

City of Elberton, Georgia

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2013

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Part I

Introductory Section

CITY OF ELBERTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2013

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

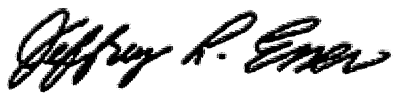
Presented to

City of Elberton

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012



Executive Director/CEO

CITY OF ELBERTON, GEORGIA

CITY OFFICIALS

June 30, 2013

MAYOR
Larry L. Guest

CITY COUNCIL
Troy Colquitt, Mayor Pro Tempore
Carey Butler
Bobby G. Hunt
Bob Paul
Joel Seymour

CITY MANAGER
Lanier W. Dunn, CPA

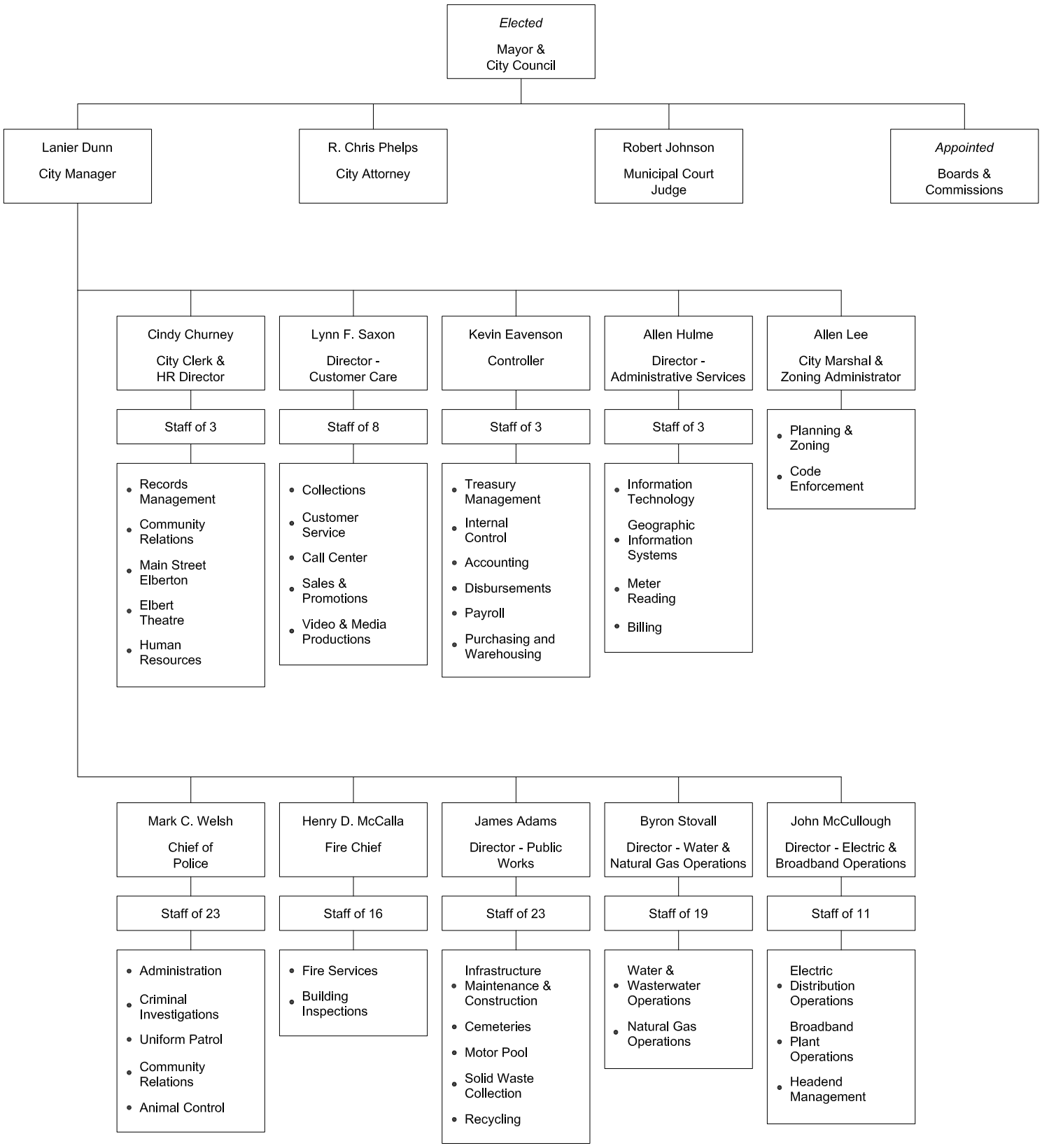
CITY ATTORNEY
R. Chris Phelps

MUNICIPAL COURT JUDGE
Robert A. Johnson

City of Elberton, Ga.

Organizational Chart

as of June 30, 2013



CITY OF ELBERTON
P. O. Box 70
230 N. McIntosh Street
ELBERTON, GA 30635
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November 8, 2013

The Honorable Larry L. Guest, Mayor
Members of the City Council, and
Citizens of the City of Elberton

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Elberton, Georgia, for the fiscal year ended June 30, 2013, is submitted for review as mandated by both local ordinance and state statutes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is 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 City's financial activities have been included.

To provide a reasonable basis for making these representations concerning the finances of the City, the City of Elberton has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Elberton's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

In the Financial Section immediately after the independent auditor's report is a management's discussion and analysis which provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis begins on page 4. The Elberton Code of Ordinances and the Official Code of Georgia, annotated, require an annual audit of the books of account, financial records and transactions of all funds and activities of the City by independent certified public accountants selected by the Mayor and Council. This requirement has been met, and the independent auditor's report has been included in the Financial Section of this report.

This report has been prepared with the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA), in accordance with generally accepted accounting principles and current financial reporting standards as set forth by the Governmental Accounting Standards Board (GASB).

PROFILE OF THE GOVERNMENT

The City of Elberton is located in the northeast part of the State of Georgia, within the boundaries of Elbert County. According to the 2010 U.S. Census, Elberton has a population of 4,653 while Elbert County has 20,166. Elberton is approximately 35 miles east of Athens, Georgia, and about 100 miles east of Atlanta. Elberton was chartered by the State of Georgia in 1803. The governing authority of the City is composed of a Mayor and five Council Members, who appoint a Manager to administer the daily operations of the City.

The City of Elberton provides a full range of governmental and utility services. These include general government administration, police and fire protection, sanitation and recycling services, animal control, streets and public works, cemetery services, parks and recreation, planning and zoning, and a municipal court system. Elberton Utilities, a department of the City of Elberton, provides electric, natural gas, water and wastewater services to customers in the City as well as a large portion of Elbert County. ElbertonNET Technology Services, a department of the City, provides telecommunications, cable television, and Internet, and voice-over-IP phone services to customers in the City and parts of Elbert County.

The annual budget serves as the foundation for the City of Elberton's financial planning and control. All agencies of the City of Elberton are required to submit requests for appropriation to the City Manager in April of each year. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review during the month of May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Elberton's fiscal year. The appropriated budget is prepared by fund, function, and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

This report includes all the funds of the City of Elberton. Following standards established by the Governmental Accounting Standards Board and others, the City of Elberton has reviewed the relationship between itself and other local agencies to determine the amount of control or dependency on the City. The procedures to determine the amount of control or dependency have been outlined in the notes in the Financial Section. As stated in the notes to the basic financial statements, the City of Elberton Housing Authority has not been included in the City's financial statements. The City has included the Downtown Development Authority in this financial report as a discretely presented component unit because that legally separate entity has a high level of financial dependency from the City, and the authority board members are appointed by the Mayor of the City and confirmed by a majority vote of the Council.

ECONOMIC CONDITION AND OUTLOOK

The City's economy continues to be based on the granite industry, which began operation in 1898. In 1951 the Elberton Granite Association, Inc., was formed to encourage cooperation between quarries and manufacturers. A total of 130 separate firms and quarries are operating businesses in granite production or its allied services in Elbert County. Approximately 1,800 persons are employed in the granite industry, with an annual payroll of $57 million. Statistics indicate that Georgia's stone industry, centered in the Elberton granite district, continues to lead the nation in total production. The financial well being of Elberton is heavily dependent on a stable granite industry.

The City's purchase of and continuing investment in the Elberton Industrial Park underscores the City's commitment to economic growth in the area. The City works closely with, and continues to assist in funding, the Chamber of Commerce and the Development Authority of Elbert County, Elberton and Bowman to attract new industry to the community. Elberton Utilities and ElbertonNET will continue to work closely with local industry to provide needed infrastructure for expansion at local plants. Elberton's Industrial Park is home to the nationally famous "Bubba Burger." "Bubba Burgers," made in Elberton, are shipped all over the eastern seaboard and Midwestern U.S.

The Downtown Development Authority has operated the Main Street Elberton organization for over fifteen years. The City employs a full time director to manage the Main Street program and to work with businesses in the historic downtown area to plan and promote events that attract commerce to the downtown area. Main Street also recruits small businesses to occupy vacant commercial spaces in the area. Annually, Main Street Elberton is recognized as an "Accredited National Main Street Program" by the National Trust for Historic Preservation.

MAJOR EVENTS OR INITIATIVES

The City continued to provide daily services to 5,000 citizens in the City as well as over 6,100 utility accounts in the City and Elbert County. The impact the City has on this community is evident on a daily basis in the majority of homes, businesses, and organizations in the area. Following are highlights of major projects or events in fiscal year 2013.

The City of Elberton began receiving proceeds from the 2011 special purpose local option sales tax in fiscal year 2012. This special sales tax, approved by Elbert County voters, was budgeted to fund $3.8 million of capital projects over the next five years in the City of Elberton. The proceeds from the 2011 special purpose local option sales tax are scheduled to conclude in July of 2016. The City also continues to fund projects from the 2006 special purpose local option sales tax that was concluded in July of 2011. Several capital projects during fiscal year 2013 were funded by the 2006 and 2011 sales tax. Included in these projects was the purchase of a new E-One 75 foot aerial ladder truck for the fire department. Infrastructure projects completed with SPLSOT funds in fiscal year 2013 include the completion of the Campbell and Prince Street storm water improvement project and a water main extension on Whites Chapel Road. Additionally, the sales taxes were used to fund the replacement of the knife gate valve at the lake pumping station and to begin the new sewer SCADA system project that will be completed in fiscal year 2014.

The divisions of Elberton Utilities initiated several projects in fiscal year 2013 that are part of long term renewal plans. The electric division has completed construction on the Lexington Highway electric line rehabilitation project which will increase the longevity and reliability of the line. Additionally, the electric division completed a line rehabilitation project on Hartwell Highway. The natural gas division has completed improvements including a bare steel line replacement project on Springdale Road and extensions to serve several poultry farms as new customers.

ElbertonNet added a new cable modem termination system during the fiscal year to accommodate higher bandwidth needs and Internet usage growth.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Elberton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2012, for the tenth consecutive year. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

We would like to thank the Mayor and the members of the City Council for their interest and support in this report on the financial condition of the City. The Mayor and Council should also be acknowledged for their valuable contributions in the planning and conducting of the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

Lanier W. Dunn, CPA
City Manager

Kevin Eavenson
Controller

Part II

Financial Section

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RUSHTON & COMPANY

Independent Auditor's Report

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

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 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 Elberton, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, the special local option sales tax schedule of expenditures, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules, and the special local option sales tax schedule of expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 fund financial statements and schedules, and the special purpose local option sales tax report are fairly stated in all material respects in relation to the 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.

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Elberton, Georgia's basic financial statements for the year ended June 30, 2012, which are not presented with the accompanying financial statements. In our report dated November 6, 2012, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elberton, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2012 basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules related to the 2012 basic financial statements are the responsibility of management and were derived from and are related directly to the underlying accounting and other records used to prepare the 2012 basic financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2012 individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Governmental Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2013, on our consideration of the City of Elberton, Georgia internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Elberton, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 8, 2012

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230 N. McIntosh Street
ELBERTON, GA 30635
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Elberton is pleased to provide this narrative discussion and analysis of the City's financial activities for the fiscal year ended June 30, 2013. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City of Elberton exceeded its liabilities at the close of the fiscal year by $31.8 million (reported as "*net position*"). Of this amount, $6.9 million (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $1,597,774 as a result of this year's activities.
- The City's governmental funds report combined ending fund balances of $1,723,339. Approximately 38% of this amount, $645,418, is available for spending at the City's discretion (*unassigned fund balance*), within the purposes of the funds.
- The City's proprietary funds report net position of $26.2 million at the end of the fiscal year, an increase of $1,803,777 as a result of the current year's operations.
- The City's liabilities totaled $13.0 million on June 30, 2013. Most of these liabilities (78% or $10.1 million) consist of revenue bonds, capital leases, or interest on those obligations to finance improvements or extensions of the City's utility systems.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* include the *statement of net position* and the *statement of activities*. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The *statement of net position* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. The City's *net position*, which is the difference between assets, what the citizens own, and liabilities, what the citizens owe, is one way to measure the City's *financial position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, and utility systems) must be considered to assess the *overall health* of the City.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements divide the City into two kinds of activities:

- Governmental activities: most of the City's basic services are reported here, including police, fire, infrastructure maintenance, parks and recreation, cemetery, and general administration. Taxes, grants, and interfund transfers from the utility system finance most of these activities.
- Business-type activities: the City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's utility and solid waste services are reported here.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by state law. The City of Elberton uses three categories of funds: governmental funds, proprietary funds, and a fiduciary fund.

In fund financial statements, information is presented in separate columns for each of the major funds. Data from non-major funds are combined into a single, aggregated column for presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

Governmental funds. Most of the City's basic *governmental activities* reported in the government-wide statements are accounted for in *governmental funds*, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The relationship (or differences) between *governmental activities* (reported in the *statement of net position* and the *statement of activities*) and *governmental funds* is described in a reconciliation following the fund financial statements. The City uses five governmental funds, of which the general fund is considered a major fund, whose basic financial statements can be found on pages 18-23 of this report.

Proprietary funds. When the City charges customers for the full or partial cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *statement of net position* and the *statement of activities* using the accrual basis of accounting. *Enterprise funds* are a type of proprietary fund used to account for functions reported as *business-type activities* in the government-wide statements. The City uses three enterprise funds to account for separate business-type activities. The combined public utility fund and the ElbertonNET technology services fund are considered the major enterprise funds and are reported in the basic proprietary fund financial statements on pages 24-28 of this report.

Fiduciary fund. The City is a trustee, or fiduciary, for the municipal court agency fund. The City's fiduciary activity is reported in a separate Statement of Fiduciary Assets and Liabilities on page 29. This activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations.

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 can be found on pages 30-65 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including combining financial statements for non-major funds referred to earlier. Individual fund statements and schedules are presented following the required supplementary information. These statements and schedules contain much more detailed financial information about individual services or divisions of the City.

This report includes two schedules (pages 19 and 21) that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on the fund financial statements.
- Unless due and payable, long-term liabilities appear only in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Some expenses reported in the government-wide statements represent increases in liabilities on the government-wide statements but are not reported as expenditures in governmental funds because they do not require the use of current financial resources.

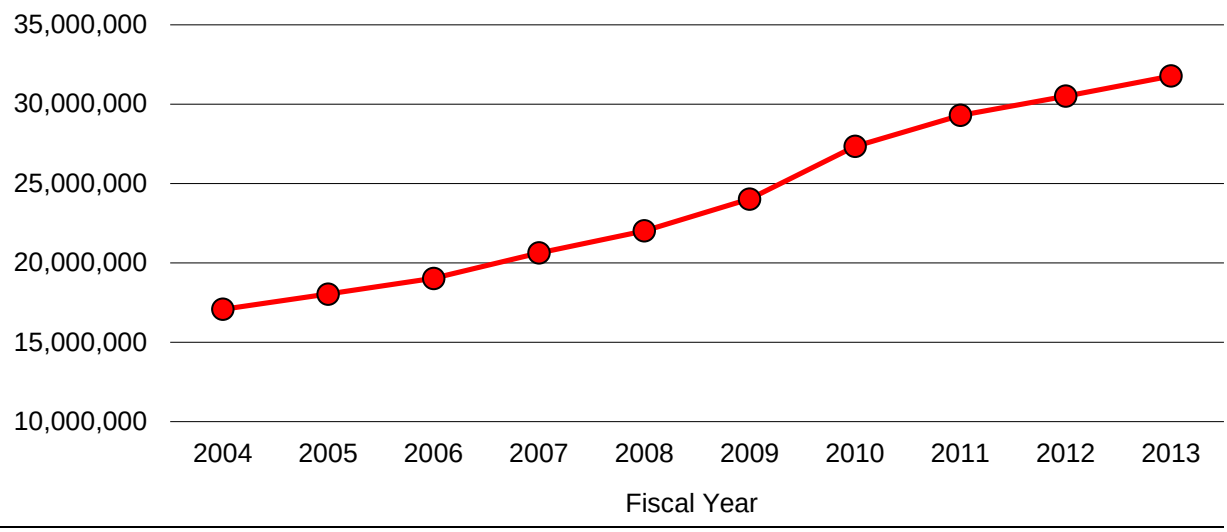
GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Elberton, assets exceeded liabilities by $31,770,463 at the close of the most recent fiscal year.

City of Elberton
Net Position as of June 30, 2013 and 2012
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and Other Assets	$ 1,892	$ 1,948	$ 11,225	$ 10,572	$ 13,117	$ 12,520
Net Capital Assets	4,854	4,475	26,821	27,310	31,675	31,785
Total Assets	6,746	6,423	38,046	37,882	44,792	44,305
Long-term Liabilities	824	329	7,872	9,360	8,696	9,689
Other Liabilities	338	304	3,988	3,806	4,326	4,110
Total Liabilities	1,162	633	11,860	13,166	13,022	13,799
Net investment in capital assets	4,289	4,475	17,350	16,525	21,639	21,000
Restricted Net Position	883	941	2,318	2,020	3,201	2,961
Unrestricted Net Position	412	374	6,518	6,170	6,930	6,544
Total Net Position	$ 5,584	$ 5,790	$ 26,186	$ 24,715	$ 31,770	$ 30,505

Total Net Position – Ten Fiscal Years



The largest portion of the City's net position (68%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net position totaling $3,200,457 is constrained by legal requirements and is not available for day-to-day operations of the City. The remaining balance of *unrestricted net position* ($6,930,650) may be used to meet the City's ongoing obligations to citizens and creditors. The portion of unrestricted net position from business-type activities was $6,518,491

at the end of the fiscal year. The portion of unrestricted net position resulting from the City's governmental activities was $412,159 at the close of the fiscal year.

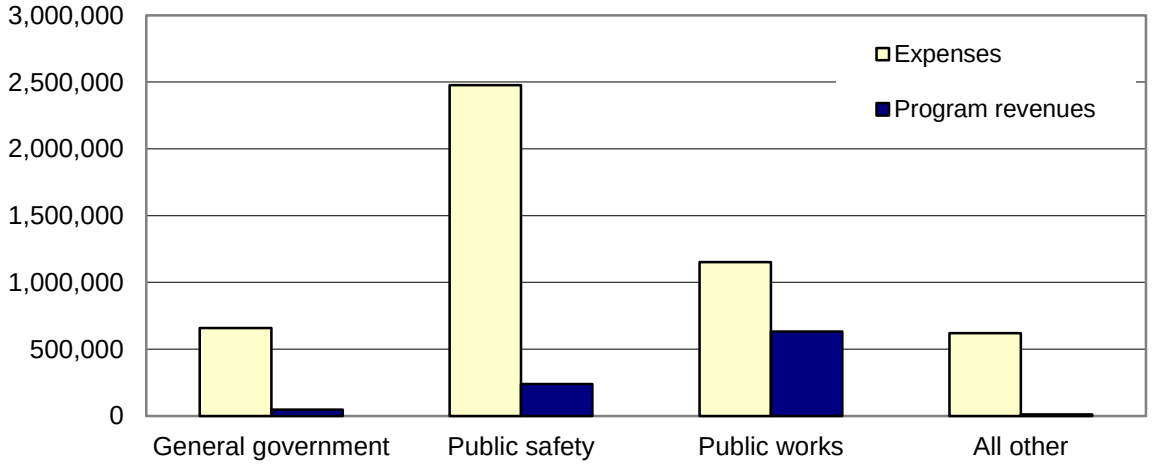
The City's net position increased by $1,597,774 during the current fiscal year. Governmental activities resulted in a decrease in net position of $206,003 while business-type activities resulted in an increase of net position of $1,803,777. The following table was derived from the government-wide Statement of Activities and reflects how the City's net position changed during the fiscal year.

