital Contributions	-	-	-	-	-	-	-	52,783	-	-
Prior Period Adjustments	-	-	-	-	-	(54,853)	-	-	-	-
<b>Total Governmental Activities</b>	<b>1,112,480</b>	<b>1,771,665</b>	<b>2,151,508</b>	<b>2,265,492</b>	<b>2,173,718</b>	<b>2,395,787</b>	<b>1,156,453</b>	<b>1,566,737</b>	<b>2,082,643</b>	<b>1,791,158</b>
<b>Business-Type Activities</b>										
Unrestricted Investment Income	154,402	55,952	13,930	1,788	322	4	3	-	-	-
Other	-	-	-	-	-	181,980	23,445	12,506	35,682	12,506
Transfers	(162,981)	(800,000)	(700,000)	(600,000)	(700,000)	(1,066,157)	124,460	(160,000)	(600,000)	(300,000)
Capital Contributions	-	-	-	-	-	-	-	(52,783)	-	-
Prior Period Adjustments	-	-	-	-	-	67,236	(168,265)	(84,998)	-	-
<b>Total Business-Type Activities</b>	<b>(8,579)</b>	<b>(744,048)</b>	<b>(686,070)</b>	<b>(598,212)</b>	<b>(699,678)</b>	<b>(816,937)</b>	<b>(20,357)</b>	<b>(285,275)</b>	<b>(564,318)</b>	<b>(287,494)</b>
<b>Total Primary Government</b>	<b>1,103,901</b>	<b>1,027,617</b>	<b>1,465,438</b>	<b>1,667,280</b>	<b>1,474,040</b>	<b>1,578,850</b>	<b>1,136,096</b>	<b>1,281,462</b>	<b>1,518,325</b>	<b>1,503,664</b>
<b>Change in Net Position</b>										
Governmental Activities	38,287	164,919	116,829	4,499	57,814	1,113,583	(721,309)	(281,406)	456,767	132,035
Total Business-Type Activities	416,684	(805,636)	(197,033)	(297,543)	(593,951)	1,050,422	478,920	700,597	325,351	688,923
<b>Total Primary Government</b>	<b>\$ 454,971</b>	<b>\$ (640,717)</b>	<b>\$ (80,204)</b>	<b>\$ (293,044)</b>	<b>\$ (536,137)</b>	<b>\$ 2,164,005</b>	<b>\$ (242,389)</b>	<b>\$ 419,191</b>	<b>\$ 782,118</b>	<b>\$ 820,958</b>

CITY OF PALMETTO, GEORGIA

TABLE 3

FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund										
Nonspendable	\$ Not Available	\$ Not Available	\$ Not Available	\$ Not Available	\$ 201,254	\$ 206,785	\$ 206,782	\$ 183,002	\$ 201,139	\$ 198,655
Restricted									150,655	1,918
Unassigned	<u>Not Available</u>	<u>Not Available</u>	<u>Not Available</u>	<u>Not Available</u>	<u>173,727</u>	<u>159,727</u>	<u>(491,038)</u>	<u>(75,690)</u>	<u>269,565</u>	<u>360,143</u>
Total General Fund	<u>365,301</u>	<u>375,554</u>	<u>379,343</u>	<u>416,230</u>	<u>374,981</u>	<u>366,512</u>	<u>(284,256)</u>	<u>107,312</u>	<u>621,359</u>	<u>560,716</u>
All Other Governmental Funds										
Restricted, Reported in:										
Confiscated Fund	Not Available	Not Available	Not Available	Not Available	37,798	37,349	37,380	-	-	-
Capital Projects Fund (SPLOST)	<u>Not Available</u>	<u>Not Available</u>	<u>Not Available</u>	<u>Not Available</u>	<u>477,887</u>	<u>174,564</u>	<u>133,738</u>	<u>195,282</u>	<u>238,399</u>	<u>32,769</u>
Total All Other Governmental Funds	<u>217,261</u>	<u>356,324</u>	<u>490,306</u>	<u>506,792</u>	<u>515,685</u>	<u>211,913</u>	<u>171,118</u>	<u>195,282</u>	<u>238,399</u>	<u>32,769</u>
Total Governmental Funds	<u>\$ 582,562</u>	<u>\$ 731,878</u>	<u>\$ 869,649</u>	<u>\$ 923,022</u>	<u>\$ 890,666</u>	<u>\$ 578,425</u>	<u>\$ (113,138)</u>	<u>\$ 302,594</u>	<u>\$ 859,758</u>	<u>\$ 593,485</u>

CITY OF PALMETTO, GEORGIA

TABLE 4

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
					*					
<b>Revenues:</b>										
Taxes	\$ 1,814,147	\$ 1,917,175	\$ 1,334,438	\$ 1,589,903	\$ 1,529,491	\$ 1,337,707	\$ 1,229,053	1,353,038	1,409,443	1,520,916
Licenses and Permits	102,099	98,896	92,008	84,804	123,231	79,462	64,932	87,786	103,390	114,082
Fines and Forfeitures	46,032	70,623	342,246	256,839	331,057	177,784	54,152	79,935	76,048	43,807
Landfill Tipping Fees	249,177	449,082	404,818	217,214	160,370	169,789	149,005	120,873	264,961	314,307
Intergovernmental Revenue	193,337	30,589	1,192,323	958,061	1,084,743	1,882,072	1,371,652	1,381,134	1,428,467	1,454,903
Investment Earnings	147,265	63,340	14,795	2,647	1,003	1,113	666	490	469	633
Other Local Revenue	11,756	24,407	23,731	24,853	20,503	45,972	55,141	31,230	35,581	35,962
<b>Total All Governmental Funds</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>\$ 3,318,359</b>	<b>\$ 3,484,610</b>
<b>Expenditures</b>										
Administrative	696,924	740,607	919,196	936,277	849,177	621,649	559,410	592,670	677,308	675,775
Public Safety	1,496,474	1,996,641	2,522,051	2,556,263	2,447,974	2,320,883	2,305,173	2,349,155	2,061,641	2,518,026
Streets	507,970	470,344	393,036	276,751	519,565	717,825	521,166	362,408	573,605	813,923
Special Services	86,521	97,206	132,306	55,664	82,801	1,357,087	105,955	49,398	48,641	43,155
Water and Sewer	-	-	-	-	-	412,566	124,460	52,783	-	-
Debt Service										
Principal	-	-	-	28,870	80,669	-	-	-	-	-
Interest	-	-	-	-	2,569	-	-	-	-	-
<b>Total Expenditures</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>3,361,195</b>	<b>4,050,879</b>
Excess (deficit) of Revenues Over Revenues	\$ (224,076)	\$ (650,686)	\$ (562,230)	\$ (719,504)	\$ (732,357)	\$ (1,736,111)	\$ (691,563)	\$ (351,928)	\$ (42,836)	\$ (566,269)
<b>Other Financing Sources (Uses)</b>										
Transfers in	162,981	800,000	700,000	600,000	700,000	1,478,723	-	197,390	600,000	300,000
Transfers out	-	-	-	-	-	-	-	(37,390)	-	-
Proceeds from Capital Leases	-	-	-	109,539	-	-	-	7,660	-	-
<b>Total Other Financing Sources (Uses)</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>600,000</b>	<b>300,000</b>
Net Change in Fund Balance	(61,095)	149,314	137,770	(9,965)	(32,357)	(257,388)	(691,563)	(184,268)	557,164	(266,269)
Fund Balance Beginning	643,659	582,564	731,877	869,647	923,023	890,666	578,425	486,862 **	302,594	859,758
Prior Period Adjustment	-	-	-	63,341	-	(54,853)	-	-	-	-
<b>Fund Balance Ending</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>\$ 859,758</b>	<b>\$ 593,489</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.80%	2.27%	0.00%	0.00%	0.00%	0.00%	0.00%

\* Prior to 2008 City counted Intergovernmental SPLOSTas tax revenue

\*\* Restated in connection with GASB 68 implementation

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	Total
	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	Direct Tax Rate
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
2015	72,856,942	182,142,355	16,164,385	40,410,963	9,664,518	24,161,295	98,685,845	246,714,613	40.00%	8.50
2016	81,126,222	202,815,555	16,899,047	42,247,618	9,490,619	23,726,548	107,515,888	268,789,720	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



CITY OF PALMETTO

Table 6

GENERAL FUND REVENUES BY SOURCE (1)

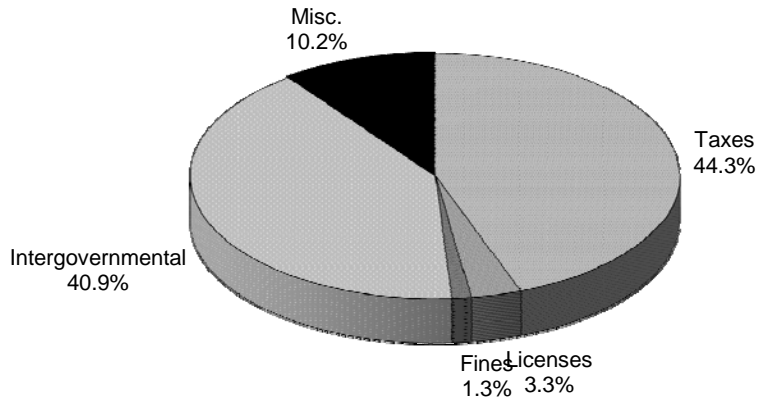
Last Ten Fiscal Years

<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>
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
2015	1,409,443	103,390	76,048	1,313,118	300,978	3,202,977
2016	1,520,916	114,082	43,807	1,405,343	350,902	3,435,050

(1) Includes General Fund Revenues Only.