City of Elberton
Changes in Net Position for the Fiscal Years ended June 30, 2013 and 2012
(in Thousands)

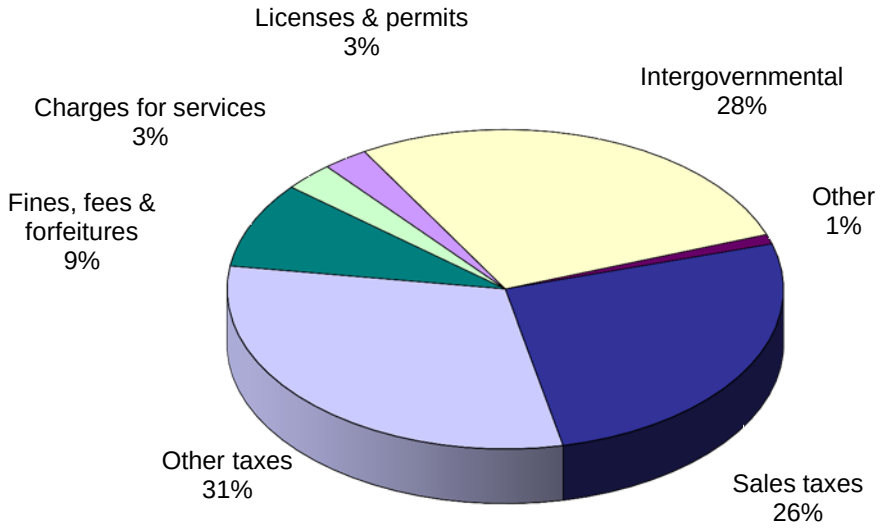
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program Revenues:						
Charges for Services	$ 313	$ 303	$ 26,721	$ 25,336	$ 27,034	$ 25,639
Operating Grants and Contributions	34	63	0	0	34	63
Capital Grants and Contributions	580	798	0	258	580	1,056
General Revenues:						
Taxes	1,252	1,180	0	0	1,252	1,180
Interest and Investment Earnings	2	2	86	39	88	41
Net change in the value of investments	0	0	(128)	0	(128)	0
Miscellaneous	19	9	33	20	52	29
Total Revenues	2,200	2,355	26,712	25,653	28,912	28,008
Expenses:						
General Government	657	698	0	0	657	698
Judicial	108	104	0	0	108	104
Public Safety	2,477	2,395	0	0	2,477	2,395
Public Works	1,151	1,166	0	0	1,151	1,166
Health and Welfare	67	9	0	0	67	9
Culture and Recreation	186	167	0	0	186	167
Housing and Development	250	248	0	0	250	248
Interest on long-term debt	9	0	0	0	9	0
Combined Public Utilities	0	0	18,775	18,615	18,775	18,615
ElbertonNET Technology Services	0	0	2,856	2,624	2,856	2,624
Industrial Park	0	0	0	0	0	0
Solid Waste	0	0	778	769	778	769
Total Expenses	4,905	4,787	22,409	22,008	27,314	26,795
Indirect Cost Allocation	(680)	(669)	680	669	0	0
Increase (Dec) in Net Position Before Transfers	(2,025)	(1,763)	3,623	2,976	1,598	1,213
Transfers	1,819	1,716	(1,819)	(1,716)	0	0
Change in Net Position	(206)	(47)	1,804	1,260	1,598	1,213
Net Position - July 1	5,790	5,837	24,715	23,455	30,505	29,292
Prior Period Adjustments	0	0	(333)	0	(333)	-
Net Position - June 30	$ 5,584	$ 5,790	$ 26,186	$ 24,715	$ 31,770	$ 30,505

Governmental Activities. Governmental activities decreased the net position of the City by $206,003. Revenues for the City's governmental activities decreased by 6.6% ($155,601) under fiscal year 2012. Expenses for governmental activities increased by 2.5% ($117,395) during fiscal year 2013.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



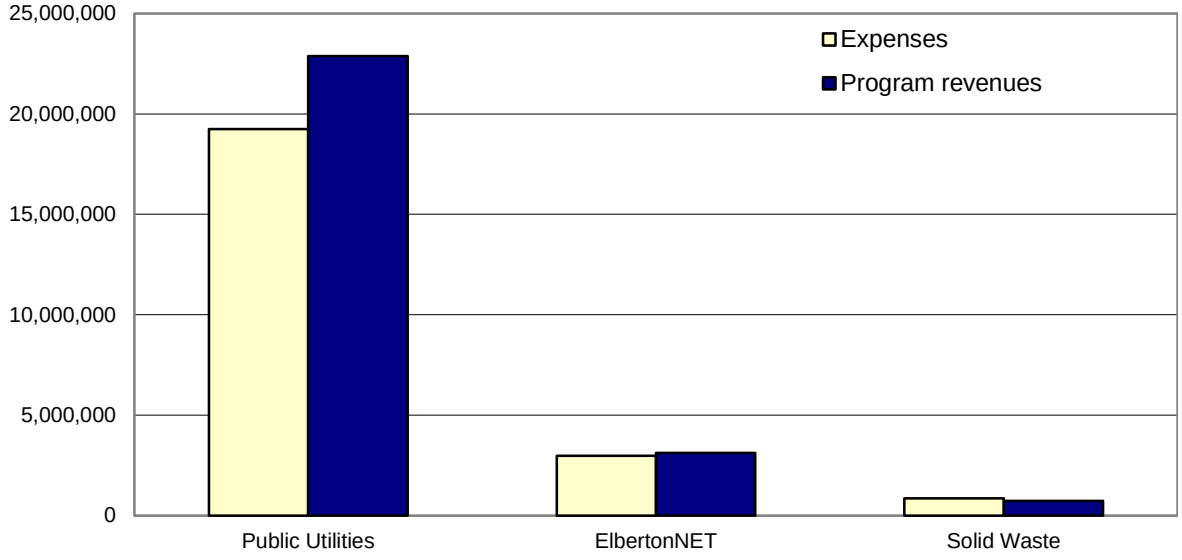
Business-type activities. Business-type activities increased the City's net position by $1,803,777. Key elements of this increase are as follows:

- Sales for business-type activities were $26.7 million, which was an increase of $1,385,153 over the prior fiscal year sales.
- Sales in the combined public utility fund for electric, water, sewer, and natural gas services increased by $1,046,603 or 4.8% over last fiscal year. Electric sales increased 1.7%, natural gas sales increased by 21.8%, and water/sewer sales increased by 1.0%. Natural gas sales increased due to an 18% increase in units sold compared to the previous year. This increase

was primarily due to an increase in consumption during the winter of 2013 over the unusually mild winter of 2012 where units sold were down as a result.

- Income in the combined public utility fund before transfers to the general fund was $3.6 million, or 37% higher than last year's income of $2.6 million. Again, this increase is primarily attributed a more normal winter in 2013 compared to the unusually mild winter of 2012 which significantly affected the sales of the electric and gas divisions of the combined public utility fund.
- The ElbertonNET technology services enterprise fund experienced sales of $3,121,582, an increase of 13.9% over the prior year sales of $2,740,805. This was primarily due to the increase in the customer base from the expansion into the northern portion of Elbert County and a continued effort in recruitment of customers in existing service territory.
- Sales for the Solid Waste operations decreased by $42,227, a 5.5% decrease from last fiscal year.

Expenses and Program Revenues – Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S INDIVIDUAL FUNDS

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

Governmental funds. The City uses governmental funds to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City of Elberton uses five governmental funds: the general fund, the 2006 special purpose local option sales tax (SPLOST) capital projects fund, the 2011 special purpose local option sales tax (SPLOST) capital projects fund, the hotel/motel tax special revenue fund, and the revolving loan special revenue fund.

At the end of the current fiscal year, the City's general fund reported an ending fund balance of $836,174, an increase of $14,265 or 1.7% in comparison with the prior year. Approximately 77% of this amount ($645,418) constitutes *unassigned fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is either (a) *nonspendable* to indicate that these amounts cannot be spent because they are either not in a spendable form such as inventory and prepaid insurance, (b) are legally or contractually *restricted* for a particular purpose such as special purpose sales tax proceeds, or (c) are *assigned* for a particular purpose or project by management.

As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 14.2% of total general fund expenditures for the current fiscal year.

As in previous fiscal years, the City of Elberton levied no property tax to finance current operations. Therefore, the City's general fund relied heavily on operating transfers from the proprietary funds (or business-type activities) to finance the governmental activities of the City such as public safety and public works. The transfer from the combined public utility enterprise fund was $2,282,500, which is $132,500 more than the transfer in fiscal year 2012.

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

The change in net position in the proprietary funds is depicted in the following table. Factors concerning the performance of the proprietary funds have already been addressed in the discussion of the City of Elberton's business-type activities.

City of Elberton Proprietary Funds
Net Position as of June 30, 2013

	Combined Public Utility System	ElbertonNET Tech Services	Solid Waste	Total
Operating Revenues	$ 22,887,878	$ 3,121,582	$ 727,591	$ 26,737,051
Operating Expenses	19,029,155	2,896,166	858,169	22,783,490
Operating income (loss)	3,858,723	225,416	(130,578)	3,953,561
Non-operating income (loss)	(257,999)	(86,154)	13,299	(330,854)
Transfers in (out)	(2,457,502)	638,572	0	(1,818,930)
Change in net position	1,143,222	777,834	(117,279)	1,803,777
Net Position, July 1	24,914,464	(662,349)	130,301	24,382,416
Net Position, June 30	$ 26,057,686	$ 115,485	$ 13,022	$ 26,186,193

GENERAL FUND BUDGETARY HIGHLIGHTS

There was one budget amendment approved during the fiscal year to account for revenues and expenditures that were not planned in the original budget. Total appropriations increased by $10,498 between the original budget and the final amended budget for grant revenues received and expended in the fiscal year but not originally budgeted.

General fund revenues ended the year at 4.8%, or $112,641, below budget. However, expenditures in the general fund were $127,375, or 2.7%, under budget for the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Elberton's investment in capital assets for its governmental and business-type activities as of June 30, 2013, totals $31,676,038 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and distribution systems for electricity, natural gas, water, sewer, and broadband services. This total also includes $377,692 in intangible assets, primarily for the City's raw water storage rights at Lake Richard B. Russell. More detailed information about the city's capital assets is presented in the notes to the basic financial statements.

During the fiscal year, the City invested $1,785,034 in new capital assets. Investment for business-type activities totaled $1,028,358 while $756,676 was for governmental activities. Major capital asset events during the current fiscal year included the following:

Governmental Activities - $756,676 total

- $1,354 for the purchase of 1.94 acres on Oglesby Boulevard
- $7,998 for the purchase of a breathalyzer for the police department
- $7,356 for the purchase of a base station radio transmitter for the police department
- $66,015 for the purchase of two patrol cars for the police department
- $569,774 for the purchase of an E-One 75 foot aerial ladder truck for the fire department
- $41,211 for the purchase of two new trucks for the public works department
- $14,900 for construction documents and specifications for the Elberton Arts Center renovation project
- $48,069 to complete construction of storm water improvements at Campbell and Prince Streets

Business-type Activities – $1,028,358 total

- $159,069 for natural gas system improvements including a bare steel line replacement project on Springdale Road and extensions to serve several poultry farms as new customers
- $82,100 for water system improvement projects including a water main extension on Whites Chapel Road and to replace a knife gate valve at the lake pumping station
- $65,500 to begin the new sewer SCADA system project that will be completed in FY14
- $209,469 for construction on electric system improvements and rehabilitation projects including the completion of line rehabilitation projects on Lexington and Hartwell Highways
- $34,739 for the completion of the new software system for utility billing, customer information, financial reporting, payroll, and accounts payable
- $421,581 for ElbertonNET projects including expansion into the Fortsonia, Hartwell Highway/Centerville communities and the addition of a new cable modem termination system
- $55,900 for the purchase of a new Max-Pak hydraulic baler for the recycling division

Additional information on the City's capital assets can be found in Note 8 on pages 49-50 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of $7,500,000. This entire amount was for the Series 2011 Combined Public Utility System Revenue Bonds secured solely by the specified revenue sources of the water and sewer, electric, and natural gas systems. There was no outstanding general obligation debt backed by the full faith and credit of the City.

In addition to revenue bonds, the City has entered into several capital lease-purchase agreements to finance the construction of a broadband and cable television distribution system and to purchase vehicles. The balance of these leases at June 30, 2013 was $2,482,531.

Other long-term obligations of the City include accrued vacation pay and contractual liability for the Elberton-Elbert County landfill post-closure care. More detailed information about the City's long-term liabilities is presented in the notes to the basic financial statements.

Additional information on the City's long-term debt can be found in Note 10 on pages 52-54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The national and state economy remained stable in fiscal year 2013 with little growth over the prior year. Sales taxes for fiscal year 2013 declined as in the prior three years but at a lesser rate of 2.6% under fiscal year 2012. However, the local unemployment rate decreased to 11.4% in 2013 from 13.1% in 2012.

During 2013 the City's utility system did not experience any losses of its top customers. The businesses located in the Elberton Industrial Park continue to provide stable employment and are vital utility customers of the City. The City along with the Development Authority of Elbert County, Elberton, and Bowman will continue a vigorous recruitment of prospective industry for the industrial park.

Lack of economic growth in the area continues to affect the operations of the City. Stagnant population growth and slow real growth in utility sales are two key economic indicators that underscore the difficulty in maintaining the City's current level of service. The City's annual budget has been approximately the same amount for five fiscal periods including fiscal year 2013 and the new fiscal year 2014.

The overall City budget for fiscal year 2014 decreased by 2.4% under fiscal year 2013. No fee increases were included for the general fund. However, the rate schedule for the City's electric service and solid waste service was reviewed in preparation for the fiscal year 2014 budget. A new electric rate schedule was adopted in April 2013 that incorporated all previous wholesale power cost adjustments since the previous table was approved in 2007. The new rate schedule resulted in the City being the low-cost residential power provider in Elbert County in the summer season, and also resulted in a competitive rate for industrial and high-use customers with excellent load factors. Residential solid waste rates and commercial solid waste rates will increase due to increases in operating costs, and will also be adjusted for increases in landfill disposal costs. All other rates for City utilities and services will remain unchanged.

Other than the rate changes outlined above and certain capital grant revenues and expenditures that might be included, the overall policy of next year's budget will remain the same as this year. Property taxes will not be levied, and the general fund will operate on transfers from business-type operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Elberton's finances for all of its citizens, taxpayers, customers, and investors and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the City Manager, Post Office Box 70, 203 Elbert Street, Elberton, Georgia 30635-0070.

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BASIC FINANCIAL STATEMENTS

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash	$ 1,055,625	$ 166,870	$ 1,222,495	$ 9,082
Certificates of deposit	0	447,619	447,619	0
Investments	0	4,603,503	4,603,503	0
Restricted assets				
Cash	25	481,675	481,700	0
Investments	0	2,596,147	2,596,147	0
Receivables (net)				
Accounts	11,939	2,336,596	2,348,535	2,000
Taxes	59,581	0	59,581	0
Intergovernmental	101,494	0	101,494	0
Interest	866	1,185	2,051	0
Notes	55,500	0	55,500	0
Prepaid items	165,109	26,736	191,845	0
Inventories	25,622	528,860	554,482	0
Internal balances	(8,139)	8,139	0	0
Other current assets	0	27,424	27,424	0
Total current assets	1,467,622	11,224,754	12,692,376	11,082
Noncurrent assets				
Notes receivable	424,000	0	424,000	0
Capital assets				
Non-depreciable	678,492	744,215	1,422,707	40,000
Depreciable (net)	4,175,998	26,077,333	30,253,331	577,110
Total noncurrent assets	5,278,490	26,821,548	32,100,038	617,110
Total assets	6,746,112	38,046,302	44,792,414	628,192
LIABILITIES				
Current liabilities				
Payables				
Accounts	67,897	1,352,843	1,420,740	1,650
Intergovernmental	0	19,146	19,146	0
Sales tax	0	64,875	64,875	0
Interest	0	3,551	3,551	866
Unearned revenue	53,556	0	53,556	0
Accrued salaries and expenses	26,728	30,389	57,117	0
Compensated absences	113,764	124,103	237,867	0
Customer deposits payable	0	2,294	2,294	0
Other current liabilities	20,102	32,204	52,306	0
Notes payable	0	0	0	90,738
Capital lease payable	55,970	858,623	914,593	0
Liabilities payable from restricted assets				
Customer deposits payable	0	657,960	657,960	0
Interest payable	0	102,188	102,188	0
Bonds payable	0	740,000	740,000	0
Total current liabilities	338,017	3,988,176	4,326,193	93,254

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2013

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	$ 48,756	$ 53,187	$ 101,943	$ 0
Contractual liability	265,877	0	265,877	0
Notes payable	0	0	0	529,351
Capital lease payable	509,192	1,058,746	1,567,938	0
Bonds payable	0	6,760,000	6,760,000	0
Total noncurrent liabilities	823,825	7,871,933	8,695,758	529,351
Total liabilities	1,161,842	11,860,109	13,021,951	622,605
NET POSITION				
Net investment in capital assets	4,289,328	17,350,028	21,639,356	(2,979)
Restricted for:				
Debt service	0	379,487	379,487	0
MEAG Generation Trust	0	1,938,187	1,938,187	0
Public Safety	25	0	25	0
Housing and development	480,000	0	480,000	0
Capital outlay	402,758	0	402,758	0
Unrestricted	412,159	6,518,491	6,930,650	8,566
Total net position	$ 5,584,270	$ 26,186,193	$ 31,770,463	$ 5,587

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2013

FUNCTIONS/PROGRAMS	Expenses	Indirect Costs	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government						
Governmental activities						
General Government	$ 657,516	$ (451,965)	$ 45,815	$ 0	$ 381	$ (159,355)
Judicial	107,728	0	0	0	0	(107,728)
Public Safety	2,476,946	0	204,784	34,276	0	(2,237,886)
Public Works	1,151,627	(227,844)	51,235	0	579,798	(292,750)
Health and Welfare	67,100	0	0	0	0	(67,100)
Culture and Recreation	186,059	0	0	0	0	(186,059)
Housing and Development	249,642	0	11,443	0	0	(238,199)
Interest on long-term debt	8,667	0	0	0	0	(8,667)
Total governmental activities	4,905,285	(679,809)	313,277	34,276	580,179	(3,297,744)
Business-type activities						
Combined Public Utilities						
Electric	13,179,039	220,989	15,839,368	0	0	2,439,340
Water and Sewer	2,734,886	124,911	2,843,066	0	0	(16,731)
Natural Gas	2,861,258	123,707	4,189,304	0	0	1,204,339
ElbertonNET Technology Services	2,855,925	129,713	3,121,582	0	0	135,944
Solid Waste	778,294	80,489	727,591	0	0	(131,192)
Total business-type activities	22,409,402	679,809	26,720,911	0	0	3,631,700
Total primary government	27,314,687	0	27,034,188	34,276	580,179	333,956
Component Unit						
Downtown Development Authority	122,729	0	13,262	225	0	(109,242)

	Governmental Activities	Business-Type Activities	Total	Component Unit
Change in net position				
Net (expense) revenue	$ (3,297,744)	$ 3,631,700	$ 333,956	$ (109,242)
General revenues				
Taxes				
Title ad valorem	31,875	0	31,875	0
Sales	577,225	0	577,225	0
Franchise	91,243	0	91,243	0
Occupational	110,828	0	110,828	0
Insurance premium	231,813	0	231,813	0
Alcoholic beverage	149,169	0	149,169	0
Hotel/Motel	51,865	0	51,865	0
Other	7,061	0	7,061	0
Interest and investment earnings	2,317	86,101	88,418	0
Net increase (decrease) in the fair value of investments	0	(128,447)	(128,447)	0
Payments from City of Elberton	0	0	0	86,212
Gain on sale of assets	0	17,213	17,213	3,121
Miscellaneous	19,415	16,140	35,555	27,696
Transfers	1,818,930	(1,818,930)	0	0
Total general revenues and transfers	3,091,741	(1,827,923)	1,263,818	117,029
Change in net position	(206,003)	1,803,777	1,597,774	7,787
Net position - beginning (original)	5,790,273	24,715,799	30,506,072	(2,200)
Prior period adjustments	0	(333,383)	(333,383)	0
Net position - beginning (restated)	5,790,273	24,382,416	30,172,689	(2,200)
Net position - ending	$ 5,584,270	$ 26,186,193	$ 31,770,463	$ 5,587

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2013

	General	Nonmajor Governmental Funds	Totals
ASSETS			
Cash	$ 573,391	$ 482,234	$ 1,055,625
Restricted assets			
Cash	25	0	25
Receivables (net)			
Accounts	11,939	0	11,939
Taxes	55,174	4,407	59,581
Intergovernmental	7,998	93,496	101,494
Notes	55,500	424,000	479,500
Interest	866	0	866
Prepaid items	165,109	0	165,109
Inventories	25,622	0	25,622
Due from other funds	54,861	0	54,861
Total assets	$ 950,485	$ 1,004,137	$ 1,954,622
LIABILITIES			
Accounts payable	$ 64,981	$ 2,916	$ 67,897
Accrued salaries and payroll liabilities	26,728	0	26,728
Unearned revenue	2,500	51,056	53,556
Due to other funds	0	63,000	63,000
Other liabilities	20,102	0	20,102
Total liabilities	114,311	116,972	231,283
FUND BALANCES			
Nonspendable:			
Inventory	25,622	0	25,622
Prepaid items	165,109	0	165,109
Restricted for:			
Public Safety	25	0	25
Housing and Development	0	480,000	480,000
Capital projects	0	402,758	402,758
Assigned for Housing and Development	0	4,407	4,407
Unassigned	645,418	0	645,418
Total fund balances	836,174	887,165	1,723,339
Total liabilities and fund balances	$ 950,485	$ 1,004,137	$ 1,954,622

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
June 30, 2013

Total fund balance - total governmental funds		$ 1,723,339
Some assets are not financial resources and, therefore, are not reported in the funds.		
These are:		
Capital assets, net of accumulated depreciation		4,854,490
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
These are:		
Compensated absences	$ (162,520)	
Capital leases payable	(565,162)	
Contractual liability	(265,877)	(993,559)
Net position of governmental activities		$ 5,584,270

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2013

	General	Nonmajor Governmental Funds	Totals
REVENUES			
Taxes	$ 1,199,214	$ 51,865	$ 1,251,079
Licenses and permits	57,725	0	57,725
Fines, fees and forfeitures	191,822	0	191,822
Charges for services	743,539	0	743,539
Intergovernmental	34,372	579,455	613,827
Interest	2,317	343	2,660
Contributions	285	0	285
Other	6,203	0	6,203
Total revenues	2,235,477	631,663	2,867,140
EXPENDITURES			
Current			
General Government	633,371	0	633,371
Judicial	106,007	0	106,007
Public Safety	2,354,039	0	2,354,039
Public Works	1,016,610	0	1,016,610
Health and Welfare	67,100	0	67,100
Culture and Recreation	146,973	0	146,973
Housing and Development	214,143	29,200	243,343
Capital outlay	0	730,831	730,831
Debt service	0	13,279	13,279
Total expenditures	4,538,243	773,310	5,311,553
Excess (deficiency) of revenues over (under) expenditures	(2,302,766)	(141,647)	(2,444,413)
Other financing sources (uses)			
Transfers in	2,303,819	0	2,303,819
Transfers out	0	(484,889)	(484,889)
Sale of capital assets	13,212	0	13,212
Issuance of capital lease	0	569,774	569,774
Total other financing sources (uses)	2,317,031	84,885	2,401,916
Net change in fund balance	14,265	(56,762)	(42,497)
Fund balances, July 1	821,909	943,927	1,765,836
Fund balances, June 30	$ 836,174	$ 887,165	$ 1,723,339

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2013

Net change in fund balances - total governmental funds		$ (42,497)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	$ 750,467	
Depreciation	(370,858)	379,609
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term		
Proceeds from debt issuance	$ (569,774)	
Debt repayments	4,612	(565,162)
Payments of contractual liabilities are an expenditure in the governmental funds, but the payments reduce long-term liabilities in the statements of net assets.		
Payment of contractual liabilities		10,517
Some expenses reported in the statements of activities do not require the use of current finanacial resources to governmental funds, but result in assets in the governmental activities.		
Change in compensated absences		11,530
Change in net position of governmental activities		$ (206,003)