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

**GENERAL REVENUES BY SOURCE  
Fiscal Year Ended June 30, 2016**



# CITY OF PALMETTO, GEORGIA

Table 7

## TAX RATES AND TAX LEVIES

Last Ten Fiscal Years

### Tax Rate per Hundred Dollars

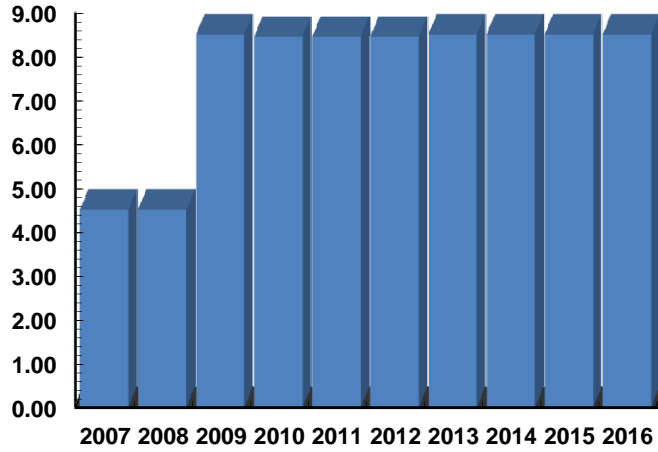
Year	Total	L.O.S.T. Tax Rollback (1)	Net Tax Rate	General Fund
2007	15.25	-10.75	4.50	4.50
2008	15.25	-10.75	4.50	4.50
2009	15.25	-6.75	8.50	8.50
2010	14.86	-6.41	8.45	8.45
2011	16.06	-7.61	8.45	8.45
2012	17.35	-8.90	8.45	8.45
2013	17.40	-8.90	8.50	8.50
2014	17.50	-9.00	8.50	8.50
2015	17.50	-9.00	8.50	8.50
2016	16.50	-8.00	8.50	8.50

### Tax Levies Based Upon the Above Rates

Year	Total	L.O.S.T. Tax Rollback (1)	Net Tax	General Fund
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	1,734,229	(832,391)	794,980	794,980
2014	1,636,724	(841,744)	830,219	830,219
2015	1,727,002	(888,173)	838,830	838,830
2016	1,774,012	(860,127)	913,885	913,885

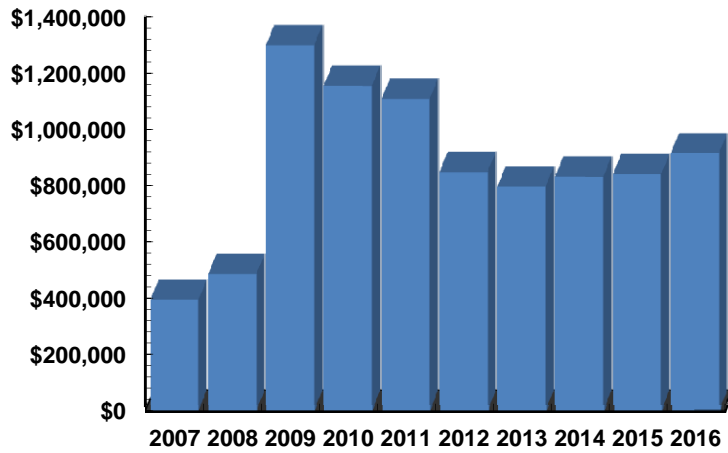
(1) Due to approval by voters of Local Option Sales Tax (LOST) in 1984 local governments are required to roll back millage rate by the amount of tax collected under LOST. From 1990 to 1993 the City of Palmetto rolled back the entire millage rate. Due to an increase of the net tax rate of 4.00 for 2009,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

**TAX RATES  
LAST TEN FISCAL YEARS**



■ MILLS

**TAX LEVIES  
LAST TEN FISCAL YEARS**



■ LEVI

CITY OF PALMETTO, GEORGIA

TABLE 8

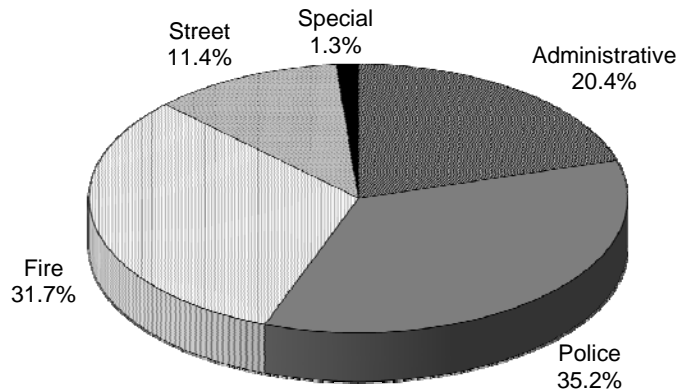
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION (1)

Last Ten Fiscal Years

Year	<u>Administrative</u>	<u>Police</u>	<u>Fire</u>	<u>Street</u>	<u>Services Special</u>	<u>Total</u>
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
2015	660,308	1,077,158	898,398	362,214	48,641	3,046,719
2016	661,079	1,137,772	1,024,380	368,270	41,984	3,233,485

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

**GENERAL GOVERNMENT EXPENDITURES  
Fiscal Year Ended June 30, 2016**



CITY OF PALMETTO, GEORGIA

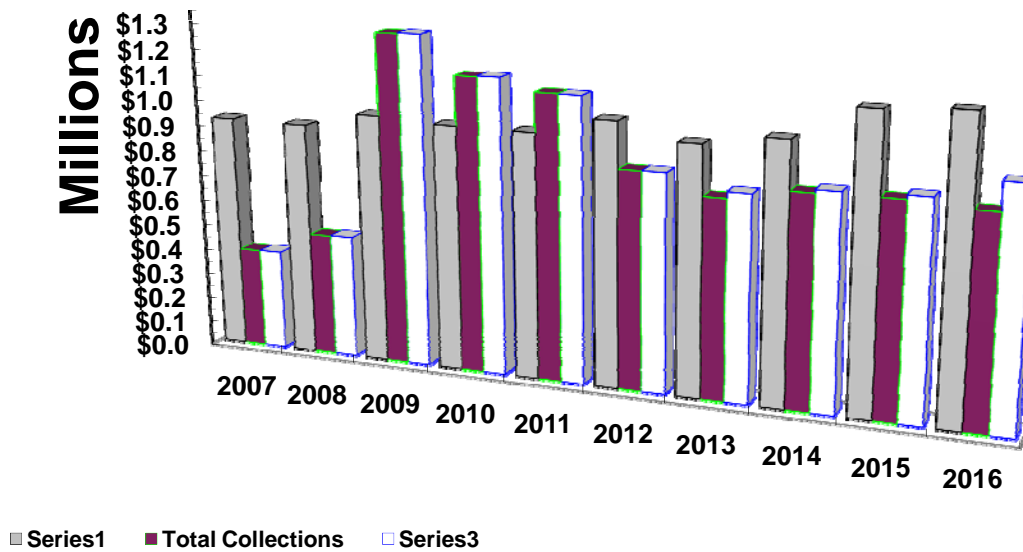
Table 9

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	
2007	392,321	357,472	91.12%	32,942	390,414	99.51%	918,608
2008	483,593	441,008	91.19%	39,771	480,779	99.42%	915,697
2009	1,297,506	901,648	69.49%	392,774	1,294,422	99.76%	973,849
2010	1,153,866	1,038,999	90.05%	111,163	1,150,162	99.68%	958,061
2011	1,107,430	990,981	89.48%	117,380	1,108,361	100.08%	956,425
2012	847,181	704,025	83.10%	141,762	845,787	99.84%	1,023,253
2013	794,980	649,700	81.73%	120,634	770,334	96.90%	961,851
2014	830,219	694,888	83.70%	121,837	816,725	98.37%	1,003,696
2015	838,830	705,103	84.06%	117,390	822,493	98.05%	1,131,905
2016	913,885	806,807	88.28%	-	806,807	88.28%	1,148,225

## TAX LEVIES AND TAX COLLECTIONS LAST TEN FISCAL YEARS



CITY OF PALMETTO

TABLE 10

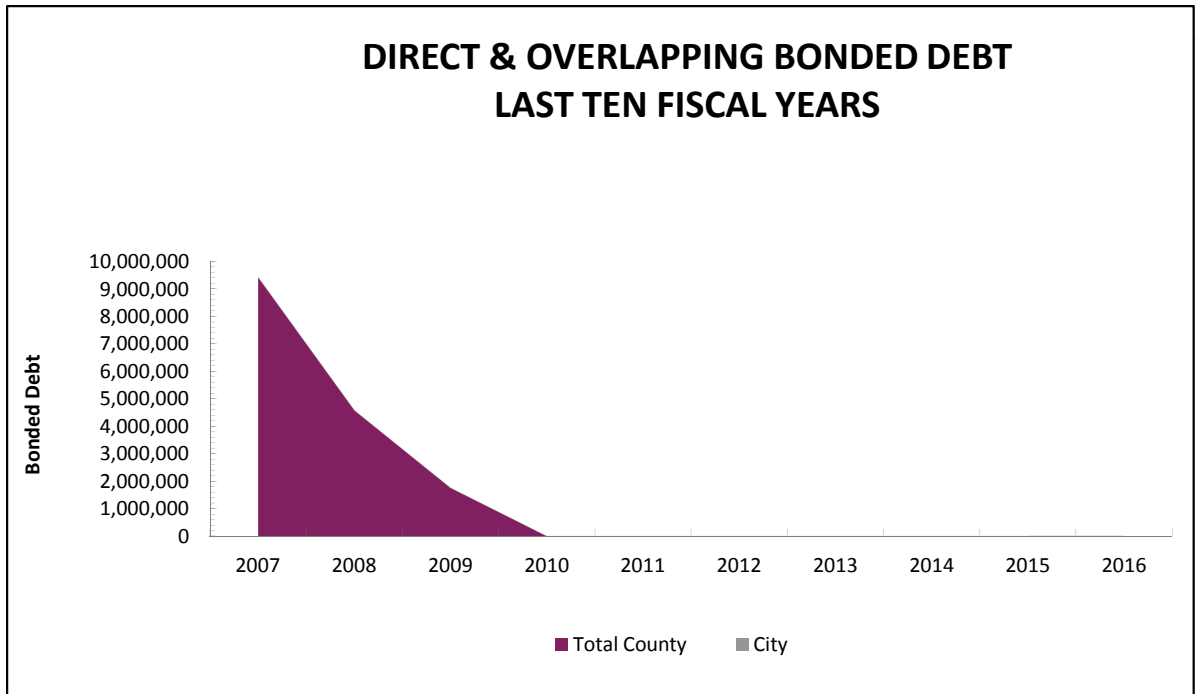
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT  
GENERAL OBLIGATION BONDS

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
2007	-	9,428,153	39,234	9,428,153
2008	-	4,581,096	19,319	4,581,096
2009	-	1,760,000	7,333	1,760,000
2010	-	-	-	-
2011	-	-	-	-
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-