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2013

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 1,200,100	$ 1,197,600	$ 1,199,214	$ 1,614
Licenses and permits	100,500	100,500	57,725	(42,775)
Fines, fees and forfeitures	202,700	201,100	191,822	(9,278)
Charges for services	780,307	785,307	743,539	(41,768)
Intergovernmental	48,513	49,011	34,372	(14,639)
Interest	2,500	2,500	2,317	(183)
Contributions	0	0	285	285
Other	5,500	12,100	6,203	(5,897)
Total revenues	2,340,120	2,348,118	2,235,477	(112,641)
EXPENDITURES				
Current				
General Government				
Mayor and Council	130,181	130,181	124,670	5,511
City Manager's Office	135,552	135,552	129,400	6,152
Finance	192,925	192,925	190,491	2,434
Human Resources	56,057	56,057	55,928	129
City Clerk	83,402	83,402	81,952	1,450
City Attorney	22,297	22,297	12,002	10,295
City Hall Maintenance	45,017	45,017	38,928	6,089
Judicial				
Municipal Court	108,059	108,059	106,007	2,052
Public Safety				
Police - Administration	323,145	342,143	342,048	95
Police - Uniform Division	918,063	895,555	895,224	331
Police - Criminal Investigations	129,256	132,766	134,318	(1,552)
Police - Community Relations	61,802	61,802	60,508	1,294
Police - Detention	50,500	50,500	46,404	4,096
Fire	849,603	849,603	824,437	25,166
Animal Control	53,576	53,576	51,100	2,476
Public Works				
Administrative	139,657	147,207	139,927	7,280
Infrastructure Maintenance	349,740	340,238	328,588	11,650
Parks and Rights-of-Way	78,000	78,000	74,712	3,288
Motor Pool	284,804	284,804	258,963	25,841
Street Lighting	18,000	18,000	12,124	5,876
Street Sweeper	41,809	42,409	42,362	47
Cemetery	160,819	160,819	159,934	885
Health and Welfare				
Agency allocations	72,800	67,800	67,100	700
Culture and Recreation				
Elbert Theatre	76,164	79,514	79,473	41
Agency allocations	67,500	67,500	67,500	0
Housing and Development				
Zoning/Special Projects	68,346	67,346	65,302	2,044
Code Enforcement	74,900	65,400	62,631	2,769
Economic Development	63,146	87,146	86,210	936
Total expenditures	4,655,120	4,665,618	4,538,243	127,375
Excess (deficiency) of revenues over (under) expenditures	(2,315,000)	(2,317,500)	(2,302,766)	14,734

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2013

	Budget			Variance with Final
	Original	Final	Actual	Budget
Other financing sources (uses)				
Transfers in (out)				
Transfers in	$ 2,305,000	$ 2,307,500	$ 2,303,819	$ (3,681)
Sales of capital assets	10,000	10,000	13,212	3,212
Total other financing sources (uses)	2,315,000	2,317,500	2,317,031	(469)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	14,265	14,265
Fund balances, July 1	0	0	821,909	821,909
Fund balances, June 30	$ 0	$ 0	$ 836,174	$ 836,174

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Totals
ASSETS				
Current assets				
Cash	$ 166,870	$ 0	$ 0	$ 166,870
Certificates of deposit	447,619	0	0	447,619
Investments	4,603,503	0	0	4,603,503
Restricted assets				
Cash	481,675	0	0	481,675
Investments	2,596,147	0	0	2,596,147
Receivables (net)				
Accounts	1,953,129	316,303	67,164	2,336,596
Interest	1,185	0	0	1,185
Prepaid items	20,829	2,908	2,999	26,736
Inventories	460,987	67,873	0	528,860
Due from other funds	158,918	0	0	158,918
Other current assets	27,424	0	0	27,424
Total current assets	10,918,286	387,084	70,163	11,375,533
Noncurrent assets				
Capital assets				
Non-depreciable	722,915	6,900	14,400	744,215
Depreciable (net)	19,871,893	6,090,962	114,478	26,077,333
Other assets				
Advances to other funds	4,337,761	0	0	4,337,761
Total noncurrent assets	24,932,569	6,097,862	128,878	31,159,309
Total assets	35,850,855	6,484,946	199,041	42,534,842
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,217,053	113,283	22,507	1,352,843
Intergovernmental	0	19,146	0	19,146
Sales tax	64,875	0	0	64,875
Interest	0	3,551	0	3,551
Accrued salaries	21,860	3,205	5,324	30,389
Compensated absences	99,518	15,638	8,947	124,103
Customer deposits payable	0	2,294	0	2,294
Other current liabilities	32,204	0	0	32,204
Due to other funds	54,861	0	95,918	150,779
Capital leases payable	0	847,274	11,349	858,623
Liabilities payable from restricted assets:				
Customer deposits payable	657,960	0	0	657,960
Interest payable	102,188	0	0	102,188
Bonds payable	740,000	0	0	740,000
Total current liabilities	2,990,519	1,004,391	144,045	4,138,955

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Total Proprietary Funds
Noncurrent liabilities				
Compensated absences	$ 42,650	$ 6,702	$ 3,835	$ 53,187
Advances from other funds	0	4,337,761	0	4,337,761
Bonds payable	6,760,000	0	0	6,760,000
Capital lease payable	0	1,020,607	38,139	1,058,746
Total noncurrent liabilities	6,802,650	5,365,070	41,974	12,209,694
Total liabilities	9,793,169	6,369,461	186,019	16,348,649
NET POSITION				
Net investment in capital assets	13,029,308	4,229,981	90,739	17,350,028
Restricted for:				
Debt service	379,487	0	0	379,487
MEAG Generation Trust	1,938,187	0	0	1,938,187
Unrestricted	10,710,704	(4,114,496)	(77,717)	6,518,491
Total net position	$ 26,057,686	$ 115,485	$ 13,022	$ 26,186,193

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2013

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Totals
OPERATING REVENUES				
Charges for sales and services	$ 22,871,738	$ 3,121,582	$ 727,591	$ 26,720,911
Miscellaneous revenues	16,140	0	0	16,140
Total operating revenues	22,887,878	3,121,582	727,591	26,737,051
OPERATING EXPENSES				
Costs of sales and services	15,579,351	2,211,276	423,838	18,214,465
Personal services	2,218,936	323,293	395,934	2,938,163
Depreciation	1,172,628	308,327	36,267	1,517,222
Other	58,240	53,270	2,130	113,640
Total operating expenses	19,029,155	2,896,166	858,169	22,783,490
Operating income (loss)	3,858,723	225,416	(130,578)	3,953,561
Non-operating revenues (expenses)				
Interest revenue	86,083	18	0	86,101
Net increase (decrease) in the fair value of investments	(128,447)	0	0	(128,447)
Interest expense	(215,635)	(89,472)	(614)	(305,721)
Gain (loss) on sales of capital assets	0	3,300	13,913	17,213
Total non-operating revenues (expenses)	(257,999)	(86,154)	13,299	(330,854)
Net income (loss) before transfers	3,600,724	139,262	(117,279)	3,622,707
Transfers in (out)				
Transfers in	169,998	638,572	0	808,570
Transfers out	(2,627,500)	0	0	(2,627,500)
Total transfers	(2,457,502)	638,572	0	(1,818,930)
Change in net position	1,143,222	777,834	(117,279)	1,803,777
Net position, July 1 (original)	25,233,276	(647,778)	130,301	24,715,799
Prior period adjustments	(318,812)	(14,571)	0	(333,383)
Net position, July 1 (restated)	24,914,464	(662,349)	130,301	24,382,416
Net position, June 30	$ 26,057,686	$ 115,485	$ 13,022	$ 26,186,193

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2013

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Totals
Cash flows from operating activities:				
Receipts from customers	$ 22,771,283	$ 3,104,737	$ 715,227	$ 26,591,247
Payments to suppliers	(15,612,470)	(2,193,599)	(420,710)	(18,226,779)
Payments to employees	(2,219,145)	(323,218)	(398,002)	(2,940,365)
Other receipts	16,140	0	0	16,140
Other payments	(58,240)	(53,270)	(2,130)	(113,640)
Net cash provided (used) by operating activities	4,897,568	534,650	(105,615)	5,326,603
Cash flows from non-capital financing activities:				
Receipts from other funds	0	379,803	98,728	478,531
Payments to other funds	(2,804,363)	0	0	(2,804,363)
Net cash provided (used) by non-capital financing activities	(2,804,363)	379,803	98,728	(2,325,832)
Cash flows from capital and related financing activities:				
Sale of assets	0	3,300	13,913	17,213
Receipts from other funds	169,998	293,572	0	463,570
Interest paid	(225,445)	(91,212)	(614)	(317,271)
Payment of capital related accounts payable	0	(1,180)	0	(1,180)
Acquisition of capital assets	(485,375)	(421,583)	(55,900)	(962,858)
Issuance of capital lease	0	103,000	55,900	158,900
Principal payments - bonds	(720,000)	0	0	(720,000)
Principal payments - capital leases	0	(800,418)	(6,412)	(806,830)
Net cash provided (used) by capital and related financing activities	(1,260,822)	(914,521)	6,887	(2,168,456)
Cash flows from investing activities:				
Interest received	86,942	18	0	86,960
Proceeds from sale of investments	1,027,532	0	0	1,027,532
Purchase of investments	(1,890,711)	0	0	(1,890,711)
Net cash provided (used) by investing activities	(776,237)	18	0	(776,219)
Net increase (decrease) in cash	56,146	(50)	0	56,096
Cash, July 1	592,399	50	0	592,449
Cash, June 30	$ 648,545	$ 0	$ 0	$ 648,545

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2013

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 3,858,723	$ 225,416	$ (130,578)	$ 3,953,561
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,172,628	308,327	36,267	1,517,222
(Increase) decrease in accounts receivable	(83,459)	(16,562)	(12,364)	(112,385)
(Increase) decrease in inventories	(38,870)	13,464	0	(25,406)
(Increase) decrease in prepaid items	(20,829)	7,872	(2,999)	(15,956)
(Increase) decrease in other current assets	753	0	0	753
Increase (decrease) in accounts payable	25,827	268	6,127	32,222
Increase (decrease) in intergovernmental payable	0	(3,926)	0	(3,926)
Increase (decrease) in sales tax payable	(26,824)	0	0	(26,824)
Increase (decrease) in other current liabilities	(10,634)	0	0	(10,634)
Increase (decrease) in accrued salaries	(441)	279	(320)	(482)
Increase (decrease) in compensated absences payable	232	(204)	(1,748)	(1,720)
Increase (decrease) in customer deposits payable	20,462	(284)	0	20,178
Total adjustments	1,038,845	309,234	24,963	1,373,042
Net cash provided (used) by operating activities	$ 4,897,568	$ 534,650	$ (105,615)	$ 5,326,603
Cash reconciliation:				
Cash	$ 166,870	$ 0	$ 0	$ 166,870
Restricted assets				
Cash	481,675	0	0	481,675
Total cash	$ 648,545	$ 0	$ 0	$ 648,545

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled ($128,447) for the fiscal year ended June 30, 2013.

Acquisition of capital assets through accounts payable totaled $65,500 for the fiscal year ended June 30, 2013.

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2013

	Municipal Court Agency Fund
ASSETS	
Cash	$ 19,525
LIABILITIES	
Due to other agencies	$ 19,525

See accompanying notes to the financial statements.

1. Description of Government Unit

The City of Elberton was incorporated under the laws of the State of Georgia in 1803 and operates under an elected Mayor-Council form of government. The City provides a full range of governmental services, including public safety, highways and streets, public improvements, recreation, planning and zoning, and general administrative services, as well as electric, water and sewerage, natural gas, telecommunications, and sanitation services provided through enterprise funds.

2. Summary of Significant Accounting Policies

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business- type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

B. Reporting Entity

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Elberton Downtown Development Authority

The Elberton Downtown Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members, who are appointed by the Mayor and Council, and an executive director. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Elberton. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, accounting, payroll, etc. The Authority is included in the reporting entity due to the nature and significance of its relationship with the City of Elberton.

The Elberton Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Financial Report in the sections labeled "Component Unit" (See Exhibit H). The Elberton Downtown Development Authority has a June 30th year-end. Individual financial statements may be obtained by contacting the Elberton Downtown Development Authority, PO Box 70, Elberton, GA 30635.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the government has one discretely presented component unit. While the Downtown Development Authority is not considered to be a major component unit, it is nevertheless shown in a separate column in the government-wide financial statements.

2. Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Government-wide Financial Statements, continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's Combined Public Utilities and ElbertonNET Technology Services Enterprise Funds and the other functions of the government. Elimination of these charges would distort the direct costs of program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

General Fund - The general operating fund of the City is used to account for all financial resources not accounted for and reported in another fund.

The City reports the following major proprietary funds:

Combined Public Utility System Enterprise Fund - This fund is used to account for activities connected with the development, operation, and maintenance of the City's Electric, Water and Sewer, and Natural Gas Systems pursuant to requirements of the revenue bond ordinance.

ElbertonNET Technology Services Enterprise Fund - This fund is used to account for the activities connected with the development, operation, and maintenance of the City's cable television, high-speed Internet, Voice-over-Internet Protocol phone, and fiber optic-based telecommunications services.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

Proprietary Fund Types

Enterprise Funds - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Fiduciary Fund Types

Agency Funds - Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the City or for others. The City has the Municipal Court Agency Fund.

Component Units

The Elberton Downtown Development Authority is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

2. Summary of Significant Accounting Policies (continued)

F. Revenues and Expenditures/Expenses

Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Certain indirect costs have been included as part of program expenses reported for the various functional activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer and Solid Waste Funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal services 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.

G. Budgets and Budgetary Accounting

The City Council adopts an annual operating budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the City Council when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

2. Summary of Significant Accounting Policies (continued)

G. Budgets and Budgetary Accounting, continued

In mid April each year, the departments submit their budget requests to the Finance Director. The Finance Department compiles a complete citywide budget and submits the proposed budget to the City Manager for review. Meetings are held between the City Manager, Finance Director, and department heads in May to review the proposed budget. City ordinance requires the City Manager to submit the proposed budget to the City Council forty days prior to the beginning of the next fiscal year. The proposed budget is made available to the public for review during this period. During June, the Mayor and Council conduct two public hearings to discuss the proposed budget and to obtain input from the citizens of the City of Elberton. These hearings are publicized in the local newspaper at least one week before each hearing. The final proposed budget is then adopted by the City Council on or before June 30 during a regular Council meeting, which is also open to the public.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. All operating budget transfers between departments must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end. The City does not use the encumbrance system of accounting.

H. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

2. Summary of Significant Accounting Policies (continued)

I. Property Taxes

Amounts received from the local option sales tax which are required to be used to roll back property taxes exceeded the City's normal tax levy resulting in no property tax levy during fiscal year 2013.

J. Intergovernmental Receivables

Receivables for state and federal grants are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

K. Inventories

Inventories for the General Fund are valued at average cost and recorded as expenditures when consumed. Inventories of the Combined Public Utility System Enterprise Fund are valued at cost on the first-in, first-out method.

L. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2013, are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

M. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets, continued

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007. The City elected not to report general infrastructure assets placed into service prior to July 1, 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshold
Utility distribution system	10 to 50	$ 10,000 – 20,000
Land improvements	5 to 50	10,000
Buildings	30 to 50	10,000
Equipment	2 to 10	5,000
Vehicles	5 to 10	5,000
Infrastructure	10 to 50	10,000 – 30,000

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

2. Summary of Significant Accounting Policies (continued)

N. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

O. Net Position Flow Assumption

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

P. Fund Balance Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

2. Summary of Significant Accounting Policies (continued)

Q. Restricted Assets and Restricted Net Position

Restricted assets for bond redemption of the Combined Utility System Enterprise Fund represent resources set aside for the repayment of revenue bonds outstanding. The assets are maintained in a separate bank account and their use is limited by application of bond covenants. Restricted assets for the MEAG Generation Trust represent resources held in separate investment accounts for future MEAG construction projects. See Note 3 for further discussion.

Restricted net assets are equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

R. Fund Balances – Governmental Funds

The City of Elberton implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2012. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. All amounts reported as nonspendable, by the City are nonspendable in form. The City has not reported any amounts that are legally or contractually required to be maintained intact.

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

Committed – includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the City Council, the City of Elberton's highest level of decision making authority, which include the language "committed for the purpose of". Commitments may be modified or rescinded only through adoption of a subsequent resolution, which shall refer to the original resolution by its number, title, and date of original adoption. A resolution committing amounts must be adopted prior to the end of the fiscal year; however, the amount to be committed may be determined within 90 days of fiscal year-end.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

Assigned – includes amounts that the City intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the City's adopted policy, amounts may be assigned by the City Manager, under the authorization of the City Council, through a written memorandum. Amounts appropriated to eliminate a projected deficit in the subsequent fiscal year's budget shall constitute assignments and are documented by adoption of the City's annual operating budget. Equity amounts reported in special revenue funds, capital project funds, debt service funds, or permanent funds not otherwise classified as nonspendable, restricted, or committed shall constitute assignments of fund balance.

Unassigned – includes amounts that do not fall into one of the above four categories. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund is the only fund that should report positive amounts this category of fund balance.

S. Long-Term Obligations

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

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

2. Summary of Significant Accounting Policies (continued)

T. Compensation for Future Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

U. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

V. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2012 amounts have been reclassified to conform with the 2013 presentation.

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. The City investment policies require that all deposits be federally insured or fully collateralized.

3. Deposit and Investment Risk (continued)

Interest Rate Risk

The City's investment policies place no limits on the maximum maturity of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The City's investment policies authorize investment in the following securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, and pooled investment programs of the State of Georgia. The City's policies do not establish a minimum credit rating for investments. Investments are reported at fair value.

Concentration of Credit Risk

City's policies place no limits on the amount the may invest in any one issuer, but require that the investment portfolio be diversified.

Foreign Currency Risk

The City's investment policies do not allow for investments denominated in a foreign currency.

The City participates in the State of Georgia Local Government Investment Pool. Assets in this pool are invested in Georgia Fund 1, created by OCGA 36-83-8, which is a stable net asset investment pool that follows Standard and Poor's criteria for AAAm rated money market funds. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company.

3. Deposit and Investment Risk (continued)

The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share. Georgia Fund 1 is managed by the Georgia Office of the State Treasurer. The investment policies of Georgia Fund 1 are established by the Georgia State Depository Board.

Georgia Fund 1 is rated AAAF by Standard & Poor's. The weighted average maturity at June 30, 2013 was 43 days. At June 30, 2013, the City's balance in Georgia Fund 1 was $409,542.

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City may elect to have their funds deposited in MEAG's Voluntary Flexible Operating Account or Generation Trust Account fund in lieu of receiving a refund. The voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct MEAG to retain or use the discretionary funds. The generation trust account is used to offset the City's share of future MEAG generation projects.

The Municipal Competitive Trust accounts are held in the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios; these portfolios are not rated. At June 30, 2013, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 17.1, 84.2 and 9.5 months, respectively. At June 30, 2013, the City's balances in the Voluntary Flexible Operating Accounts were $5,261,464, and in the Generation Trust Account was $1,938,187.

4. Accounts Receivable

Net accounts receivable at June 30, 2013 consist of the following:

Major Funds		
General Fund	$ 19,624	
Less: Allowance for Uncollectibles	(7,685)	$ 11,939
Enterprise funds		
Combined Public Utility	2,253,879	
Less: Allowance for Uncollectibles	(300,750)	
ElbertonNET Technology Services	406,393	
Less: Allowance for Uncollectibles	(90,090)	2,269,432
Nonmajor Funds		
Solid Waste Enterprise Fund	78,744	
Less: Allowance for Uncollectibles	(11,580)	67,164
Total primary government		$ 2,348,535

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2013 consist of the following:

Major Funds	
General Fund	
State of Georgia	$ 7,998
Nonmajor Funds	
2011 SPLOST Capital Projects Fund	
Elbert County	93,496
Total Primary Government	$ 101,494

6. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General	Combined Public Utilities	$ 54,861
Combined Public Utilities	ElbertonNET	4,337,761
	Solid Waste	95,918
	Nonmajor Governmental	63,000
Subtotal		$ 4,551,540

The balance reported as Due to/Due from represent loans between the borrower fund and the lender fund. The balance between the Combined Public Utility System Fund and the ElbertonNET Technology Services Fund resulted from transactions to fund operations and is reported as an advance to other fund in the Combined Utilities Fund and an advance from other fund in the ElbertonNET Technology Services Fund and it is not expected to be repaid within one year. All other balances are expected to be repaid within one year.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

A summary of interfund transfers is as follows:

Transfer out Fund	Transfer in Fund	Amount
Combined Public Utilities	General	$ 2,282,500
	ElbertonNET	345,000
Nonmajor Governmental	General	21,319
	Combined Public Utilities	169,998
	ElbertonNET	293,572
Total		$ 3,112,389

6. Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers were used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers were also used to move capital assets between governmental activities and business-type activities. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

7. Intradepartmental Billings

Total operating revenues and total operating expenses in the Combined Public Utilities Enterprise Fund includes $42,602, $15,765, and $537,763 of intradepartmental billings for water and sewer, natural gas, and electric usage, respectively. Total operating revenues and total operating expenses in the ElbertonNET Technology Services Enterprise Fund include $66,206 of intradepartmental billings for cable television and high-speed internet usage.