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



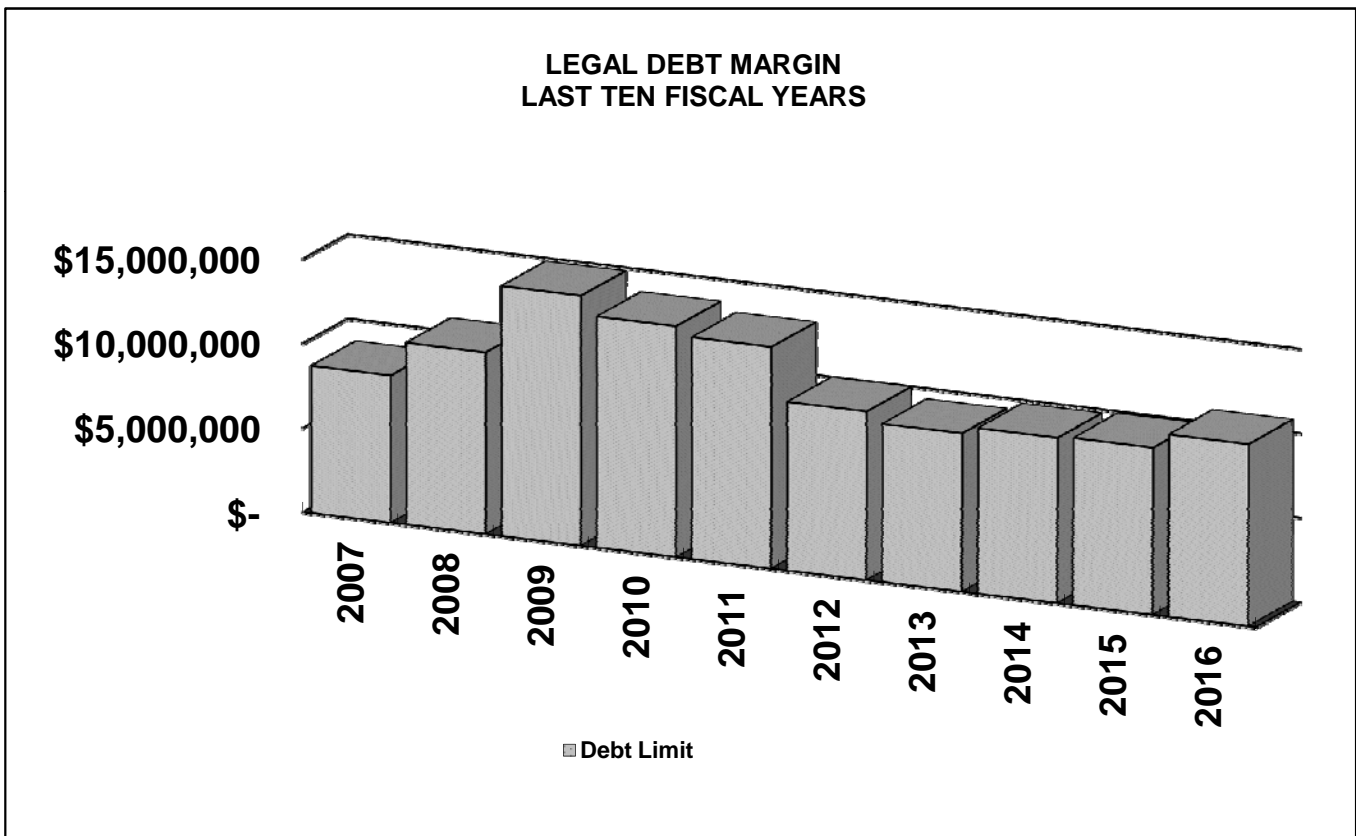
CITY OF PALMETTO, GEORGIA

Table 11

LEGAL DEBT MARGIN TABLE

Last Ten Fiscal Years

Year	Assessed Value	Percentage	Debt Limit	Amount Applicable	Legal Debt Margin
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
2015	98,685,845	10.00%	9,868,585	-	9,868,585
2016	107,515,888	10.00%	10,751,589	-	10,751,589





*This page intentionally left blank.*



CITY OF PALMETTO, GEORGIA

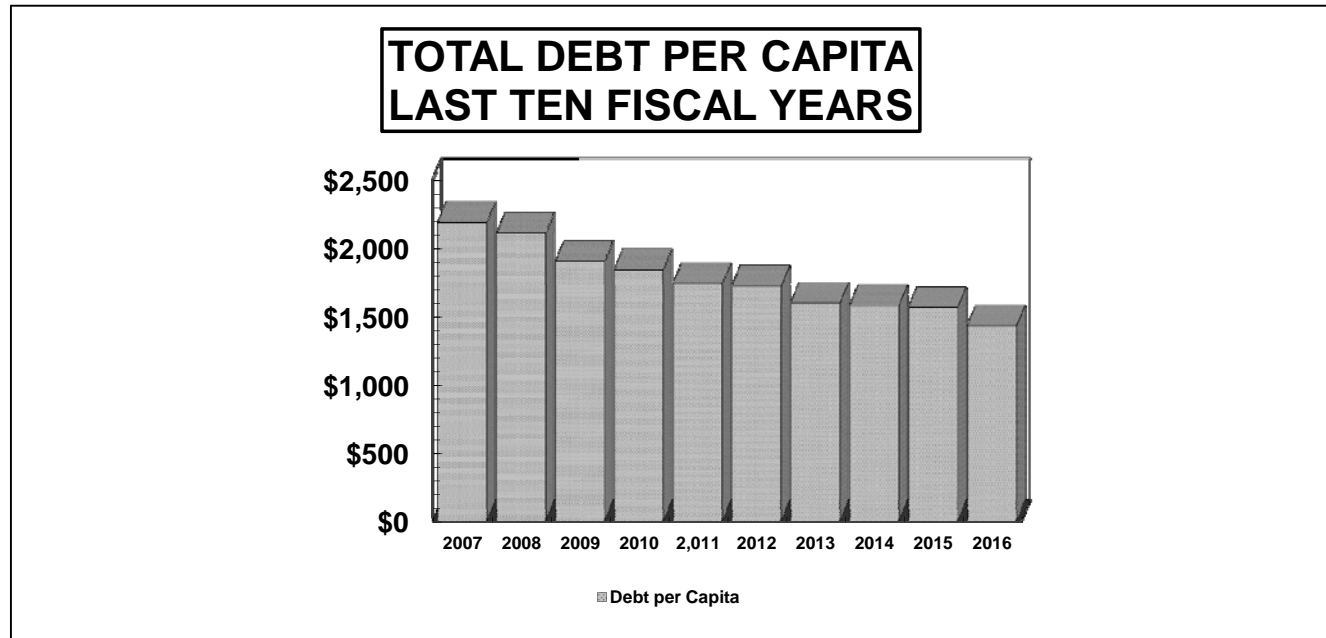
Table 12

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			
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
2,011	-	-	-	-	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
2015	-	-	-	-	6,975,058	-	6,975,058	8.33%	1,558
2016	-	-	-	-	6,371,783	-	6,371,783	7.61%	1,423

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



# CITY OF PALMETTO, GEORGIA

Table 13

## REVENUE BOND COVERAGE COMBINED PUBLIC UTILITY REVENUE BONDS

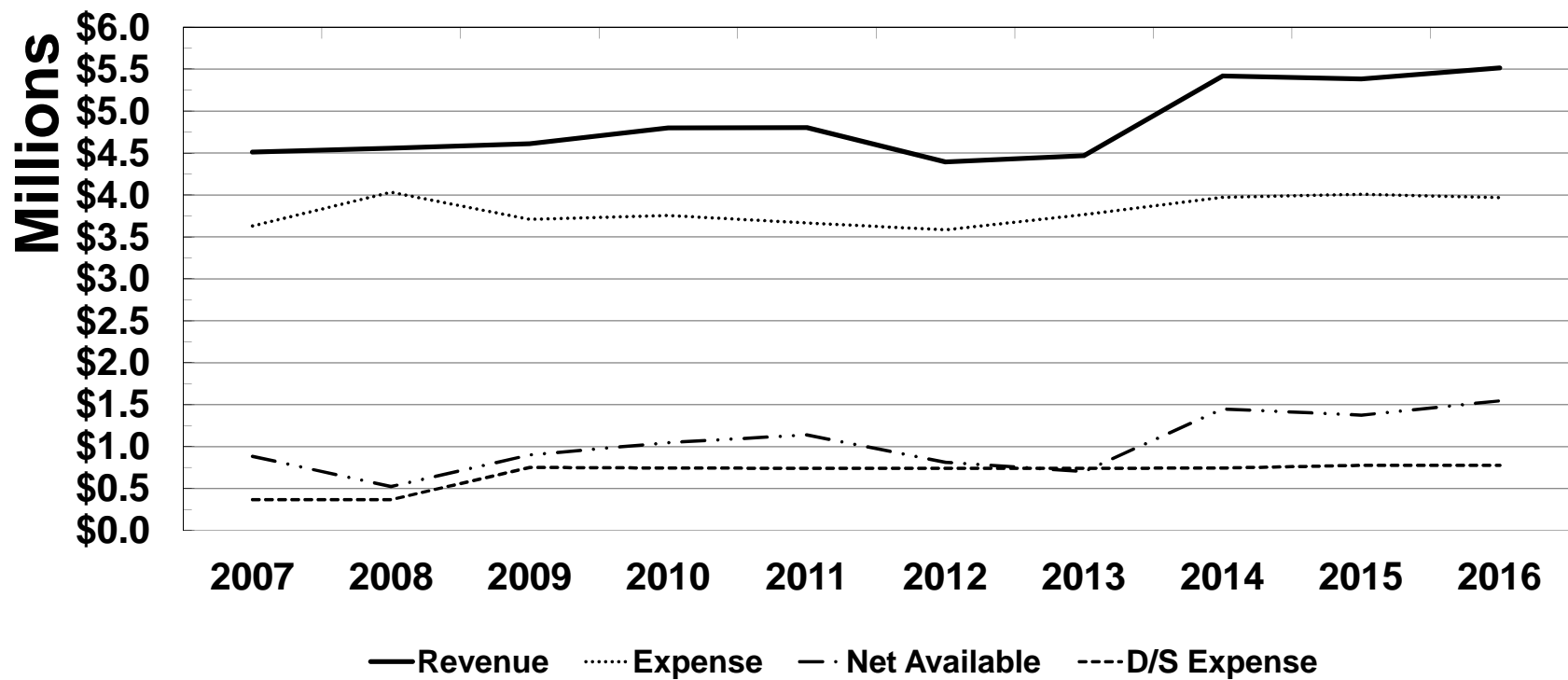
Last Ten Fiscal Years

Fiscal Year	Electric Fund			Water & Sewer Fund			Combined Net Revenue Available for Debt Service	Debt Service Payments	Coverage
	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			
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
2015	3,678,621	3,175,486	503,135	1,702,319	832,918	869,401	1,372,536	775,699	1.77
2016	3,693,793	2,917,690	776,103	1,819,269	1,049,591	769,678	1,545,781	775,699	1.99