8. Capital Assets

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

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Governmental activities				
Non-depreciable assets				
Land	$ 655,488	$ 1,354	$ 0	$ 656,842
Construction in progress	12,959	14,900	(6,209)	21,650
Total non-depreciable assets	668,447	16,254	(6,209)	678,492
Depreciable assets				
Buildings	1,823,676	0	0	1,823,676
Land improvements	1,168,937	0	0	1,168,937
Vehicles and equipment	2,435,154	692,352	(162,102)	2,965,404
Infrastructure	2,533,995	48,070	0	2,582,065
Total depreciable assets	7,961,762	740,422	(162,102)	8,540,082
Accumulated depreciation				
Buildings	(832,606)	(68,420)	0	(901,026)
Land improvements	(734,526)	(40,084)	0	(774,610)
Vehicles and equipment	(1,737,596)	(185,404)	162,102	(1,760,898)
Infrastructure	(850,600)	(76,950)	0	(927,550)
Total accumulated depreciation	(4,155,328)	(370,858)	162,102	(4,364,084)
Total depreciable assets, net	3,806,434	369,564	0	4,175,998
Governmental activities capital assets, net	$ 4,474,881	$ 385,818	$ (6,209)	$ 4,854,490
Business-type activities				
Non-depreciable assets				
Land	$ 268,335	$ 0	$ 0	$ 268,335
Construction in progress	351,738	98,188	(351,738)	98,188
Intangible assets	377,692	0	0	377,692
Total non-depreciable assets	997,765	98,188	(351,738)	744,215
Depreciable assets				
Buildings	1,090,492	0	0	1,090,492
Land improvements	54,739	0	0	54,739
Distribution system	42,658,320	1,007,698	(281,339)	43,384,679
Vehicles and equipment	3,424,458	274,210	(111,817)	3,586,851
Total depreciable assets	47,228,009	1,281,908	(393,156)	48,116,761
Accumulated depreciation				
Buildings	(438,436)	(49,592)	0	(488,028)
Land improvements	(38,648)	(2,190)	0	(40,838)
Distribution system	(17,790,770)	(1,251,138)	281,339	(18,760,569)
Vehicles and equipment	(2,647,508)	(214,302)	111,817	(2,749,993)
Total accumulated depreciation	(20,915,362)	(1,517,222)	393,156	(22,039,428)
Total depreciable assets, net	26,312,647	(235,314)	0	26,077,333
Business-type activities capital assets, net	$ 27,310,412	$ (137,126)	$ (351,738)	$ 26,821,548

8. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the fiscal year ended June 30, 2013 was as follows:

	Balance June 30, 2012	Increases	Decreases	Balance June 30, 2013
Downtown Development Authority Component Unit				
Non-depreciable assets				
Land	$ 40,000	$ 0	$ 0	$ 40,000
Depreciable assets				
Buildings	859,955	0	(75,262)	784,693
Less accumulated depreciation				
Buildings	(197,527)	(38,279)	28,223	(207,583)
Total depreciable assets, net	662,428	(38,279)	(47,039)	577,110
Downtown Development Authority Component Unit capital assets, net	$ 702,428	$ (38,279)	$ (47,039)	$ 617,110

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 23,594
Public Safety	135,114
Public Works	177,789
Culture and Recreation	24,828
Housing and Development	9,533
Total depreciation expense for governmental activities	$ 370,858
Business-type activities	
Combined Public Utilities	
Electric Department	$ 301,821
Water and Sewer Department	734,812
Natural Gas Department	135,995
ElbertonNet Technology Services	308,327
Solid Waste	36,267
Total depreciation expense for business-type activities	$ 1,517,222
Downtown Development Authority Component Unit	$ 38,279

9. Capital and Operating Leases Agreements

The City has entered into lease-purchase agreements to finance the purchase of equipment and to finance the construction of broadband and cable television distribution systems in Elberton. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at June 30, 2013 are $565,162 and $1,917,369 for the governmental and business-type activities, respectively.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2013:

Year Ending June 30,	Governmental Activities	Business-type Activities
2014	$ 67,248	$ 912,919
2015	67,248	604,693
2016	67,248	186,734
2017	67,248	186,734
2018	67,248	112,223
2019 - 2023	285,802	0
Total minimum lease payments	622,042	2,003,303
Less amounts representing interest	(56,880)	(85,934)
Present value of minimum lease payments	$ 565,162	$ 1,917,369

Total assets leased under capital leases are $569,774 and $7,473,317 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities	Business-type Activities
Distribution system	$ 0	$ 7,417,417
Vehicles and equipment	569,774	55,900
Total assets under capital leases	$ 569,774	$ 7,473,317

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

10. Long-Term Debt

Revenue Bonds

Revenue bonds issued for business-type activities are comprised of the following individual issues at June 30, 2013:

$8,355,000 2011 Combined Utility System Refunding Revenue series bonds due in annual installments of $740,000 to $930,000 through January 1, 2022; interest at 2.725% ($7,500,000 outstanding).

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 740,000	$ 204,375	$ 944,375
2015	765,000	184,210	949,210
2016	785,000	163,724	948,724
2017	815,000	141,973	956,973
2018	835,000	119,764	954,764
2019-2022	3,560,000	245,931	3,805,931
Totals	$ 7,500,000	$ 1,059,977	$ 8,559,977

Notes Payable

The Elberton Downtown Development Authority has entered into a lending agreement with the City of Elberton to refinance a lending agreement with Pinnacle Bank in the original amount of $65,000. At June 30, 2013, the balance of this note is $55,500. Monthly installments of $138 interest are due through May 31, 2014, unpaid principal and interest are due June 30, 2014; interest at 3.00%.

The Elberton Downtown Development Authority has entered into a lending agreement with the Georgia Department of Community Affairs to refinance a lending agreement with Pinnacle Bank in the original amount of $180,854. At June 30, 2013, the balance of this note is $140,589. Monthly installments of $1,164 principal and interest are due through September 1, 2020, unpaid principal and interest are due October 1, 2020; interest at 2.00%.

10. Long-Term Debt (continued)

Notes Payable, continued

The Elberton Downtown Development Authority has also entered into a lending agreement with the City of Elberton for improvements to the William O. Jones Building in the original amount of $480,000. At June 30, 2013, the balance of this note is $424,000. Monthly installments of $2,000 are due through February 28, 2031; interest at 0.00%.

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 90,738	$ 4,393	$ 95,131
2015	35,465	2,501	37,966
2016	35,697	2,269	37,966
2017	35,932	2,034	37,966
2018	36,173	1,793	37,966
2019-2023	202,084	2,006	204,090
2024-2028	120,000	0	120,000
2029-2031	64,000	0	64,000
Totals	$ 620,089	$ 14,996	$ 635,085

10. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for fiscal year ended June 30, 2013:

	Balance 6/30/2012	Additions	Deductions	Balance 6/30/2013	Due Within One Year
Governmental Activities					
Contractual liability	$ 276,394	$ 0	$ (10,517)	$ 265,877	$ 0
Capital lease obligations	0	569,774	(4,612)	565,162	55,970
Compensated absences	174,050	110,305	(121,835)	162,520	113,764
Total Governmental Activities	$ 450,444	$ 680,079	$ (136,964)	$ 993,559	$ 169,734
Business-type Activities					
Revenue bonds	$ 8,220,000	$ 0	$ (720,000)	$ 7,500,000	$ 740,000
Capital lease obligations	2,565,299	158,900	(806,830)	1,917,369	858,623
Compensated absences	179,010	123,586	(125,306)	177,290	124,103
Total Business-type Activities	$ 10,964,309	$ 282,486	$ (1,652,136)	$ 9,594,659	$ 1,722,726
Downtown Development Authority Component Unit					
Notes payable	$ 711,139	$ 0	$ (91,050)	$ 620,089	$ 90,738

Revenue bond issue costs and discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund.

11. Landfill Closure and Post-Closure Care Costs

At June 30, 1995, the City owned and operated a landfill site located on approximately 200 acres of land north of Elberton. The landfill had been operated at the site since 1990. State and federal laws and regulations require the operator to close the landfill once its capacity is reached and to monitor and maintain the site for thirty subsequent years. The City recognized a portion of the closure and post closure care costs in each operating period even though actual payouts would not occur until the landfill was closed. The amount recognized each year was based on the landfill capacity used as of the balance sheet date.

11. Landfill Closure and Post-Closure Care Costs (continued)

Effective July 1, 1995, Elbert County, Georgia, became the owner and operator of the sanitary landfill. All assets of the landfill and related capital leases were transferred to the County as of that date.

The agreement with Elbert County calls for the City and the County to each assume one-half of the closure and post closure care costs of the landfill cells (cells 1 - 8) existing on July 1, 1995, for future years. The City has recorded a contractual obligation to Elbert County of $265,877. The obligation will be adjusted annually based upon current data and engineering studies. The landfill is closed and has no estimated remaining life. This liability is reported as a non-current contractual liability in the Governmental Activities on the Statement of Net Assets.

12. Change in Beginning Balances

Business-type Activities

Combined Utilities Enterprise Fund

A prior period adjustment has been made to expense the beginning balance of debt issue costs and related accumulated amortization. This adjustment required with the implementation of GASB Statement No. 65. The 2012 amounts for debt issue costs and unrestricted net position have been restated to reflect this adjustment. This adjustment decreased beginning net position by $318,812.

ElbertonNET Technology Services Enterprise Fund

A prior period adjustment has been made to expense the beginning balance of debt issue costs and related accumulated amortization. This adjustment required with the implementation of GASB Statement No. 65. The 2012 amounts for debt issue costs and unrestricted net position have been restated to reflect this adjustment. This adjustment decreased beginning net position by $14,571.

The net effect of these adjustments decreased beginning net position of the Business-type Activities by $333,383.

13. Risk Management and Self-Insurance

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. As of May 1, 2003, the City has elected to manage its risk financing activities through the purchase of commercial insurance.

There have been no insurance settlements exceeding insurance coverage for any of the past three fiscal years.

The City established a limited self-insurance program for workers' compensation effective July 1, 1993. Under the program, the City utilizes a third party administrator to process and pay claims and maintains excess insurance coverage for workers' compensation for specific stop loss coverage for a claim exceeding $375,000.

The administrative costs of the programs were recorded in the General and Proprietary Funds. Such costs were not material. In addition, claims and benefits paid have been recorded as expenditures/expenses in the respective funds.

13. Risk Management and Self-Insurance (continued)

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The following is a summary of estimated unpaid claims and liabilities under the self-insured plans for 2013:

	General Fund	Proprietary Funds
Unpaid claims at June 30, 2011	$ 0	$ 0
Claims incurred including adjustments to prior year estimates	17,796	7,047
Payments made on claims	(17,796)	(7,047)
Unpaid claims at June 30, 2012	0	0
Claims incurred including adjustments to prior year estimates	9,849	2,893
Payments made on claims	(9,849)	(2,893)
Unpaid claims at June 30, 2013	$ 0	$ 0

The result of the process to estimate claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

14. Pension Plan

The City contributes and participates in an agent multiple-employer plan. The plan's assets may be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan. See Note 2 – Summary of Significant Accounting Policies for basis of accounting and reporting of investments.

14. Pension Plan (continued)

Plan Description and Contribution Information

The City contributes to the Georgia Municipal Employees Benefit System Retirement Fund (GMEBSRF), an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for municipalities in the State. The plan is administered by the Georgia Municipal Association (GMA) and provides pension benefits, death and disability benefits, which were established and may be amended by City Council Ordinance and change of contract with GMA. All full-time City employees are eligible to participate in GMEBSRF. The normal retirement date of full-time City employees is attainment of age 65 with 5 years of credited service or the attainment of age 62 with 30 years of credited service, whichever is earlier. City employees may elect early retirement on the first day of any month prior to his/her normal retirement date if he/she has attained age 55 and has a minimum of 10 years credited service. Upon retirement, the participant is entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of his/her average monthly earnings as defined in the plan for each year of credited service. The system also provides death and disability benefits. Employees vest in the plan after 10 years of full-time service with the City. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street SW, Atlanta, Georgia 30303.

Current membership in the plan is as follows:

Retirees and beneficiaries currently receiving benefits	86
Terminated vested participants entitled to but not yet receiving benefits	26
Active participants	123
Total number of participants	235

Funding Policy. The contribution requirements of the City are established and may be amended by City Council. Plan members are not allowed to make contributions to this plan. The City is required to contribute at an actuarially determined rate. The current rate is 8.09% of annual covered payroll. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy. Costs of administering the plan are financed through contributions and earnings.

14. Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2012. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.75%
Projected salary increases:	
Inflation	3.5%
Merit or senority	0.5% - 2.5%
Post-retirement benefit increases	3.5%
Life expectancy before and after retirement (Group Annuity Reserving Unisex table)	1994

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of assets was determined by using the prior year's actuarial value, plus current year activity, plus 10% of investment gains (losses) during the 10 prior years. The unfunded actuarially accrued liability is being amortized as a level dollar amount on a closed basis over a thirty-year period from 1982. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligations.

The City's annual pension cost and net pension obligations for the current year were as follows:

Annual pension cost	$ 427,208
Contributions made	(427,208)
Increase (decrease) in net pension obligation	0
Net pension obligation - beginning of year	0
Net pension obligation - end of year	$ 0

14. Pension Plan (continued)

Historical Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the pension plan is presented.

Schedule of Employer Contributions

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	$ 348,045	100%	0
6/30/2009	462,266	100%	0
6/30/2010	504,408	100%	0
6/30/2011	402,856	100%	0
6/30/2012	418,654	100%	0
6/30/2013	427,208	100%	0

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll** (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2008	$14,756,020	$13,322,164	$(1,433,856)	110.76%	$ 3,794,510	-38%
1/1/2009	12,280,914	14,183,175	1,902,261	86.59%	3,936,563	48%
1/1/2010	15,669,852	13,347,880	(2,321,972)	117.40%	4,107,741	-57%
1/1/2011	16,313,795	13,886,090	(2,427,705)	117.48%	4,268,822	-57%
1/1/2012	16,502,352	14,777,770	(1,724,582)	111.67%	4,356,043	-40%
1/1/2013	17,094,770	15,552,611	(1,542,159)	109.92%	4,163,254	-37%

** Payroll of participants whose attained age is less than the assumed retirement age

15. Deferred Compensation Plan

The City also provides retirement benefits for its employees through a deferred compensation, defined contribution plan. The Plan was created under Internal Revenue Code Sections 457 and 401(a). The Plan is administered by the Georgia Municipal Association (GMA), an independent third party. The City began participation in the plan during fiscal year 2004. All employees who work at least 30 hours per week are eligible to participate in the Plan. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy.

Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer a maximum of 25% of their salary, up to the maximum allowable by federal law. After completing 30 days of service, the City will contribute 100% of the employee's contributions for the first 2% of compensation, then 50% of the employee's contributions for the next 4% of compensation, per year.

There is a cap of 4% of total compensation per eligible employee for City contributions. Employee contributions are vested 100% at the time of contribution. Employer contributions are vested on a schedule of 20% after the first year of service and an additional 20% each year thereafter; employer contributions are fully vested after 5 years of service. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During the fiscal year, the City contributed $103,126 to the plan based on covered salaries of $3,114,285. Plan members made voluntary contributions of $172,525 to the plan. Total payroll was $4,844,951.

The City has no fiduciary relationship with the plans, and plan assets are not available to the City or its general creditors. The Plans assets are held in trust by the administrator for the exclusive benefit of the participants of the Plans.

16. Post Employment Health Care Benefits

The City does not provide post-employment benefits other than pensions and those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the 10th day of the month for the actual month covered. This program is offered for the duration of 18 months after the employee's termination date. There is no associated cost to the City under this program.

17. Hotel/Motel Lodging Tax

The City has levied a 6% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(3.7). The City is require to spend an amount equal to the amount by which the total taxes collected under the Code section exceed the taxes which would be collected at a rate of 3 percent for the purpose of promoting tourism, conventions, and trade shows, or for facilities used for these purposes. A summary of the transactions for the year ending June 30, 2013, follows:

Lodging tax receipts	$ 51,865	
Disbursements to Chamber of Commerce, for Elbert Theatre, and for other tourism and visitor programs	$ 50,519	97% of tax receipts

18. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Northeast Georgia Regional Commission and is required to pay annual dues thereto. During fiscal year 2013, the city paid $4,653 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RC in Georgia. The RC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. A copy of the NEGRC financial statements can be obtained from the Northeast Georgia Regional Commission, 305 Research Drive, Athens, Georgia 30605.

18. Joint Ventures (continued)

The City of Elberton participates with various other cities and counties in the Northern Piedmont Multi-Agency Narcotics Squad (MANS) to facilitate the investigation, arrest, prosecution and conviction of those residents and non-residents involved in the manufacture, use, distribution, and sale of illicit drugs. The City has an ongoing financial responsibility of funding for this unit. This funding is determined each year from a budget of grant monies and individual municipalities participation. The MANS unit is funded primarily through grant monies and operates on a balanced budget determined by revenue. The financial records of the MANS unit are maintained by Franklin County, Georgia, and reported in their audit report. During fiscal year 2013, the City contributed $13,982 in cash financing. A copy of the MANS unit financial statements can be obtained from Franklin County, Georgia, 141 Athens Street, Carnesville, Georgia 30521.

19. Related Organizations

The City of Elberton Housing Authority is considered a related organization to the City of Elberton. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Elberton. The City received $945 as payment for services provided during fiscal year 2013.

20. Commitments and Contingencies

Commitments

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's payment obligations are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling $10,608,743 from MEAG during the fiscal year ended June 30, 2013. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply.

20. Commitments and Contingencies (continued)

Commitments, continued

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The Trust created four types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of June 30, 2013, the balance in this account was $5,261,464. This amount is included in unrestricted investments in the Combined Public Utilities Fund. The generation trust account is used to offset the City's share of future MEAG generation projects. As of June 30, 2013, the balance in this account was $1,938,187. This amount is included in restricted investments in the Combined Public Utilities Fund.

The two additional accounts created were the credit support operating and the reserve funded debt account. The funds in the credit support operating account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can only be applied to charges related to MEAG's bond obligations. The balances of these accounts at June 30, 2013, were $2,113,835 and $4,181,390, respectively. Due to the restricted nature of these funds, neither is shown in the Combined Public Utilities Fund.

The City has active construction projects as of June 30, 2013. At year-end, the City's commitments with contractors are as follows:

Projects	Amount Expended To Date	Remaining Commitment
Water and sewer distribution system improvements	$ 65,500	$ 65,500

20. Commitments and Contingencies (continued)

Contingencies

The City has entered into an intergovernmental agreement dated July 1, 2010 with the Development Authority of Elbert County, Elberton, and Bowman (the "Authority") and with the Elbert County Board of Commissioners (the "County"). This agreement requires the City and the County to provide credit support for the Authority to issue a taxable revenue bond in the amount of $2,000,000 for the purpose of purchasing a manufacturing facility to be leased to MollerTech South, LLC (the "Company"). The City and County have agreed to make payments to the Authority in amounts sufficient to enable the Authority to pay debt service on the bond in the event both the Company and its guarantor, MollerTech North America, Inc., default on their obligations to make lease payments. The City and County are each required to make one-half of such payments. The balance on the bond at June 30, 2013, was $1,763,847, interest at 5.00% per annum. The Company was current on all lease payments at June 30, 2013, and the Authority was current on all bond payments at June 30, 2013. The City has a contingent liability at June 30, 2013, of $881,924. A contingent liability is a possible obligation that arises from past events, and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the City. The City does not recognize this potential obligation on its balance sheet because it is not probable that an outflow of resources will be required to settle the obligation.

The City has entered into an intergovernmental agreement dated December 1, 2011 with the Development Authority of Elbert County, Elberton, and Bowman (the "Authority"). This agreement requires the City to provide credit support for the Authority to issue a taxable revenue bond in the amount of $932,500 and a tax-exempt revenue bond in the amount of $1,818,750, both for the purpose of purchasing equipment to be used in a manufacturing facility to be leased to Hailo, LLC (the "Company"). The City has agreed to make payments to the Authority in amounts sufficient to enable the Authority to pay debt service on the bonds in the event the Company defaults on its obligations to make lease payments. The balance on the taxable bond at June 30, 2013, was $1,702,473, interest at 4.75% per annum. The balance on the tax-exempt bond at June 30, 2013, was $874,296 interest at 3.60%. The Company was current on all lease payments at June 30, 2013, and the Authority was current on all bond payments at June 30, 2013. The City has a contingent liability at June 30, 2013, of $2,576,769.

The City's legal counsel has stated that there are presently no determinable lawsuits.

Supplementary Information

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COMBINING STATEMENTS

Nonmajor Governmental Funds

CITY OF ELBERTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	Special Revenue	
	Hotel/Motel Tax	**Revolving Loan**
ASSETS		
Cash	$ 0	$ 56,000
Receivables		
Taxes	4,407	0
Intergovernmental	0	0
Notes	0	424,000
Total assets	$ 4,407	$ 480,000
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 0	$ 0
Unearned revenue	0	0
Due to other funds	0	0
Total liabilities	0	0
Fund balances		
Restricted for:		
Housing and Development	0	480,000
Capital projects	0	0
Assigned for Housing and Development	4,407	0
Total fund balances	4,407	480,000
Total liabilities and fund balances	$ 4,407	$ 480,000

Capital Projects		Total Nonmajor Governmental Funds
2006 SPLOST	2011 SPLOST	
$ 64,991	$ 361,243	$ 482,234
0	0	4,407
0	93,496	93,496
0	0	424,000
$ 64,991	$ 454,739	$ 1,004,137
$ 1,673	$ 1,243	$ 2,916
0	51,056	51,056
0	63,000	63,000
1,673	115,299	116,972
0	0	480,000
63,318	339,440	402,758
0	0	4,407
63,318	339,440	887,165
$ 64,991	$ 454,739	$ 1,004,137

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2013

	Special Revenue	
	Hotel/Motel Tax	**Revolving Loan**
REVENUES		
Taxes	$ 51,865	$ 0
Intergovernmental	0	0
Interest	0	0
Total revenues	51,865	0
EXPENDITURES		
Current		
Housing and Development	29,200	0
Capital outlay	0	0
Debt service	0	0
Total expenditures	29,200	0
Excess (deficiency) of revenues over over (under) expenditures	22,665	0
Other financing sources (uses)		
Transfers out	(21,319)	0
Issuance of capital lease	0	0
Total other financing sources (uses)	(21,319)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,346	0
Fund balances, July 1	3,061	480,000
Fund balances, June 30	$ 4,407	$ 480,000

Capital Projects		Total Nonmajor Governmental Funds
2006 SPLOST	2011 SPLOST	
$ 0	$ 0	$ 51,865
0	579,455	579,455
54	289	343
54	579,744	631,663
0	0	29,200
13,880	716,951	730,831
0	13,279	13,279
13,880	730,230	773,310
(13,826)	(150,486)	(141,647)
(106,998)	(356,572)	(484,889)
0	569,774	569,774
(106,998)	213,202	84,885
(120,824)	62,716	(56,762)
184,142	276,724	943,927
$ 63,318	$ 339,440	$ 887,165

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GENERAL FUND

The general operating fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash	$ 573,391	$ 639,093
Restricted assets		
Cash	25	50
Receivables (net)		
Accounts	11,939	15,146
Taxes	55,174	51,741
Intergovernmental	7,998	20,225
Notes	55,500	60,000
Interest	866	0
Prepaid items	165,109	136,297
Inventory, at cost	25,622	22,558
Due from other funds	54,861	66,477
Total assets	$ 950,485	$ 1,011,587
LIABILITIES		
Accounts payable	$ 64,981	$ 60,217
Accrued salaries and payroll liabilities	26,728	72,302
Unearned revenue	2,500	0
Due to other funds	0	32,000
Other liabilities	20,102	25,159
Total liabilities	114,311	189,678
FUND BALANCES		
Nonspendable:		
Inventory	25,622	22,558
Prepaid items	165,109	136,297
Restricted for public safety	25	50
Unassigned	645,418	663,004
Total fund balances	836,174	821,909
Total liabilities and fund balances	$ 950,485	$ 1,011,587

CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
REVENUES		
Taxes	$ 1,199,214	$ 1,134,782
Licenses and permits	57,725	70,936
Fines, fees and forfeitures	191,822	161,225
Charges for services	743,539	739,942
Intergovernmental	34,372	96,743
Interest	2,317	2,646
Contributions	285	165
Other	6,203	9,288
Total revenues	2,235,477	2,215,727
EXPENDITURES		
Current		
General Government	633,371	688,978
Judicial	106,007	104,845
Public Safety	2,354,039	2,285,569
Public Works	1,016,610	1,083,913
Health and Welfare	67,100	9,000
Culture and Recreation	146,973	143,053
Housing and Development	214,143	212,156
Debt service		
Public Safety	0	7,392
Total expenditures	4,538,243	4,534,906
Excess (deficiency) of revenues over (under) expenditures	(2,302,766)	(2,319,179)
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Fund	21,319	18,581
Combined Public Utility System Fund	2,282,500	2,150,000
Sale of capital assets	13,212	0
Total other financing sources (uses)	2,317,031	2,168,581
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	14,265	(150,598)
Fund balances, July 1	821,909	972,507
Fund balances, June 30	$ 836,174	$ 821,909

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
Intangibles tax	$ 6,500	$ 7,061	$ 561	$ 5,294
Franchise tax	91,000	91,243	243	90,041
Occupational tax	80,600	110,828	30,228	74,804
Insurance premium tax	230,000	231,813	1,813	218,245
Title ad valorem tax	0	31,875	31,875	0
Liquor tax	22,000	19,394	(2,606)	23,955
Beer and wine tax	140,000	129,775	(10,225)	129,709
Local option sales tax	627,500	577,225	(50,275)	592,734
Total taxes	1,197,600	1,199,214	1,614	1,134,782
Licenses and permits				
Building permits	40,000	11,343	(28,657)	17,133
Alcoholic beverage licenses	45,000	42,500	(2,500)	43,000
Other permits	15,500	3,882	(11,618)	10,803
Total licenses and permits	100,500	57,725	(42,775)	70,936
Fines, fees and forfeitures				
Parking fines	500	20	(480)	202
Court and DUI fines	150,600	159,455	8,855	120,029
Probation fees	50,000	32,347	(17,653)	40,994
Total fines, fees, and forfeitures	201,100	191,822	(9,278)	161,225
Charges for services				
Reimbursement of joint expenses	679,807	679,809	2	668,906
Cemetery sales and services	70,000	50,668	(19,332)	52,378
Public safety	31,000	10,278	(20,722)	14,124
Other	4,500	2,784	(1,716)	4,534
Total charges for services	785,307	743,539	(41,768)	739,942
Intergovernmental				
Grants	49,011	34,372	(14,639)	96,743
Interest	2,500	2,317	(183)	2,646
Contributions	0	285	285	165
Other				
Miscellaneous	12,100	6,203	(5,897)	9,288
Total revenues	$ 2,348,118	$ 2,235,477	$ (112,641)	$ 2,215,727

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 74,897	$ 74,306	$ 591	$ 89,028
Contractual services	54,784	50,083	4,701	50,185
Materials and supplies	500	281	219	980
Total Mayor and Council	130,181	124,670	5,511	140,193
City Manager's Office				
Personal services	126,332	124,506	1,826	149,847
Contractual services	9,220	4,894	4,326	3,817
Materials and supplies	0	0	0	2,094
Total City Manager's Office	135,552	129,400	6,152	155,758
Finance				
Personal services	141,463	139,012	2,451	133,887
Contractual services	49,962	49,616	346	52,624
Materials and supplies	1,500	1,863	(363)	1,627
Total Finance	192,925	190,491	2,434	188,138
Human Resources				
Personal services	49,161	47,780	1,381	46,612
Contractual services	6,396	7,066	(670)	8,429
Materials and supplies	500	1,082	(582)	374
Total Human Resources	56,057	55,928	129	55,415
City Clerk				
Personal services	77,802	75,867	1,935	72,801
Contractual services	800	711	89	167
Materials and supplies	4,800	5,374	(574)	2,343
Total City Clerk	83,402	81,952	1,450	75,311
Elections				
Contractual services	0	0	0	202
City Attorney				
Personal services	7,297	7,427	(130)	6,342
Contractual services	15,000	4,575	10,425	11,313
Total City Attorney	22,297	12,002	10,295	17,655

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
General Government - continued				
City Hall Maintenance				
Contractual services	$ 33,117	$ 28,891	$ 4,226	$ 32,290
Materials and supplies	11,900	10,037	1,863	10,527
Capital outlay	0	0	0	13,489
Total City Hall Maintenance	45,017	38,928	6,089	56,306
Total General Government	665,431	633,371	32,060	688,978
Judicial				
Municipal Court				
Personal services	61,271	59,306	1,965	60,748
Contractual services	46,788	46,701	87	44,097
Total Judicial	108,059	106,007	2,052	104,845
Public Safety				
Police - Administration				
Personal services	141,688	139,069	2,619	133,772
Contractual services	155,161	160,644	(5,483)	135,684
Materials and supplies	23,314	20,355	2,959	45,922
Capital outlay	7,998	7,998	0	0
Payments to others	13,982	13,982	0	13,982
Total Police - Administration	342,143	342,048	95	329,360
Police - Uniform Division				
Personal services	812,775	803,547	9,228	779,398
Contractual services	15,000	21,198	(6,198)	23,386
Materials and supplies	67,780	70,479	(2,699)	66,946
Total Police - Uniform Division	895,555	895,224	331	869,730
Police - Criminal Investigations				
Personal services	120,452	121,513	(1,061)	121,546
Contractual services	2,825	2,036	789	1,016
Materials and supplies	9,489	10,769	(1,280)	9,397
Total Police - Criminal Investigations	132,766	134,318	(1,552)	131,959
Police - Community Relations				
Personal services	58,302	57,892	410	55,132
Contractual services	250	128	122	1,799
Materials and supplies	3,250	2,488	762	318
Total Police - Community Relations	61,802	60,508	1,294	57,249

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Public Safety - continued				
Police - Detention				
Contractual services	$ 50,500	$ 46,404	$ 4,096	$ 47,643
Fire				
Personal services	793,096	779,228	13,868	751,972
Contractual services	27,911	20,116	7,795	21,279
Materials and supplies	28,596	25,093	3,503	25,103
Total Fire	849,603	824,437	25,166	798,354
Animal Control				
Personal services	43,542	42,993	549	41,921
Contractual services	5,684	4,620	1,064	4,262
Materials and supplies	4,350	3,487	863	5,091
Total Animal Control	53,576	51,100	2,476	51,274
Total Public Safety	2,385,945	2,354,039	31,906	2,285,569
Public Works				
Administrative				
Personal services	87,374	85,702	1,672	83,267
Contractual services	22,679	24,518	(1,839)	24,912
Materials and supplies	19,404	19,190	214	17,965
Payments to others	17,750	10,517	7,233	29,305
Total Administration	147,207	139,927	7,280	155,449
Infrastructure Maintenance				
Personal services	298,830	256,710	42,120	236,083
Contractual services	7,789	4,532	3,257	8,312
Materials and supplies	33,619	36,931	(3,312)	32,805
Capital outlay	0	30,415	(30,415)	59,424
Total Infrastructure Maintenance	340,238	328,588	11,650	336,624
Parks and Rights-of-Way				
Contractual services	73,000	68,073	4,927	76,853
Materials and supplies	5,000	6,639	(1,639)	10,078
Capital outlay	0	0	0	7,774
Total Parks and Rights of Way	78,000	74,712	3,288	94,705

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Public Works - continued				
Motor Pool				
Personal services	$ 164,251	$ 163,029	$ 1,222	$ 166,321
Contractual services	85,053	71,873	13,180	86,812
Materials and supplies	35,500	24,061	11,439	33,082
Total Motor Pool	284,804	258,963	25,841	286,215
Street Lighting				
Contractual services	4,000	2,607	1,393	1,193
Materials and supplies	14,000	9,517	4,483	11,860
Total Street Lighting	18,000	12,124	5,876	13,053
Street Sweeper				
Personal services	33,196	32,133	1,063	32,576
Contract services	1,941	6,685	(4,744)	845
Materials and supplies	7,272	3,544	3,728	6,442
Total Street Sweeper	42,409	42,362	47	39,863
Cemetery				
Personal services	133,139	129,818	3,321	118,431
Contractual services	9,322	12,931	(3,609)	20,269
Materials and supplies	18,358	17,185	1,173	19,304
Total Cemetery	160,819	159,934	885	158,004
Total Public Works	1,071,477	1,016,610	54,867	1,083,913
Health and Welfare				
Agency allocations				
Elbert County Hospital Authority	58,800	58,100	700	0
Community Partnership	3,000	3,000	0	3,000
Elbert County Aging Program	6,000	6,000	0	6,000
Total Health and Welfare	67,800	67,100	700	9,000
Culture and Recreation				
Elbert Theatre				
Personal services	49,448	50,966	(1,518)	46,132
Contract services	11,766	10,287	1,479	8,259
Materials and supplies	18,300	18,220	80	16,162
Total Elbert Theatre	79,514	79,473	41	70,553

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
Culture and Recreation - continued				
Agency allocations				
Library	$ 60,000	$ 60,000	$ 0	$ 60,000
Sister City Program	7,500	7,500	0	7,500
Elbert County Historical Society	0	0	0	5,000
Total agency allocations	67,500	67,500	0	72,500
Total Culture and Recreation	147,014	146,973	41	143,053
Housing and Development				
Zoning/City Marshal				
Personal services	60,948	60,450	498	58,619
Contractual services	2,561	1,704	857	3,292
Materials and supplies	3,837	3,148	689	4,111
Total Zoning/Special Projects	67,346	65,302	2,044	66,022
Code Enforcement				
Personal services	40,716	42,941	(2,225)	41,465
Contractual services	22,339	16,700	5,639	11,042
Materials and supplies	2,345	1,636	709	1,191
Capital outlay	0	1,354	(1,354)	0
Total Code Enforcement	65,400	62,631	2,769	53,698
Economic Development				
Mainstreet Elberton	87,146	86,210	936	92,436
Total Housing and Development	219,892	214,143	5,749	212,156
Total current	4,665,618	4,538,243	127,375	4,527,514
Debt service				
Public Safety				
Police - Administration	0	0	0	7,392
Total expenditures	$ 4,665,618	$ 4,538,243	$ 127,375	$ 4,534,906

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

***Hotel/Motel Tax Fund** - This fund is used to collect Hotel/Motel taxes which are used to help support trade and tourism in the City of Elberton.*

***Revolving Loan Fund** – This fund is used to record activities connected with US Department of Housing and Urban Development Community Development Block Grant. The objective of the grant is to develop employment opportunities, principally to persons of low and moderate income.*

CITY OF ELBERTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

	2013	2012
ASSETS		
Taxes receivable	$ 4,407	$ 3,061
FUND BALANCES		
Assigned for Housing and Development	$ 4,407	$ 3,061

CITY OF ELBERTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 50,000	$ 51,865	$ 1,865	$ 45,344
Total revenues	50,000	51,865	1,865	45,344
EXPENDITURES				
Current				
Housing and Development				
Elbert Theatre				
Contract services	5,000	9,200	(4,200)	7,770
Chamber of Commerce				
Payments to other agencies	20,000	20,000	0	20,000
Total expenditures	25,000	29,200	(4,200)	27,770
Excess (deficiency) of revenues over (under) expenditures	25,000	22,665	(2,335)	17,574
Other financing sources (uses)				
Transfers in (out)				
General Fund	(25,000)	(21,319)	3,681	(18,581)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	1,346	1,346	(1,007)
Fund balances, July 1	0	3,061	3,061	4,068
Fund balances, June 30	$ 0	$ 4,407	$ 4,407	$ 3,061

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash	$ 56,000	$ 0
Due from other funds	0	32,000
Notes receivable	424,000	448,000
Total assets	$ 480,000	$ 480,000
FUND BALANCES		
Restricted for Housing and Development	$ 480,000	$ 480,000

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 0	$ 0	$ 0	$ 0
Total revenues	0	0	0	0
EXPENDITURES				
Current				
Housing and Development	0	0	0	0
Total expenditures	0	0	0	0
Excess (deficiency) of revenues over (under) expenditures	0	0	0	0
Fund balances, July 1	0	480,000	480,000	480,000
Fund balances, June 30	$ 0	$ 480,000	$ 480,000	$ 480,000

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by the proprietary or fiduciary funds).

***2006 Special Purpose Local Option Sales Tax Fund** - This fund is used to account for long-term projects financed by the passage of the 2006 special purpose local option sales tax.*

***2011 Special Purpose Local Option Sales Tax Fund** - This fund is used to account for long-term projects financed by the passage of the 2011 special purpose local option sales tax.*

CITY OF ELBERTON, GEORGIA
2006 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash	$ 64,991	$ 172,910
Intergovernmental receivable	0	36,158
Total assets	$ 64,991	$ 209,068
LIABILITIES		
Accounts payable	$ 1,673	$ 24,926
FUND BALANCES		
Restricted for capital projects	63,318	184,142
Total liabilities and fund balances	$ 64,991	$ 209,068

CITY OF ELBERTON, GEORGIA
2006 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
REVENUES		
Intergovernmental	$ 0	$ 173,117
Interest	54	289
Total revenues	54	173,406
EXPENDITURES		
Capital Outlay		
Public Safety	0	5,676
Public Works	11,446	303,942
Culture and Recreation	2,434	11,875
Total expenditures	13,880	321,493
Excess (deficiency) of revenues over (under) expenditures	(13,826)	(148,087)
Other financing sources (uses)		
Transfers in (out)		
Combined Public Utility System Fund	(106,998)	(402,226)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(120,824)	(550,313)
Fund balances, July 1	184,142	734,455
Fund balances, June 30	$ 63,318	$ 184,142

CITY OF ELBERTON, GEORGIA
2011 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash	$ 361,243	$ 212,216
Intergovernmental receivable	93,496	95,792
Total assets	$ 454,739	$ 308,008
LIABILITIES		
Accounts payable	$ 1,243	$ 0
Unearned revenue	51,056	0
Due to other funds	63,000	31,284
Total liabilities	115,299	31,284
FUND BALANCES		
Restricted for capital projects	339,440	276,724
Total liabilities and fund balances	$ 454,739	$ 308,008

CITY OF ELBERTON, GEORGIA
2011 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCES
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
REVENUES		
Intergovernmental	$ 579,455	$ 590,512
Interest	289	61
Total revenues	579,744	590,573
EXPENDITURES		
Capital outlay		
Public Safety	643,144	51,431
Public Works	47,683	0
Housing and Development	0	199,548
Culture and Recreation	26,124	31,586
Debt service		
Public Safety	13,279	0
Total expenditures	730,230	282,565
Excess (deficiency) of revenues over (under) expenditures	(150,486)	308,008
Other financing sources (uses)		
Transfers in (out)		
Combined Utilities Fund	(63,000)	0
ElbertonNet Technology Services Fund	(293,572)	(31,284)
Issuance of capital lease	569,774	0
Total other financing sources (uses)	213,202	(31,284)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	62,716	276,724
Fund balances, July 1	276,724	0
Fund balances, June 30	$ 339,440	$ 276,724

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ENTERPRISE FUNDS

Enterprise Funds account for City operations which are financed and operated in a manner similar to private business enterprises.

***Combined Public Utility System Fund** is used to account for the operations of the City's Electric, Water and Sewer, and Natural Gas Systems pursuant to requirements of the revenue bond ordinance.*

***Industrial Park Fund** is used to account for the operation of the City's industrial park facilities.*

***Solid Waste Fund** is used to account for the operation of the City's residential and commercial sanitation services and recycling operations.*

***ElbertonNET Technology Services Fund** is used to account for the operation of the City's cable television service and high-speed internet serivce systems.*

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Current assets		
Cash	$ 166,870	$ 111,230
Certificates of deposit	447,619	527,532
Investments	4,603,503	4,096,309
Receivables		
Accounts (net)	1,953,129	1,869,670
Interest	1,185	2,044
Prepaid items	20,829	0
Inventories	460,987	422,117
Due from other funds	158,918	0
Other current assets	27,424	28,177
Total current assets	7,840,464	7,057,079
Restricted assets		
MEAG Generation Trust		
Investments	1,938,187	1,651,198
Bond Redemption		
Cash	481,675	481,169
Customer Deposits		
Investments	657,960	637,498
Total restricted assets	3,077,822	2,769,865
Capital assets		
Land	247,035	247,035
Intangible assets	377,692	377,692
Buildings	490,221	490,221
Distribution system	35,780,388	35,318,387
Vehicles and equipment	2,040,901	1,890,714
Construction in progress	98,188	351,738
Accumulated depreciation	(18,439,617)	(17,459,226)
Total capital assets (net of accumulated depreciation)	20,594,808	21,216,561
Other assets		
Advances to other funds	4,337,761	4,334,242
Total assets	35,850,855	35,377,747

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2013 and 2012

LIABILITIES	**2013**	**2012**
Current liabilities		
Payables		
Accounts	$ 1,217,053	$ 1,125,726
Sales tax	64,875	91,699
Accrued salaries	21,860	22,301
Compensated absences	99,518	99,355
Other current liabilities	32,204	42,838
Due to other funds	54,861	69,287
Total current liabilities	1,490,371	1,451,206
Current liabilities payable from restricted assets		
Customer deposits payable	657,960	637,498
Interest payable	102,188	111,998
Bonds payable	740,000	720,000
Total liabilities payable from restricted assets	1,500,148	1,469,496
Noncurrent liabilities		
Compensated absences	42,650	42,581
Bonds payable	6,760,000	7,500,000
Total noncurrent liabilities	6,802,650	7,542,581
Total liabilities	9,793,169	10,463,283
NET POSITION		
Net investment in capital assets	13,029,308	12,996,561
Restricted for:		
Debt service	379,487	369,171
MEAG Generation Trust	1,938,187	1,651,198
Unrestricted	10,710,704	9,897,534
Total net position	$ 26,057,686	$ 24,914,464

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Charges for sales and services	$ 22,871,738	$ 21,825,135
Miscellaneous revenues	16,140	17,365
Total operating revenues	22,887,878	21,842,500
OPERATING EXPENSES		
Costs of sales and services	15,579,351	15,061,551
Personal services	2,218,936	2,408,339
Depreciation	1,172,628	1,183,719
Miscellaneous expenses	58,240	133,024
Total operating expenses	19,029,155	18,786,633
Operating income (loss)	3,858,723	3,055,867
Non-operating revenues (expenses)		
Interest revenue	86,083	35,890
Net increase (decrease) in the fair value of investments	(128,447)	2,848
Interest expense	(215,635)	(364,467)
Debt issue costs	0	(158,682)
Gain (loss) on sale of capital assets	0	2,404
Total non-operating revenues (expenses)	(257,999)	(482,007)
Net income (loss) before capital contributions and transfers	3,600,724	2,573,860
Capital contributions		
Intergovernmental	0	51,712
Net income (loss) before transfers	3,600,724	2,625,572
Transfers in (out)		
General Fund	(2,282,500)	(2,150,000)
2006 SPLOST Fund	106,998	402,226
2011 SPLOST Fund	63,000	0
ElbertonNET Technology Services Fund	(345,000)	(385,000)
Total transfers	(2,457,502)	(2,132,774)
Change in net position	1,143,222	492,798
Net position, July 1 (original)	24,914,464	24,607,421
Prior period adjustments	0	(185,755)
Net position, July 1 (restated)	24,914,464	24,421,666
Net position, June 30	$ 26,057,686	$ 24,914,464

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
ELECTRIC UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Charges for sales and services	$ 15,839,368	$ 15,566,693
Miscellaneous revenues	6,554	7,176
Total operating revenues	15,845,922	15,573,869
OPERATING EXPENSES		
Costs of sales and services	11,787,662	11,579,251
Personal services	1,265,095	1,281,488
Depreciation	301,821	330,348
Miscellaneous expenses	45,450	117,637
Total operating expenses	13,400,028	13,308,724
Operating income (loss)	2,445,894	2,265,145
Non-operating revenues (expenses)		
Interest revenue	85,669	30,533
Net increase (decrease) in the fair value of investments	(128,447)	2,848
Gain on sale of capital assets	0	2,404
Total non-operating revenues (expenses)	(42,778)	35,785
Net income (loss) before capital contributions and transfers	2,403,116	2,300,930
Capital contributions		
Intergovernmental	0	51,712
Net income (loss) before transfers	2,403,116	2,352,642
Transfers in (out)		
General Fund	(1,580,000)	(1,500,000)
ElbertonNET Technology Services Fund	(345,000)	(385,000)
Total transfers	(1,925,000)	(1,885,000)
Change in net position	$ 478,116	$ 467,642

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
WATER AND SEWER UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Charges for sales and services	$ 2,843,066	$ 2,817,914
Miscellaneous revenues	2,559	5,829
Total operating revenues	2,845,625	2,823,743
OPERATING EXPENSES		
Costs of sales and services	1,230,454	990,255
Personal services	677,166	845,766
Depreciation	734,812	726,663
Miscellaneous expenses	1,730	6,495
Total operating expenses	2,644,162	2,569,179
Operating income (loss)	201,463	254,564
Non-operating revenues (expenses)		
Interest revenue	414	1,656
Interest expense	(215,635)	(364,467)
Debt issue costs	0	(158,682)
Total non-operating revenues (expenses)	(215,221)	(521,493)
Net income (loss) before transfers	(13,758)	(266,929)
Transfers in (out)		
General Fund	(2,500)	0
2006 SPLOST Fund	106,998	402,226
2011 SPLOST Fund	63,000	0
Total transfers	167,498	402,226
Change in net position	$ 153,740	$ 135,297

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
NATURAL GAS UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Charges for sales and services	$ 4,189,304	$ 3,440,528
Miscellaneous revenues	7,027	4,360
Total operating revenues	4,196,331	3,444,888
OPERATING EXPENSES		
Costs of sales and services	2,561,235	2,492,045
Personal services	276,675	281,085
Depreciation	135,995	126,708
Miscellaneous expenses	11,060	8,892
Total operating expenses	2,984,965	2,908,730
Operating income (loss)	1,211,366	536,158
Non-operating revenues (expenses)		
Interest revenue	0	3,701
Net income (loss) before transfers	1,211,366	539,859
Transfers in (out)		
General Fund	(700,000)	(650,000)
Change in net position	$ 511,366	$ (110,141)

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Receipts from customers	$ 22,771,283	$ 22,009,775
Payments to suppliers	(15,612,470)	(15,030,254)
Payments to employees	(2,219,145)	(2,389,313)
Other receipts	16,140	17,365
Other payments	(58,240)	(133,024)
Net cash provided (used) by operating activities	4,897,568	4,474,549
Cash flows from non-capital financing activities:		
Payments to other funds	(2,804,363)	(2,599,432)
Cash flows from capital and related financing activities:		
Receipts from sale of assets	0	2,404
Receipts from other governments	0	51,712
Receipts from other funds	169,998	402,226
Payment of capital related accounts payable	0	(9,888)
Acquisition of capital assets	(485,375)	(1,022,907)
Debt issue costs	0	(158,682)
Interest paid	(225,445)	(463,113)
Issuance of bonds payable	0	8,355,000
Principal payments - bonds	(720,000)	(8,670,000)
Net cash provided (used) by capital and related financing activities	(1,260,822)	(1,513,248)
Cash flows from investing activities:		
Interest received	86,942	37,096
Proceeds from sale of investments	1,027,532	1,076,278
Purchase of investments	(1,890,711)	(2,045,965)
Net cash provided (used) by investing activities	(776,237)	(932,591)
Net increase (decrease) in cash	56,146	(570,722)
Cash, July 1	592,399	1,163,121
Cash, June 30	$ 648,545	$ 592,399

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 3,858,723	$ 3,055,867
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,172,628	1,183,719
(Increase) decrease in accounts receivable	(83,459)	144,327
(Increase) decrease in inventories	(38,870)	(97)
(Increase) decrease in prepaid items	(20,829)	0
(Increase) decrease in other current assets	753	1,325
Increase (decrease) in accounts payable	25,827	30,069
Increase (decrease) in sales tax payable	(26,824)	6,115
Increase (decrease) in accrued salaries	(441)	11,920
Increase (decrease) in compensated absences payable	232	7,106
Increase (decrease) in deposits payable	20,462	11,690
Increase (decrease) in other current liabilities	(10,634)	22,508
Total adjustments	1,038,845	1,418,682
Net cash provided (used) by operating activities	$ 4,897,568	$ 4,474,549
Cash reconciliation:		
Cash	$ 166,870	$ 111,230
Bond Redemption Cash	481,675	481,169
Total cash	$ 648,545	$ 592,399

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled ($128,447) and $2,848 for the fiscal years ended June 30, 2013 and 2012, respectively.