(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 Ten Years Ago

Taxpayer	2016		2007	
	Assessed Valuation	% of Total Assessed Valuation	Assessed Valuation	% of Total Assessed Valuation
Lowes Home Center, Inc.	\$ 21,601,570	20.09%	\$ -	0.00%
Coweta/Fayette EMC	8,321,393	7.74%	-	0.00%
Soful LLC	3,309,880	3.08%	-	0.00%
William Gause	1,422,480	1.32%	465,556	0.53%
National Ready Mix	1,134,440	1.06%	-	0.00%
Spurlin Industries	953,736	0.89%	399,556	0.46%
Merrill Property Division Trust	918,890	0.85%	-	0.00%
WHM Chattahoochee Hills Investment	898,630	0.84%	-	0.00%
Genesis Garden Apartments	870,040	0.81%	1,720,000	1.98%
Wilkerson M OSCP One LLC	852,071	0.79%	1,346,444	1.55%
Flash Foods	811,880	0.76%	-	0.00%
Cannon, Garfield	771,560	0.72%	-	0.00%
Shugart, Mark	765,750	0.71%	-	0.00%
Palmetto and Main	688,160	0.64%	-	0.00%
Singh Creative	587,000	0.55%	724,444	0.83%
Great Oak Georgia Owner LLC	464,976	0.43%	-	0.00%
DRGN Properties	461,800	0.43%	-	0.00%
DTL Properties	460,360	0.43%	-	0.00%
Bellsouth Telecomm Fulton	428,155	0.40%	1,025,556	1.18%
Hembree & Evans Property LLLP	363,320	0.34%	-	0.00%
Bama LLC	324,760	0.30%	-	0.00%
Jarico Partners LLC	298,960	0.28%	-	0.00%
W&W Realty Company LLP	226,400	0.21%	-	0.00%
Walker Concrete	-	0.00%	882,000	1.01%
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	60,579,677	56.34%	72,495,541	83.29%
	<u>\$ 107,515,888</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.

CITY OF PALMETTO, GEORGIA

Table 15

SALARIES AND SURETY BONDS OF PRINCIPAL OFFICIALS

6/30/2016

	Fees or Salary	Amount of Surety Bond
<b>MEMBERS OF THE CITY COUNCIL</b>		
J. Clark Boddie	\$ 3,000	\$ 500,000
Patty O'Hara Willey, Mayor Pro-Tem	2,000	500,000
Larry Parrott	1,500	500,000
Laura Mullis	1,500	500,000
Michael Arnold	1,500	500,000
Leon Sumlin	1,500	500,000
Tara Miller	1,500	500,000
<b>OTHER CITY OFFICIALS</b>		
William H. Shell, City Administrator	86,942	500,000
Henry Argo, Fire Chief	70,483	500,000
Randy Munday, Chief	77,396	500,000
Russell Ross, City Recorder	13,200	500,000

CITY OF PALMETTO, GEORGIA

Table 16

SUMMARY OF INSURANCE COVERAGE

6/30/2016

**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

<u>Fiscal Year</u>	<u>Population (1)</u>	<u>Personal Income (2)</u>	<u>Per Capita Income (2)</u>	<u>Median Age (2)</u>	<u>Median Education Level in Years of Formal Schooling (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (3)</u>
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%
2015	4,602	97,111,404	21,102	33.0	12th	Unavailable	6.30%
2016	4,770	120,599,910	25,283	33.0	12th	Unavailable	5.60%

(1) Source: 2000, 2012 - U.S. Census, 2013 city-data.com, 2014 bestplaces.net, 2015-16 hometownlocator.com, all other years - City count

(2) Source: city-data.com, 2012-2014 bestplaces.net, 2015-16 hometownlocator.com

(3) Source: Georgia Department of Labor for State of Georgia, 2012-2014 bestplaces.net, 2015-16 homefacts.com

CITY OF PALMETTO, GEORGIA

TABLE 18

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

Employer	2016		2007	
	Number of Employees	% of Total Employment	Number of Employees	% of Total Employment
Coweta Fayette EMC	199	13.27%	-	0.00%
Fulton County Board of Education	83	5.53%	150	15.51%
Georgia Baptist Children's Home	78	5.20%	70	7.24%
City of Palmetto	65	4.33%	64	6.62%
Bojangles	41	2.73%	31	3.21%
Baptist Manor & Garrison Personal Care	40	2.67%	42	4.34%
Palmetto Line Contractors	37	2.47%	-	0.00%
McDonalds	24	1.60%	-	0.00%
Lowes Warehouse	20	1.33%	-	0.00%
Palmetto Community Health	20	1.33%	-	0.00%
Waffle House	20	1.33%	-	N/A
Bradley's Big Buy	16	1.07%	35	3.62%
Jack Peek Sales and Service	16	1.07%	15	1.55%
Dairy Queen	12	0.80%	25	2.59%
Spurlin Industries	-	0.00%	70	7.24%
<b>Total Principal Employers</b>	<b>671</b>	<b>44.73%</b>	<b>502</b>	<b>51.92%</b>