Acquistion of capital assets through accounts payable totaled $65,500 for the fiscal year ended June 30, 2013.

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Current assets		
Accounts receivable (net)	$ 67,164	$ 54,800
Prepaid items	2,999	0
Due from other funds	0	2,810
Total current assets	70,163	57,610
Capital assets		
Land	14,400	14,400
Land improvements	54,739	54,739
Buildings	86,886	86,886
Vehicles and equipment	610,002	597,796
Accumulated depreciation	(637,149)	(644,576)
Total capital assets (net of accumulated depreciation)	128,878	109,245
Total assets	199,041	166,855
LIABILITIES		
Current liabilities		
Accounts payable	22,507	16,380
Accrued salaries	5,324	5,644
Compensated absences	8,947	10,171
Capital leases payable	11,349	0
Due to other funds	95,918	0
Total current liabilities	144,045	32,195
Noncurrent liabilities		
Compensated absences	3,835	4,359
Capital leases payable	38,139	0
Total noncurrent liabilities	41,974	4,359
Total liabilities	186,019	36,554
NET POSITION		
Net investment in capital assets	128,878	109,245
Unrestricted	(115,856)	21,056
Total net assets	$ 13,022	$ 130,301

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

OPERATING REVENUES	**2013**	**2012**
Charges for sales and services		
Residential service	$ 362,001	$ 340,556
Commercial service	271,282	263,405
Sale of recyclables	83,525	159,672
Garbage container sales	10,783	6,185
Total operating revenues	727,591	769,818
OPERATING EXPENSES		
Costs of sales and services	423,838	379,663
Personal services	395,934	394,039
Depreciation	36,267	48,202
Miscellaneous	2,130	2,687
Total operating expenses	858,169	824,591
Operating income (loss)	(130,578)	(54,773)
Non-operating revenues (expenses)		
Interest expense	(614)	(238)
Gain (loss) on sale of capital assets	13,913	0
Total non-operating revenues (expenses)	13,299	(238)
Change in net position	(117,279)	(55,011)
Net position, July 1	130,301	185,312
Net position, June 30	$ 13,022	$ 130,301

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Receipts from customers	$ 715,227	$ 789,450
Payments to suppliers	(420,710)	(384,387)
Payments to employees	(398,002)	(388,801)
Other payments	(2,130)	(2,687)
Net cash provided (used) by operating activities	(105,615)	13,575
Cash flows from non-capital financing activities:		
Receipts from other funds	98,728	8,001
Cash flows from capital and related financing activities:		
Receipts from sale of assets	13,913	0
Acquisition of capital assets	(55,900)	0
Interest paid	(614)	(267)
Issuance of capital lease	55,900	0
Principal payments - capital leases	(6,412)	(21,309)
Net cash provided (used) by capital and related financing activities	6,887	(21,576)
Net increase (decrease) in cash	0	0
Cash, July 1	0	0
Cash, June 30	$ 0	$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (130,578)	$ (54,773)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	36,267	48,202
(Increase) decrease in accounts receivable	(12,364)	19,632
(Increase) decrease in prepaid items	(2,999)	0
Increase (decrease) in accounts payable	6,127	(4,724)
Increase (decrease) in accrued salaries	(320)	811
Increase (decrease) in compensated absences payable	(1,748)	4,427
Total adjustments	24,963	68,348
Net cash provided (used) by operating activities	$ (105,615)	$ 13,575

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2013 and 2012

ASSETS	**2013**	**2012**
Current assets		
Cash	$ 0	$ 50
Accounts receivable (net)	316,303	299,741
Prepaid items	2,908	10,780
Inventories	67,873	81,337
Due from other funds	0	31,284
Total current assets	387,084	423,192
Capital assets		
Land	6,900	6,900
Buildings	513,385	513,385
Vehicles and equipment	647,172	647,172
Distribution system	7,893,066	7,628,709
Accumulated depreciation	(2,962,661)	(2,811,560)
Total capital assets (net of accumulated depreciation)	6,097,862	5,984,606
Total assets	6,484,946	6,407,798
LIABILITIES		
Current liabilities		
Payables		
Accounts	113,283	114,195
Intergovernmental	19,146	23,072
Interest	3,551	5,291
Accrued salaries	3,205	2,926
Compensated absences	15,638	15,781
Customer deposits	2,294	2,578
Capital lease payable	847,274	759,055
Total current liabilities	1,004,391	922,898
Noncurrent liabilities		
Compensated absences	6,702	6,763
Advances from other funds	4,337,761	4,334,242
Capital lease payable	1,020,607	1,806,244
Total noncurrent liabilities	5,365,070	6,147,249
Total liabilities	6,369,461	7,070,147
NET POSITION		
Net investment in capital assets	4,229,981	3,419,307
Unrestricted	(4,114,496)	(4,081,656)
Total net assets	$ 115,485	$ (662,349)

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
OPERATING REVENUES		
Charges for sales and services	$ 3,121,582	$ 2,740,805
Total operating revenues	3,121,582	2,740,805
OPERATING EXPENSES		
Costs of sales and services	2,211,276	1,935,961
Personal services	323,293	319,044
Depreciation	308,327	271,276
Miscellaneous	53,270	10,402
Total operating expenses	2,896,166	2,536,683
Operating income (loss)	225,416	204,122
Non-operating revenues (expenses)		
Interest revenue	18	0
Interest expense	(89,472)	(132,009)
Gain (loss) on sale of capital assets	3,300	0
Total non-operating revenues (expenses)	(86,154)	(132,009)
Net income (loss) before capital contributions and transfers	139,262	72,113
Capital contributions		
Intergovernmental	0	206,696
Net income (loss) before transfers	139,262	278,809
Transfers in (out)		
2011 SPLOST Fund	293,572	31,284
Combined Utilities Fund	345,000	385,000
Total transfers	638,572	416,284
Change in net position	777,834	695,093
Net position, July 1 (original)	(662,349)	(1,337,042)
Prior period adjustments	0	(20,400)
Net position, July 1 (restated)	(662,349)	(1,357,442)
Net position, June 30	$ 115,485	$ (662,349)

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2013 and 2012

	2013	2012
Cash flows from operating activities:		
Receipts from customers	$ 3,104,737	$ 2,712,804
Payments to suppliers	(2,193,599)	(1,866,606)
Payments to employees	(323,218)	(317,630)
Other payments	(53,270)	(10,402)
Net cash provided (used) by operating activities	534,650	518,166
Cash flows from non-capital financing activities:		
Receipts from other funds	379,803	493,125
Cash flows from capital and related financing activities:		
Receipts from sale of assets	3,300	0
Receipts from other governments	0	206,696
Receipts from other funds	293,572	31,284
Acquisition of capital assets	(421,583)	(368,751)
Payment of capital related accounts payable	(1,180)	(4,684)
Interest paid	(91,212)	(132,459)
Issuance of capital lease	103,000	851,105
Principal payments - capital lease obligations	(800,418)	(1,594,432)
Net cash provided (used) by capital and related financing activities	(914,521)	(1,011,241)
Cash flows from investing activities:		
Interest received	18	0
Net increase (decrease) in cash	(50)	50
Cash, July 1	50	0
Cash, June 30	$ 0	$ 50
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 225,416	$ 204,122
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	308,327	271,276
(Increase) decrease in accounts receivable	(16,562)	(26,934)
(Increase) decrease in inventories	13,464	19,067
(Increase) decrease in prepaid items	7,872	(292)
Increase (decrease) in accounts payable	268	43,556
Increase (decrease) in intergovernmental payable	(3,926)	7,024
Increase (decrease) in customer deposits	(284)	(1,067)
Increase (decrease) in accrued salaries	279	877
Increase (decrease) in compensated absences payable	(204)	537
Total adjustments	309,234	314,044
Net cash provided (used) by operating activities	$ 534,650	$ 518,166

Noncash investing, capital, and financing activities:

Acquistion of capital assets through accounts payable totaled $1,180 for the fiscal year ended June 30, 2012.

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AGENCY FUNDS

These funds are used to account for assets held by the City as an agent to be expended or invested in accordance with the conditions of its agency capacity.

Municipal Court Fund – *This fund is used to account, on a temporary basis, for fines collected by the Municipal Court that ultimately are transmitted to the General Fund or another agency.*

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	$ 19,525	$ 13,177
LIABILITIES		
Due to other agencies	$ 19,525	$ 13,177

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2013

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Cash	$ 13,177	$ 193,912	$ (187,564)	$ 19,525
LIABILITIES				
Due to other agencies	$ 13,177	$ 193,912	$ (187,564)	$ 19,525

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COMPONENT UNIT

Downtown Development Authority *- This component unit is used to account for governmental revenues and contributions reserved for City business development.*

CITY OF ELBERTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash	$ 9,082	$ 7,792
Accounts receivable	2,000	0
Prepaid items	0	369
Total assets	$ 11,082	$ 8,161
LIABILITIES		
Accounts payable	$ 1,650	$ 1,650
FUND BALANCES		
Nonspendable prepaid items	0	369
Assigned for Housing and Development	9,432	6,142
Total fund balances	9,432	6,511
Total liabilities and fund balances	$ 11,082	$ 8,161

CITY OF ELBERTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2013
(With comparative actual amounts for the fiscal year ended June 30, 2012)

	2013			2012
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 87,146	$ 86,212	$ (934)	$ 92,436
Rents	25,800	27,696	1,896	31,134
Event revenue	11,400	13,262	1,862	12,965
Contributions	0	225	225	0
Interest	0	0	0	1
Total revenues	124,346	127,395	3,049	136,536
EXPENDITURES				
Current				
Economic Development				
Personnel services	55,992	50,690	5,302	53,280
Contract services	24,600	21,308	3,292	19,147
Materials and supplies	3,830	7,245	(3,415)	1,720
Debt service	39,924	95,391	(55,467)	60,374
Total expenditures	124,346	174,634	(50,288)	134,521
Excess (deficiency) of revenues over (under) expenditures	0	(47,239)	(47,239)	2,015
Other financing sources (uses)				
Sale of capital assets	0	50,160	50,160	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	2,921	2,921	2,015
Fund balances, July 1	0	6,511	6,511	4,496
Fund balances, June 30	$ 0	$ 9,432	$ 9,432	$ 6,511

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Part III

Statistical Section

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City of Elberton
Statistical Section
(Unaudited)

This section of the City of Elberton's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This section includes data for the City (i.e. the primary government) only and does not include the City's discretely presented component unit. This information has not been audited by the independent auditor.

Contents

	Page
Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	**104-118**
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the City's most significant "own-source" revenue sources and trends of these sources. Property taxes are not a source of revenue for the City; however, property tax valuation and tax rate information is included as an indicator of the City's growth and overall economic condition.	**119-122**
Debt Capacity These tables present information which may assist the reader in analyzing the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**123-128**
Demographic and Economic Information These tables offer demographic and economic indicators that can be used for financial analysis and to provide a better understanding of the City's present and ongoing financial status.	**129-130**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	**131-136**
Other Information	**137-138**

Source: Unless otherwise noted, the information in these tables is derived from the annual financial reports for the corresponding years.

City of Elberton
Net Position by Component
Last Ten Fiscal Years

	FISCAL YEAR		
	2013	2012	2011
Governmental Activities			
Net investment in capital assets	$ 4,289,328	$ 4,474,881	$ 4,138,536
Restricted	882,783	940,916	1,214,456
Unrestricted	412,159	374,476	483,631
Total Governmental Activities Net Position	5,584,270	5,790,273	5,836,623
Business-type Activities			
Net investment in capital assets	17,350,028	16,525,113	15,555,835
Restricted	2,317,674	2,020,369	1,383,145
Unrestricted	6,518,491	6,170,317	6,516,711
Total Business-Type Activities Net Position	26,186,193	24,715,799	23,455,691
Primary Government			
Net investment in capital assets	21,639,356	20,999,994	19,694,371
Restricted	3,200,457	2,961,285	2,597,601
Unrestricted	6,930,650	6,544,793	7,000,342
Total Primary Government Net Position	$ 31,770,463	$ 30,506,072	$ 29,292,314

FISCAL YEAR						
2010	2009	2008	2007	2006	2005	2004
$ 3,924,223	$ 3,935,047	$ 3,624,359	$ 3,471,430	$ 2,909,989	$ 3,035,688	$ 2,775,597
851,529	730,810	419,048	369,936	275,544	76,648	20,523
517,319	447,389	224,861	36,620	(137,068)	(456,924)	(550,441)
5,293,071	5,113,246	4,268,268	3,877,986	3,048,465	2,655,412	2,245,679
15,262,590	14,315,837	13,384,786	12,175,380	12,350,686	12,625,161	7,715,919
504,668	305,477	289,907	523,595	525,970	518,176	4,991,805
6,280,127	4,288,720	4,077,359	4,052,857	3,104,570	2,242,107	2,132,913
22,047,385	18,910,034	17,752,052	16,751,832	15,981,226	15,385,444	14,840,637
19,186,813	18,250,884	17,009,145	15,646,810	15,260,675	15,660,849	10,491,516
1,356,197	1,036,287	708,955	893,531	801,514	594,824	5,012,328
6,797,446	4,736,109	4,302,220	4,089,477	2,967,502	1,785,183	1,582,472
$ 27,340,456	$ 24,023,280	$ 22,020,320	$ 20,629,818	$ 19,029,691	$ 18,040,856	$ 17,086,316

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
Expenses	**2013**	**2012**	**2011**
Governmental Activities:			
General Government	$ 657,516	$ 697,793	$ 782,934
Judicial	107,728	104,279	99,901
Public Safety	2,476,946	2,395,267	2,509,964
Public Works	1,151,627	1,166,098	1,155,171
Health and Welfare	67,100	9,000	11,900
Culture and Recreation	186,059	167,465	163,831
Housing and Development	249,642	247,896	205,442
Non-departmental	0	0	0
Interest on Long-term Debt	8,667	92	437
Total Governmental Activities	4,905,285	4,787,890	4,929,580
Business-type Activities:			
Combined Public Utilities			
Electric	13,179,039	13,064,053	12,136,219
Water and Sewer	2,734,886	2,816,229	2,797,193
Natural Gas	2,861,258	2,734,236	3,075,133
Telecommunications	0	0	0
ElbertonNET Technology Services	2,855,925	2,623,765	2,435,188
Industrial Park	0	0	459,399
Solid Waste	778,294	768,886	757,211
Total Business-type Activities	22,409,402	22,007,169	21,660,343
Total Primary Government Expenses	27,314,687	26,795,059	26,589,923
Indirect Costs			
Governmental Activities:			
General Government	(451,965)	(464,060)	(546,280)
Public Works	(227,844)	(204,846)	(202,378)
Total Governmental Activities Indirect Cost	(679,809)	(668,906)	(748,658)
Business-type Activities:			
Combined Public Utilities			
Electric	220,989	244,671	294,516
Water and Sewer	124,911	143,042	147,294
Natural Gas	123,707	174,494	196,945
Telecommunications	0	0	0
ElbertonNET Technology Services	129,713	50,756	54,817
Solid Waste	80,489	55,943	55,086
Total Business-type Activities Indirect Cost	679,809	668,906	748,658
Total Primary Government Indirect Cost	0	0	0
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	45,815	53,823	55,109
Public Safety	204,784	178,550	227,569
Public Works	51,235	52,891	72,514
Housing and Development	11,443	17,933	12,393
Operating Grants and Contributions	34,276	62,948	44,386
Capital Grants and Contributions	580,179	797,939	714,791
Total Governmental Activities Program Revenues	927,732	1,164,084	1,126,762
Business-type Activities:			
Charges for Services:			
Electric	15,839,368	15,566,693	15,721,112
Water and Sewer	2,843,066	2,817,914	2,778,123
Natural Gas	4,189,304	3,440,528	4,331,615
Telecommunications	0	0	0
ElbertonNET Technology Services	3,121,582	2,740,805	2,401,396
Solid Waste	727,591	769,818	801,319
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	0	258,408	38,833
Total Business-type Activities Program Revenues	26,720,911	25,594,166	26,072,398
Total Primary Government Program Revenues	27,648,643	26,758,250	27,199,160

FISCAL YEAR						
2010	2009	2008	2007	2006	2005	2004
$ 776,304	$ 758,352	$ 734,895	$ 761,879	$ 865,142	$ 791,563	$ 767,964
101,982	100,939	103,965	98,082	98,881	78,031	81,460
2,442,237	2,355,213	2,293,427	2,213,641	2,064,532	1,871,062	1,935,347
1,178,530	1,315,287	1,310,736	1,216,164	1,342,388	1,277,223	1,202,394
9,900	9,900	5,900	9,249	1,300	13,561	1,585
161,416	151,363	157,287	82,588	66,164	96,910	94,235
246,774	415,226	263,260	286,226	225,903	200,727	184,166
0	0	0	0	0	10,853	7,102
2,716	5,485	5,922	5,239	2,907	1,967	0
4,919,859	5,111,765	4,875,392	4,673,068	4,667,217	4,341,897	4,274,253
11,302,256	11,840,875	12,518,339	11,903,757	11,034,964	10,146,459	9,885,924
2,808,412	2,840,855	2,691,386	3,095,123	2,590,337	2,389,663	2,184,983
3,329,597	3,923,296	4,022,390	4,465,284	4,912,460	3,726,484	3,306,671
0	0	0	0	40,261	877,771	950,561
2,166,187	1,945,176	2,251,378	1,818,099	1,672,512	1,007,243	973,141
7,047	7,048	7,047	7,048	7,262	14,967	12,699
774,633	737,010	692,069	655,667	579,156	556,310	547,952
20,388,132	21,294,260	22,182,609	21,944,978	20,836,952	18,718,897	17,861,931
25,307,991	26,406,025	27,058,001	26,618,046	25,504,169	23,060,794	22,136,184
(456,853)	(450,154)	(431,896)	(411,379)	(649,151)	(429,572)	(430,654)
(225,423)	(221,872)	(217,936)	(167,910)	(240,056)	(396,892)	(337,142)
(682,276)	(672,026)	(649,832)	(579,289)	(889,207)	(826,464)	(767,796)
263,319	259,899	250,461	228,156	297,849	314,994	291,397
137,540	135,338	131,349	97,122	194,293	146,748	141,817
180,607	178,075	172,194	140,551	278,517	171,856	208,266
0	0	0	0	0	59,167	69,150
48,630	47,642	46,096	40,866	17,793	10,000	10,000
52,180	51,072	49,732	72,594	100,755	123,699	47,166
682,276	672,026	649,832	579,289	889,207	826,464	767,796
0	0	0	0	0	0	0
60,476	55,965	57,784	62,241	63,572	140,450	134,306
235,767	232,192	242,567	214,756	225,841	211,864	247,217
64,151	59,175	62,405	58,637	71,253	71,190	43,822
45,249	44,145	37,504	37,130	19,235	39,664	20,668
100,177	72,158	842	8,722	39,969	120,474	14,179
22,584	877,058	99,514	231,841	200,000	392,279	504,455
528,404	1,340,693	500,616	613,327	619,870	975,921	964,647
15,570,785	14,462,334	14,505,101	13,769,282	12,886,623	11,948,853	11,406,837
2,854,234	2,878,146	2,881,331	2,916,737	2,654,050	2,575,343	2,382,676
4,803,798	5,279,518	5,632,829	5,387,505	6,227,798	5,346,246	4,981,635
0	0	0	0	0	533,407	545,739
1,954,681	1,675,254	1,559,185	1,336,275	1,058,866	691,799	599,950
789,409	739,446	763,511	697,416	670,577	667,104	618,808
0	0	41,324	750,039	16,030	36,642	47,198
11,167	0	0	398,258	248,737	0	70,830
25,984,074	25,034,698	25,383,281	25,255,512	23,762,681	21,799,394	20,653,673
26,512,478	26,375,391	25,883,897	25,868,839	24,382,551	22,775,315	21,618,320

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
	2013	**2012**	**2011**
Change in Net Position			
Net (expense) Revenue -			
Governmental Activities	$ (3,297,744)	$ (2,954,900)	$ (3,054,160)
Net (expense) Revenue -			
Business-type Activities	3,631,700	2,918,091	3,663,397
Total Primary Government			
Net (Expense) Revenue	333,956	(36,809)	609,237
General Revenues and			
Other Changes in Net Position			
Governmental Activities			
Taxes:			
Title ad valorem	31,875	0	0
Sales	577,225	592,734	633,998
Franchise	91,243	90,041	84,338
Occupational (1)	110,828	74,804	73,352
Insurance Premium	231,813	218,245	255,324
Alcoholic Beverages	149,169	153,664	143,118
Hotel/Motel	51,865	45,344	58,650
Other	7,061	5,294	3,160
Interest and Investment Earnings	2,317	2,646	2,500
Gain on Sale of Assets	0	0	10,123
Miscellaneous	19,415	9,288	17,953
Transfers	1,818,930	1,716,490	2,315,196
Total Government Activities	3,091,741	2,908,550	3,597,712
Business-type Activities			
Interest and Investment Earnings	86,101	35,890	33,603
Net increase (decrease) in the fair value of investments (2)	(128,447)	2,848	0
Gain on Sale of Assets	17,213	2,404	1,220
Miscellaneous	16,140	17,365	25,282
Transfers	(1,818,930)	(1,716,490)	(2,315,196)
Total Business-type Activities	(1,827,923)	(1,657,983)	(2,255,091)
Total Primary Government General Revenues	1,263,818	1,250,567	1,342,621
Change in Net Position			
Governmental Activities	(206,003)	(46,350)	543,552
Business-type Activities	1,803,777	1,260,108	1,408,306
Total Primary Government			
Change in Net Position	$ 1,597,774	$ 1,213,758	$ 1,951,858

(1) In fiscal year 2006, occupational taxes were recategorized from charges for services to tax revenue.

(2) Prior to fiscal year 2012, the net increase (decrease) in the fair vaule of investments was reported as an element of investment earnings.

FISCAL YEAR						
2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
$ (3,709,179)	$ (3,099,046)	$ (3,724,944)	$ (3,480,452)	$ (3,158,140)	$ (2,539,512)	$ (2,541,810)
4,913,666	3,068,412	2,550,840	2,731,245	2,036,522	2,254,033	2,023,946
1,204,487	(30,634)	(1,174,104)	(749,207)	(1,121,618)	(285,479)	(517,864)
0	0	0	0	0	0	0
1,345,161	1,182,430	1,399,514	1,285,913	640,156	560,452	571,161
86,620	88,790	87,815	83,545	82,846	80,446	74,159
79,349	85,706	85,683	90,545	80,697	0	0
262,968	265,457	259,247	248,533	237,546	220,795	203,736
141,394	158,225	158,789	152,952	152,254	147,003	147,672
72,661	66,655	69,510	66,505	71,052	62,711	67,007
3,829	5,888	8,847	12,786	7,593	8,649	13,047
4,092	3,172	51,770	79,361	37,785	11,926	6,400
1,800	0	26,355	5,972	0	0	0
17,034	49,716	38,341	20,451	460,627	6,624	11,077
1,874,096	2,037,985	1,929,355	2,102,559	1,626,340	1,850,639	1,661,620
3,889,004	3,944,024	4,115,226	4,149,122	3,396,896	2,949,245	2,755,879
66,891	91,420	133,186	124,201	131,765	125,280	121,616
0	0	0	0	0	0	0
5,225	2,510	15,916	5,769	0	0	0
25,665	33,625	229,633	11,950	53,835	16,133	12,681
(1,874,096)	(2,037,985)	(1,929,355)	(2,102,559)	(1,626,340)	(1,850,639)	(1,752,405)
(1,776,315)	(1,910,430)	(1,550,620)	(1,960,639)	(1,440,740)	(1,709,226)	(1,618,108)
2,112,689	2,033,594	2,564,606	2,188,483	1,956,156	1,240,019	1,137,771
179,825	844,978	390,282	668,670	238,756	409,733	214,069
3,137,351	1,157,982	1,000,220	770,606	595,782	544,807	405,838
$ 3,317,176	$ 2,002,960	$ 1,390,502	$ 1,439,276	$ 834,538	$ 954,540	$ 619,907

City of Elberton

Fund Balances of Governmental Funds

Last Ten Fiscal Years

	FISCAL YEAR		
	2013	2012	2011
General Fund			
Reserved			
Unreserved			
Nonspendable (1)	$ 190,731	$ 158,855	$ 170,860
Restricted (1)	25	50	50
Unassigned (1)	645,418	663,004	801,597
Total General Fund	836,174	821,909	972,507
All Other Governmental Funds			
Unreserved, Reported in:			
Special Revenue Fund			
Capital Project Funds			
Nonspendable (1)	0	0	448,000
Restricted (1)	882,758	940,866	766,455
Assigned (1)	4,407	3,061	4,068
Total All Other Governmental Funds	887,165	943,927	1,218,523
Total Governmental Fund Balances	$ 1,723,339	$ 1,765,836	$ 2,191,030

Note 1: The City adopted GASB 54 for reporting of fund balance classifications in 2011.

FISCAL YEAR						
2010	2009	2008	2007	2006	2005	2004
$ 144,344	$ 393,228	$ 439,843	$ 147,922	$ 149,041	$ 92,216	$ 82,417
865,048	569,642	307,883	413,512	323,490	153,157	76,158
1,009,392	962,870	747,726	561,434	472,531	245,373	158,575
485,210	485,210	6,885	8,972	13,798	0	0
366,319	245,600	412,163	360,964	198,646	76,649	20,523
851,529	730,810	419,048	369,936	212,444	76,649	20,523
$ 1,860,921	$ 1,693,680	$ 1,166,774	$ 931,370	$ 684,975	$ 322,022	$ 179,098

City of Elberton

Changes in Fund Balances - Governmental Funds (1)

Last Ten Fiscal Years

	FISCAL YEAR		
	2013	2012	2011
Revenues			
Taxes	$ 1,251,079	$ 1,180,126	$ 1,251,941
Licenses and permits (2)	57,725	70,936	67,553
Fines, fees and forfeitures	191,822	161,225	195,234
Charges for services	743,539	739,942	853,456
Intergovernmental	613,827	860,372	747,837
Interest	2,660	2,996	3,695
Contributions	285	0	0
Other	6,203	9,453	28,097
Total Revenues	2,867,140	3,025,050	3,147,813
Expenditures			
General Government	633,371	688,978	872,270
Judicial	106,007	104,845	100,857
Public Safety	2,354,039	2,285,569	2,390,993
Public Works	1,016,610	1,083,913	1,091,821
Health and Welfare	67,100	9,000	11,900
Culture and Recreation	146,973	143,053	139,290
Housing and Development	243,343	239,926	195,955
Non-Departmental	0	0	0
Debt Service - Principal	4,612	7,300	10,650
Debt Service - Interest	8,667	92	437
Capital Outlay	730,831	604,058	152,138
Total Expenditures	5,311,553	5,166,734	4,966,311
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,444,413)	(2,141,684)	(1,818,498)
Other Financing Sources (Uses)			
Transfers In	2,303,819	2,168,581	2,289,493
Transfers Out	(484,889)	(452,091)	(151,009)
Sale of Capital Assets	13,212	0	10,123
Issuance of Capital Leases	569,774	0	0
Total Other Financing Sources (Uses)	2,401,916	1,716,490	2,148,607
Net Change in Fund Balances	$ (42,497)	$ (425,194)	$ 330,109
Debt service as a percentage of noncapital expenditures	0.29%	0.16%	0.24%

Note (1): Includes general, special revenue, and capital projects funds.
Note (2): In fiscal year 2006, occupational taxes were recategorized from licenses and permits to taxes.

FISCAL YEAR						
2010	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**
$ 1,317,624	$ 1,264,618	$ 1,375,542	$ 1,300,551	$ 1,191,447	$ 1,080,056	$ 1,076,782
103,994	100,084	94,654	99,693	161,855	181,532	156,696
202,828	203,387	223,968	202,083	211,142	159,359	185,822
781,097	760,032	731,470	650,277	976,808	948,741	871,291
796,805	1,406,679	794,204	788,416	239,969	512,753	518,634
4,092	3,172	51,770	79,361	37,785	11,926	6,400
0	0	0	0	0	0	0
17,348	49,786	38,357	112,826	56,356	6,624	11,076
3,223,788	3,787,758	3,309,965	3,233,207	2,875,362	2,900,991	2,826,701
795,652	739,722	717,350	725,386	848,845	818,311	747,114
102,716	100,616	103,447	97,015	97,358	77,692	80,577
2,309,661	2,234,428	2,171,102	2,122,180	2,064,065	1,846,427	1,915,206
1,117,742	1,281,083	1,208,520	1,079,879	1,227,280	1,315,284	1,068,128
9,900	9,900	5,900	5,000	1,300	13,561	1,300
146,215	142,491	186,597	155,888	60,000	296,144	313,220
242,834	412,796	234,047	192,520	229,786	199,959	257,013
0	0	0	0	0	10,853	7,102
86,590	45,538	58,298	64,794	46,118	40,046	0
2,716	5,485	5,922	5,239	2,907	1,967	0
118,417	457,778	380,548	807,331	88178	146447	146887
4,932,443	5,429,837	5,071,731	5,255,232	4,665,837	4,766,691	4,536,547
(1,708,655)	(1,642,079)	(1,761,766)	(2,022,025)	(1,790,475)	(1,865,700)	(1,709,846)
2,304,843	2,344,502	2,259,913	2,196,666	1,705,864	1,947,432	1,882,946
(430,747)	(306,517)	(330,558)	(94,107)	(79,524)	(96,793)	(221,326)
1,800	131,000	26,355	5,972	527,088	0	0
0	0	41,460	159,889	0	157,985	0
1,875,896	2,168,985	1,997,170	2,268,420	2,153,428	2,008,624	1,661,620
$ 167,241	$ 526,906	$ 235,404	$ 246,395	$ 362,953	$ 142,924	$ (48,226)
1.90%	1.06%	1.40%	1.59%	1.11%	1.03%	0.00%

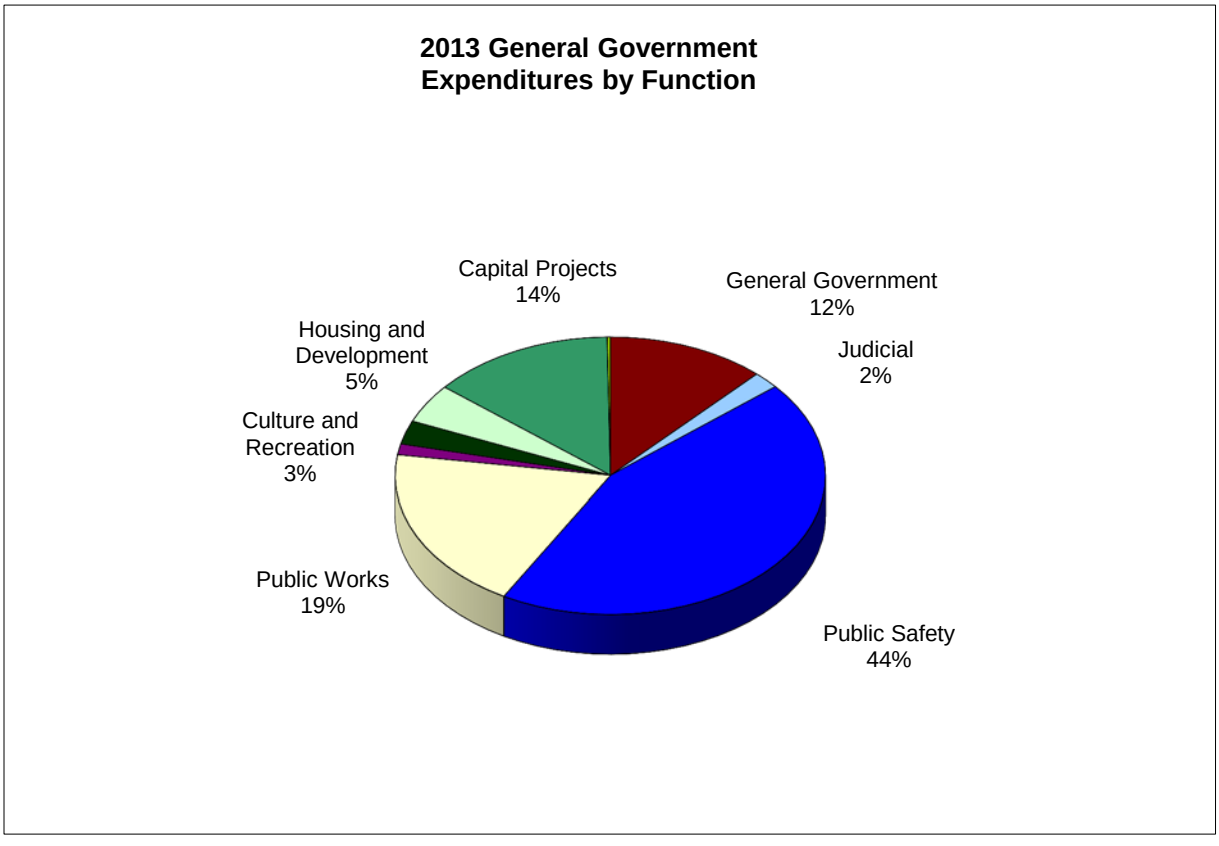
City of Elberton, Georgia

General Government Expenditures by Function (1)

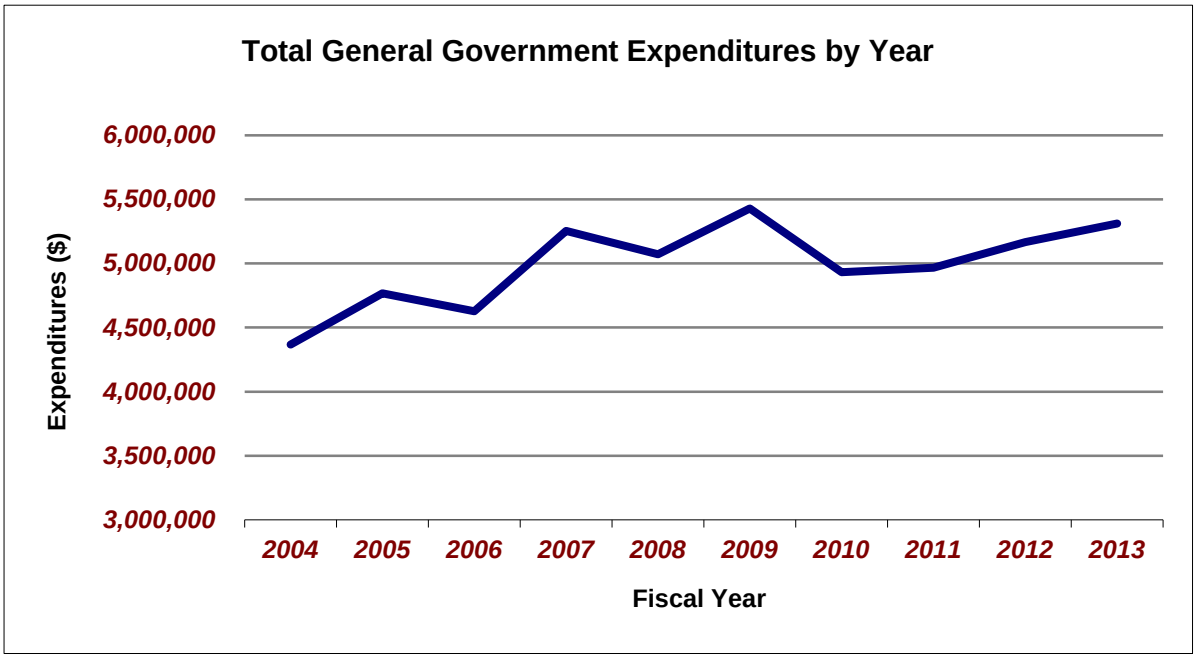
Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health and Welfare
2004	747,114	80,577	1,915,206	1,068,128	1,300
2005	818,311	77,692	1,846,427	1,315,284	13,561
2006	848,845	97,358	2,025,601	1,227,280	1,300
2007	725,386	97,015	2,122,180	1,079,879	5,000
2008	717,350	103,447	2,171,102	1,208,520	5,900
2009	739,722	100,616	2,234,428	1,281,083	9,900
2010	795,652	102,716	2,309,661	1,117,742	9,900
2011	872,270	100,857	2,390,993	1,091,821	11,900
2012	688,978	104,845	2,285,569	1,083,913	9,000
2013	633,371	106,007	2,354,039	1,016,610	67,100

Note (1): Includes general, special revenue, and capital projects funds.



Culture and Recreation	Housing and Development	Other	Capital Projects	Debt Service	Total
313,220	257,013	7,102	146,887	0	4,367,160
296,144	199,959	10,853	146,447	42,013	4,766,691
118,920	170,866	0	88,178	49,025	4,627,373
155,888	192,520	0	807,331	70,033	5,255,232
186,597	234,047	0	380,548	64,220	5,071,731
142,491	412,796	0	457,778	51,023	5,429,837
146,215	242,834	0	118,417	89,306	4,932,443
139,290	195,955	0	152,138	11,087	4,966,311
143,053	239,926	0	604,058	7,392	5,166,734
146,973	243,343	0	730,831	13,279	5,311,553



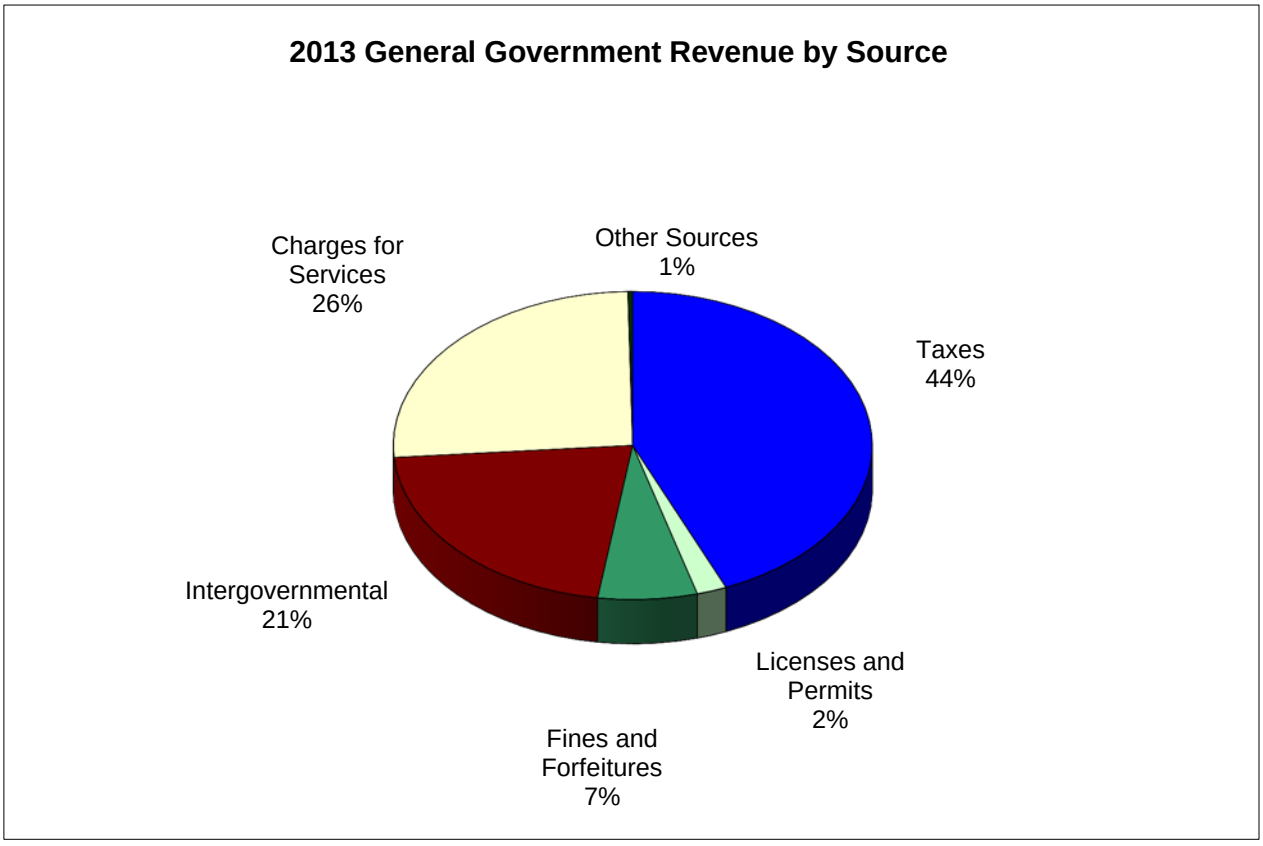
City of Elberton, Georgia

General Government Revenue by Source (1)

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Intergovernmental	Charges for Services	Other Sources	Total
2004	1,076,782	156,696	185,822	518,634	871,291	17,476	2,826,701
2005	1,080,056	181,532	159,359	512,753	948,741	18,550	2,900,991
2006	1,191,447	161,855	211,142	239,969	976,808	94,141	2,875,362
2007	1,300,551	99,693	202,083	788,416	650,277	192,187	3,233,207
2008	1,375,542	94,654	223,968	794,204	731,470	90,127	3,309,965
2009	1,264,618	100,084	203,387	1,406,679	760,032	52,958	3,787,758
2010	1,317,624	103,994	202,828	796,805	781,097	21,440	3,223,788
2011	1,251,941	67,553	195,234	747,837	853,456	31,792	3,147,813
2012	1,180,126	70,936	161,225	860,372	739,942	12,449	3,025,050
2013	1,251,079	57,725	191,822	613,827	743,539	9,148	2,867,140

Note (1): Includes general, special revenue, and capital projects funds.
Note: In fiscal year 2006, occupational taxes were recategorized from licenses and permits to tax revenues.