CITY OF PALMETTO, GEORGIA

TABLE 19

FULL TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	<u>2016</u>	<u>2015</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	6	5	5	5	5	5	5	6	7	6
Public Safety:										
Officers	17	17	17	17	17	18	19	20	20	14
Civilians	2	2	2	2	2	3	3	3	3	3
Fire										
Firefighters and Officers	15	15	15	15	15	18	18	18	17	-
Highways and Streets										
Maintenance	8	8	6	6	6	6	4	6	9	9
Special Services	-	-	-	-	-	-	-	-	2	2
Electric	4	4	4	4	4	5	5	6	5	5
Water and Sewer	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>	<u>7</u>	<u>9</u>	<u>9</u>	<u>10</u>
	<u>58</u>	<u>57</u>	<u>55</u>	<u>55</u>	<u>55</u>	<u>61</u>	<u>61</u>	<u>68</u>	<u>72</u>	<u>49</u>

CITY OF PALMETTO, GEORGIA

TABLE 20

OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	<u>2016</u>	<u>2015</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>
Police										
Physical Arrests	68	67	197	200	235	255	148	58	216	154
Parking Violations	3	-	-	2	5	1	2	-	1	2
Traffic Violations	352	385	737	828	760	2,354	2,000	2,738	934	353
Fire										
Number of Calls Answered	1,005	824	966	951	920	869	848	775	767	-
Inspections	436	492	454	479	495	282	264	254	192	-
Highways and Streets										
Street Resurfacing (Feet)	-	-	-	1,200	1,200	1,200	850	1,000	1,200	1,000
Potholes Repaired	20	12	10	-	-	80	60	60	24	24
Community Services										
Admissions	-	-	-	-	-	-	-	-	47	24
Water										
New Connections	10	4	1	-	-	1	2	-	36	26
Water Main Breaks	1	4	3	5	4	10	8	4	2	4
Average Daily Consumption (Gallons)		240,000	258,756	266,200	321,041	272,354	277,670	295,000	291,770	301,193
Sewer										
Average Daily Sewerage Treatment(Gallons)	269,677	406,590	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 trailer parks for sewer only.

CITY OF PALMETTO, GEORGIA

TABLE 21

CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Fiscal Years

<u>Function</u>	<u>2015</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>
Public Safety									
Police									
Stations	1	1	1	1	1	1	1	1	1
Patrol Units	17	17	17	17	17	17	17	16	16
Fire Stations	1	1	1	1	1	1	1	1	1
Highways and Streets									
Streets (Miles)	51	51	51	51	51	51	51	51	47
Streetlights	412	410	408	408	408	408	408	408	408
Traffic Signals	1	2	2	2	2	2	2	2	2
Community Centers	1	1	1	1	1	1	1	1	1
Water									
Water Mains (Miles)	25	25	25	25	25	25	25	25	25
Fire Hydrants	174	174	174	174	174	174	174	174	174
Maximum Daily Capacity (thousand gals.)	450	450	450	450	450	450	450	450	450
Sewer									
Sanitary Sewers(Miles)	15	15	15	15	15	15	15	15	15
Storm Sewers(Miles)	2	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	1
Miles of Service Lines	39	39	39	39	39	39	39	39	39

Sources: Various City Departments.

# CITY OF PALMETTO, GEORGIA

TABLE 22

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

Last Two Fiscal Years

	Fiscal Year End	
	2016	2015
<i>Total Pension Liability</i>		
Service cost	\$ 144,922	\$ 130,260
Interest	237,418	220,560
Difference between expected and actual experience	87,835	9,018
Change of assumptions	-	7,942
Change of benefit terms	-	-
Benefit payments including refunds of employee contributions	(166,505)	(134,017)
Net change in total pension liability	303,670	233,763
Total pension liability - beginning	3,146,713	2,912,950
<b>Total pension liability - ending (a)</b>	<b>3,450,383</b>	<b>3,146,713</b>
<i>Plan Fiduciary Position</i>		
Contributions - employer	204,467	185,511
Contributions - employee	-	-
Net investment income	28,681	260,364
Benefit payments including refunds of employee contributions	(166,505)	(134,017)
Administrative expense	(8,040)	(6,385)
Net change in fiduciary net position	58,603	305,473
Plan fiduciary net position - beginning	2,571,075	2,265,602
<b>Plan fiduciary net position - ending (b)</b>	<b>2,629,678</b>	<b>2,571,075</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 820,705</b>	<b>\$ 575,638</b>
Plan's fiduciary net position as a percentage of the total pension liability	76.21%	81.71%
Covered employee payroll	\$ 1,910,171	\$ 1,977,864
Net pension liability as a percentage of covered employee payroll	42.97%	29.10%

*Previous eight years not available*