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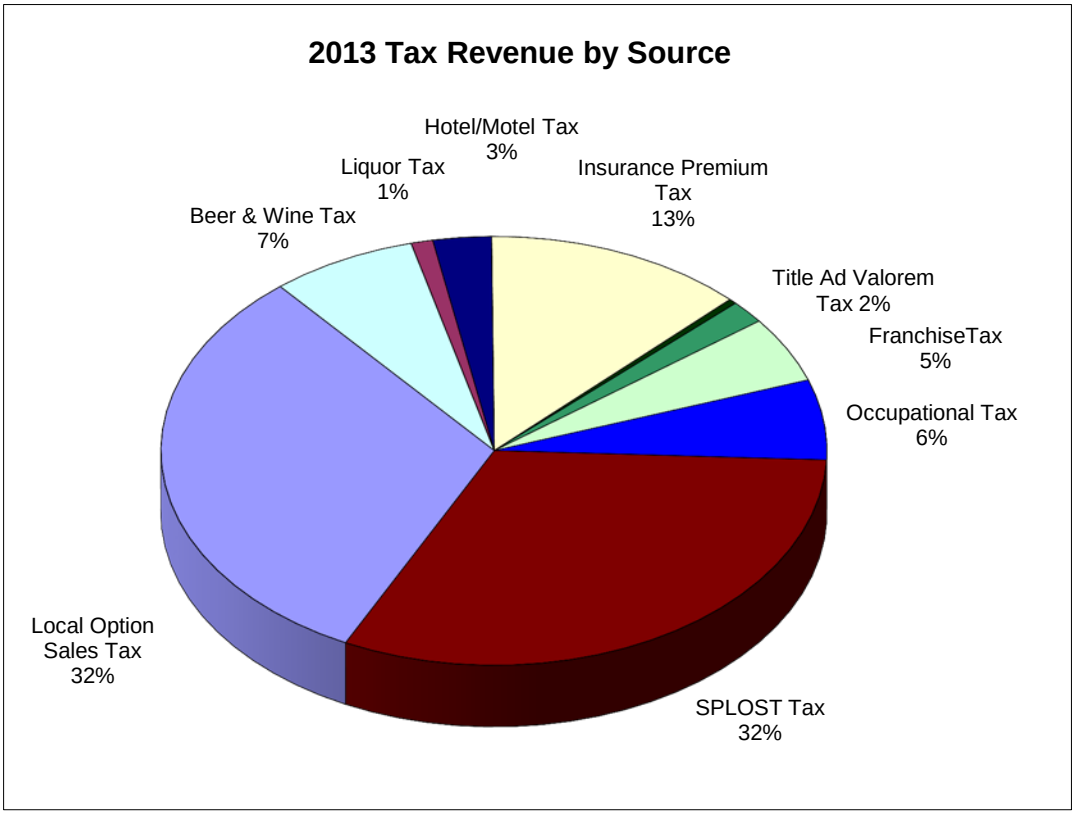
City of Elberton, Georgia

General Government Tax Revenues by Source

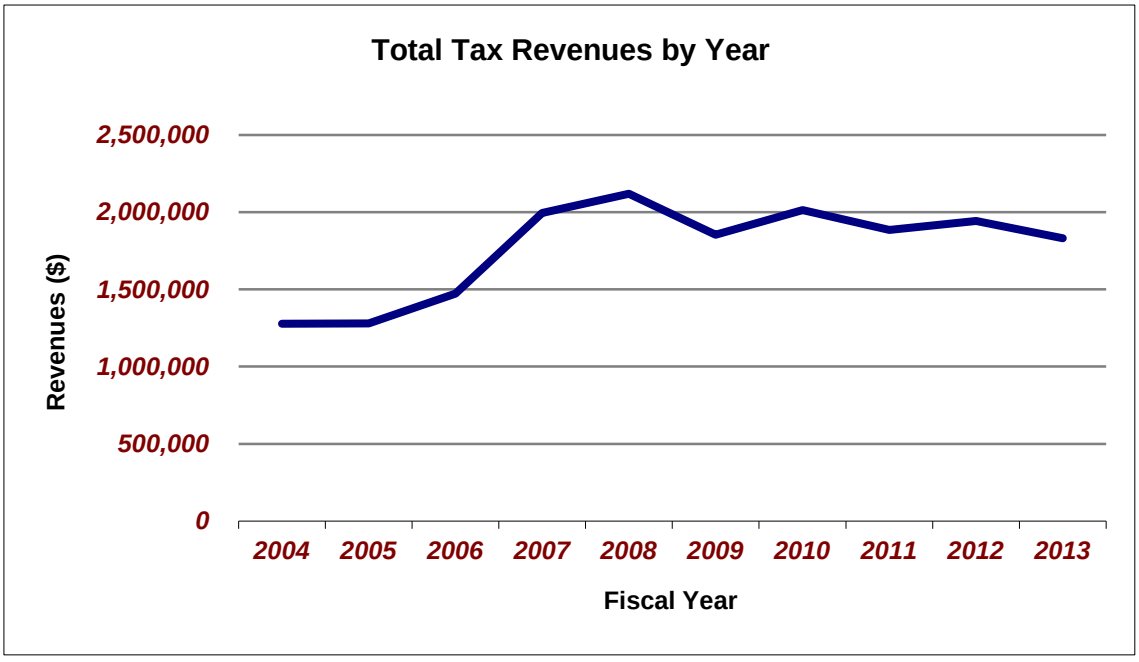
Last Ten Fiscal Years

Fiscal Year	Beer & Wine Tax	Liquor Tax	Hotel/Motel Tax (1)	Insurance Premium Tax	Intangible Tax
2004	126,741	20,931	67,007	203,736	13,047
2005	127,725	19,278	62,711	220,795	8,649
2006	122,343	29,911	71,052	237,546	7,593
2007	131,161	21,791	66,505	248,533	12,786
2008	139,457	19,332	69,510	259,247	8,847
2009	136,964	21,261	66,655	265,457	5,888
2010	120,035	21,359	72,661	262,968	3,829
2011	121,973	21,145	58,651	255,324	3,160
2012	129,709	23,955	45,344	218,245	5,294
2013	129,775	19,394	51,865	231,813	7,061

Note (1): Reported in the Hotel/Motel Tax Special Revenue Fund.
Note (2): In fiscal year 2006, occupational taxes were recategorized from licenses and permits to tax revenues.
Note (3): Reported as intergovernmental revenue in the SPLOST Capital Projects Funds.
Note (4): In fiscal year 2013, the title ad valorem tax on motor vehicles became effective March 2013.



Title Ad Valorem Tax (4)	Franchise Tax	Occupational Tax (2)	SPLOST Tax (3)	Local Option Sales Tax	Total
0	74,159	0	200,000	571,161	1,276,782
0	80,446	0	200,000	560,452	1,280,056
0	82,846	80,697	200,000	640,156	1,472,144
0	83,545	90,545	693,843	645,685	1,994,394
0	87,815	85,683	743,377	705,651	2,118,919
0	88,790	85,706	588,533	593,897	1,853,151
0	86,620	79,349	696,942	670,803	2,014,566
0	84,338	73,352	634,095	633,998	1,886,036
0	90,041	74,804	763,629	592,734	1,943,755
31,875	91,243	110,828	579,455	577,225	1,830,534



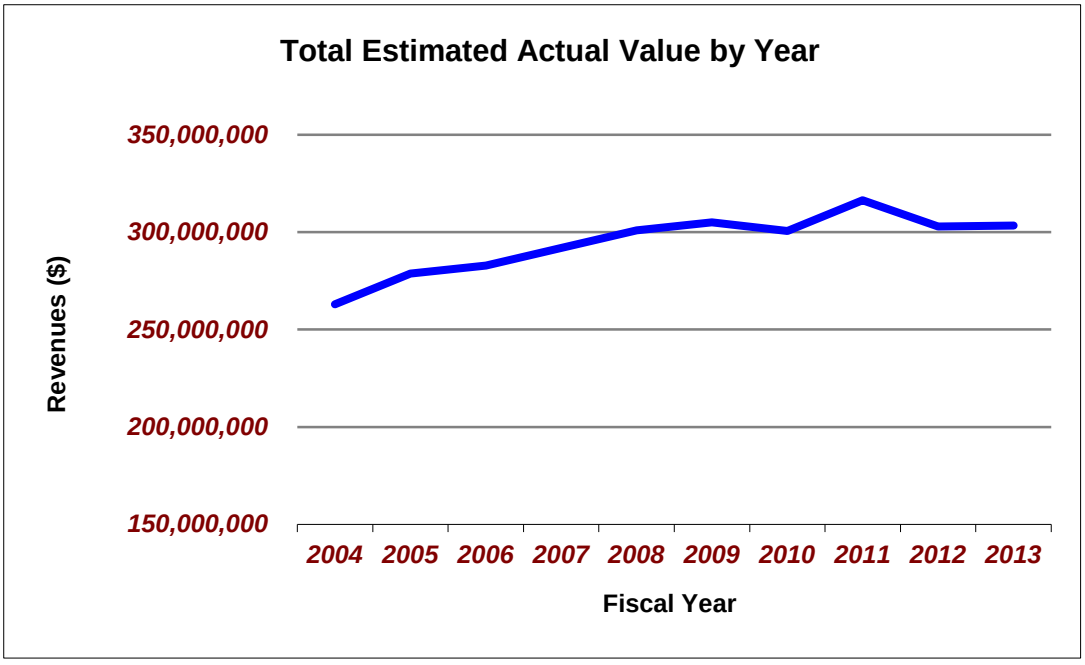
City of Elberton, Georgia

Assessed and Estimated Actual Value of Taxable Property

Digest Years 2004 - 2013

Calendar Year of Digest	Real Property	Motor Vehicles	Mobile Homes	Public Utilities
2004	92,170,957	9,279,990	416,656	3,307,767
2005	98,235,365	8,996,730	430,017	3,805,497
2006	100,688,999	8,769,030	399,757	3,298,572
2007	104,047,358	9,171,830	350,700	3,208,144
2008	107,376,047	9,413,060	336,820	3,207,627
2009	108,796,885	9,682,470	329,556	3,207,627
2010	109,001,131	8,183,060	332,583	2,697,887
2011	115,566,725	8,075,750	208,676	2,697,887
2012	107,168,885	7,840,330	205,713	5,963,813
2013	107,293,014	7,888,040	172,078	5,991,509

Source: Elbert County Tax Digest



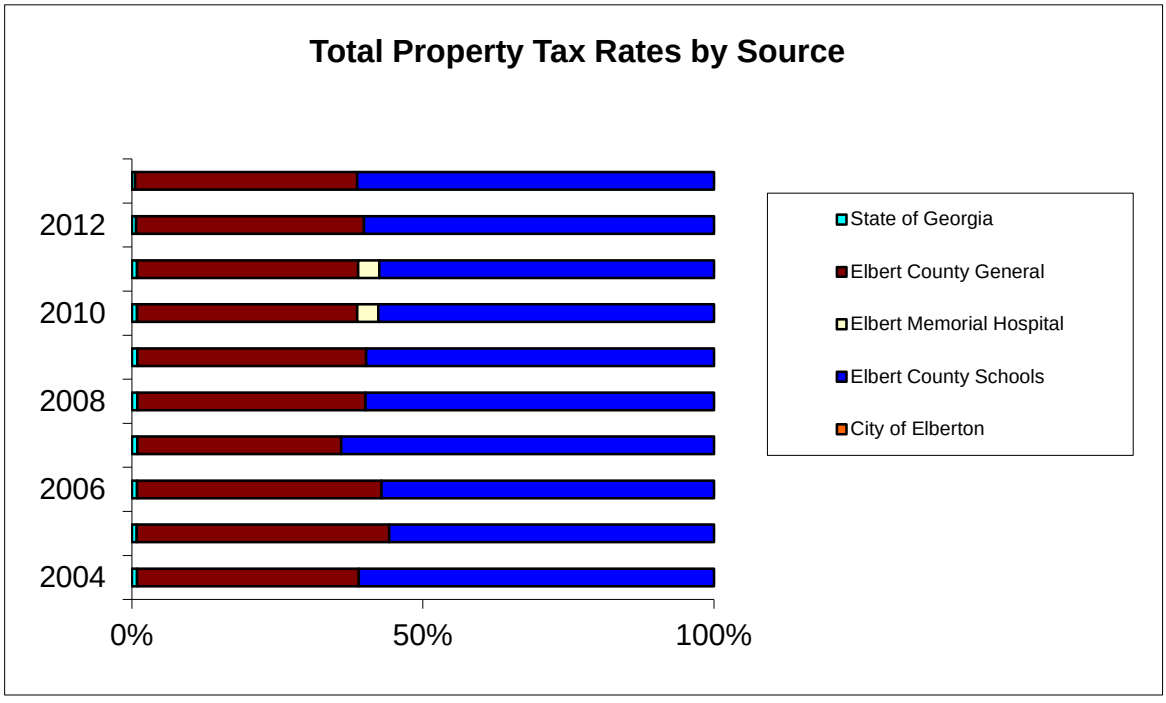
Total Property	Less: Exemptions	Total Taxable Property	Total Estimated Actual Value
105,175,370	(3,475,545)	101,699,825	262,938,425
111,467,609	(5,403,422)	106,064,187	278,669,023
113,156,358	(6,001,710)	107,154,648	282,890,895
116,778,032	(6,925,246)	109,852,786	291,945,080
120,333,554	(3,749,436)	116,584,118	300,833,885
122,016,538	(4,873,097)	117,143,441	305,041,345
120,214,661	(3,839,856)	116,374,805	300,536,653
126,549,038	(8,162,096)	118,386,942	316,372,595
121,178,741	(4,334,640)	116,844,101	302,946,853
121,344,641	(5,205,734)	116,138,907	303,361,603

City of Elberton, Georgia
Property Tax Rates
(per $1,000 of Assessed Value)
Digest Years 2004 - 2013

Calendar Year of Digest	State of Georgia	Elbert County (Incorporated area) Elbert County General	Elbert Memorial Hospital	Total County Tax Rate	Elbert County Schools	City of Elberton	Total Tax Rate
2004	0.25	10.40	0.00	10.40	16.65	0.00	27.30
2005	0.25	12.94	0.00	12.94	16.65	0.00	29.84
2006	0.25	11.94	0.00	11.94	16.23	0.00	28.42
2007	0.25	9.02	0.00	9.02	16.50	0.00	25.77
2008	0.25	10.50	0.00	10.50	16.01	0.00	26.76
2009	0.25	10.50	0.00	10.50	15.95	0.00	26.70
2010	0.25	10.50	1.00	11.50	16.00	0.00	27.74
2011	0.25	10.57	1.00	11.57	16.00	0.00	27.81
2012	0.20	10.44	0.00	10.44	16.06	0.00	26.70
2013	0.15	10.41	0.00	10.41	16.72	0.00	27.28

Source: Elbert County Tax Digest

Note (1): Tax rates are expressed in rate per $1,000.



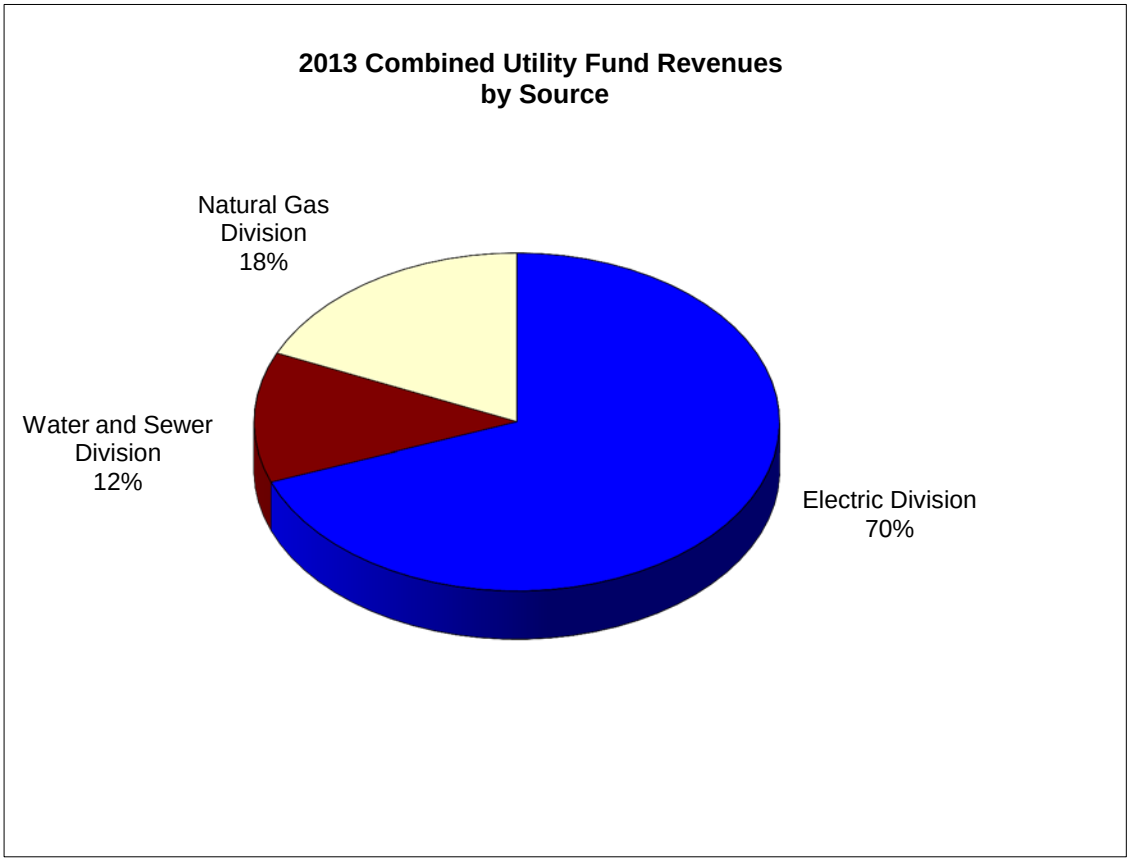
City of Elberton, Georgia

Combined Utility Fund Operating Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Electric Division	Water and Sewer Division	Natural Gas Utility Division	Telecom-munications Division (1)	Total
2004	11,411,614	2,383,173	4,984,242	550,539	19,329,568
2005	11,955,573	2,575,875	5,350,327	538,207	20,419,982
2006	12,913,109	2,655,824	6,236,693	0	21,805,626
2007	13,771,411	2,919,135	5,394,928	0	22,085,474
2008	14,542,456	2,899,814	5,637,193	0	23,079,463
2009	14,469,316	2,885,781	5,288,635	0	22,643,732
2010	15,577,263	2,861,000	4,806,629	0	23,244,892
2011	15,737,432	2,783,284	4,335,416	0	22,856,132
2012	15,573,869	2,823,743	3,444,888	0	21,842,500
2013	15,845,922	2,845,625	4,196,331	0	22,887,878

Note (1): In fiscal year 2006, the telecommunications division was combined with broadband cable services in a separate enterprise fund.



City of Elberton, Georgia

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities Capital Leases	Business-type Activities Water & Sewer Bonds	Business-type Activities Notes Payable	Business-type Activities Capital Leases	Total Primary Government	Percentage of Personal Income[1]	Per Capita [1]
2004	0	12,125,000	0	7,805,107	19,930,107	4.06%	4,225
2005	117,939 [3]	11,670,000	0	7,012,126	18,800,062	3.68%	3,988
2006	71,821	11,195,000	0	6,203,501	17,470,322	3.33%	3,709
2007	166,916 [4]	10,705,000	0	5,504,241	16,376,153	2.92%	3,509
2008	150,078	10,195,000	0	4,781,435	15,126,513	2.60%	3,311
2009	104,540	9,665,000	0	3,774,468	13,544,008	2.38%	2,979
2010	17,950	9,110,000	0	4,082,771 [2]	13,210,721	2.37%	2,841
2011	7,300	8,535,000	0	3,329,935	11,872,235	2.08%	2,553
2012	0	8,220,000	0	2,565,299	10,785,299	N/A	2,319
2013	565,162 [5]	7,500,000	0	1,917,369	9,982,531	N/A	2,219

N/A = information not available

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

Note (1): See the Demographic Statistics on exhibit I-14 for personal income and population information.

Note (2): Capital leases to finance the expansion of the broadband and cable television distribution system.

Note (3): Capital lease to purchase a new street sweeper for the public works department.

Note (4): Increase to capital leases due to two new leases through Georgia Municipal Association for vehicle purchases.

Note (5): Capital lease to purchase a new fire ladder truck for the fire department.

City of Elberton, Georgia
Computation of Legal Debt Margin
June 30, 2013

Net assessed value	$	116,138,907
Debt limit - 10% of total assessed value		11,613,891
Total General Obligation bonds outstanding		0
Legal debt margin	$	11,613,891
Ratio of Legal Debt Margin to Debt Limit		100.00%

Direct General Obligation and Guaranteed Revenue Debt Outstanding

			Debt per Capita	
General Obligation Debt	$	0	$	0
Guaranteed Revenue Debt:				
Series 2011 Combined Public Utility System Revenue Bonds		7,500,000		1,667
Total General Obligation and Guaranteed Revenue Debt	$	7,500,000	$	1,667

City of Elberton

Legal Debt Margin Information

Last Ten Fiscal Years

	FISCAL YEAR		
	2013	2012	2011
Debt Limit	$ 11,613,891	$ 11,684,410	$ 11,838,694
Total Net Debt applicable to limit	0	0	0
Legal debt margin	11,613,891	11,684,410	11,838,694
Ratio of Legal Debt Margin to Debt Limit	100%	100%	100%

FISCAL YEAR						
2010	2009	2008	2007	2006	2005	2004
$ 11,637,481	$ 11,714,344	$ 11,658,412	$ 10,985,279	$ 10,715,465	$ 10,606,419	$ 9,919,099
0	0	0	0	0	0	0
11,637,481	11,714,344	11,658,412	10,985,279	10,715,465	10,606,419	9,919,099
100%	100%	100%	100%	100%	100%	100%

City of Elberton, Georgia

Revenue Bond Coverage

2001 Series Bonds for Water & Sewer Division

2011 Series Bonds for Water & Sewer Division

Combined Public Utility System Fund

Last Ten Fiscal Years

Fiscal Years	Debt Service			Water & Sewer Division			
	Principal	Interest	Total	Gross Revenue	Operating Expense	Net Revenue	Debt Coverage
2004	445,000	566,149	1,011,149	2,383,173	1,742,960	640,213	0.63
2005	455,000	552,194	1,007,194	2,575,875	1,966,526	609,349	0.60
2006	475,000	536,839	1,011,839	2,655,824	2,230,100	425,724	0.42
2007	490,000	522,683	1,012,683	2,919,135	2,651,871	267,264	0.26
2008	510,000	504,532	1,014,532	2,899,814	2,300,512	599,302	0.59
2009	530,000	483,680	1,013,680	2,885,781	2,474,822	410,959	0.41
2010	555,000	459,515	1,014,515	2,861,000	2,468,746	392,254	0.39
2011	575,000	434,714	1,009,714	2,783,284	2,492,082	291,202	0.29
2012	605,000	364,467	969,467	2,823,743	2,569,179	254,564	0.26
2013	720,000	215,635	935,635	2,845,625	2,644,162	201,463	0.22

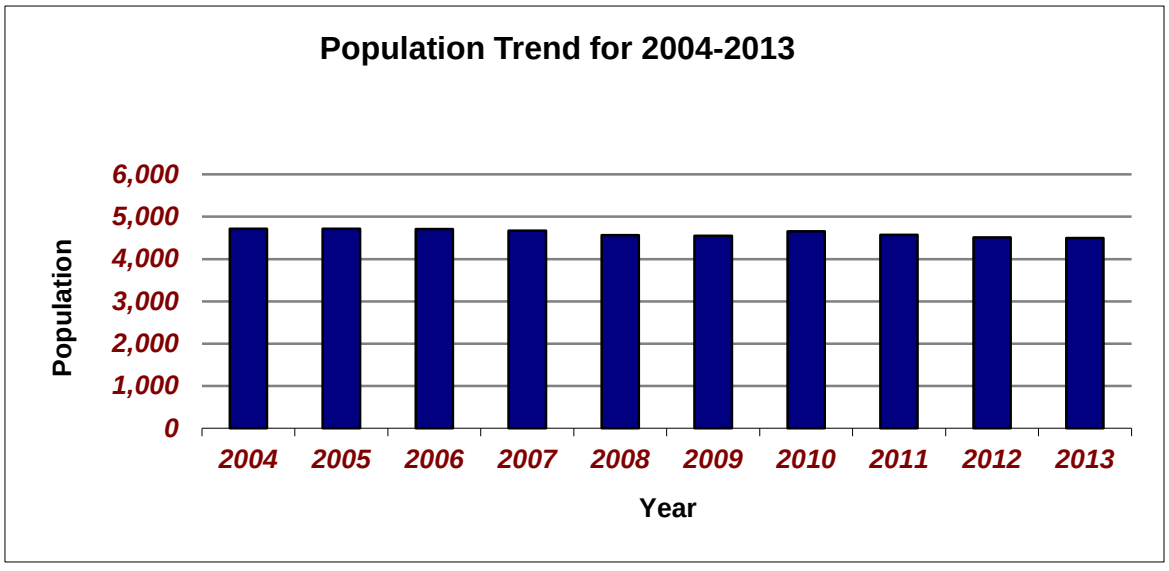
Combined Public Utility System Fund			
Gross Revenue	Operating Expense	Net Revenue	Debt Coverage
19,329,568	16,157,187	3,172,381	3.14
20,419,982	16,988,617	3,431,365	3.41
21,805,626	18,753,890	3,051,736	3.02
22,085,474	19,389,273	2,696,201	2.66
23,079,463	19,259,740	3,819,723	3.77
22,643,732	18,673,234	3,970,498	3.92
23,244,892	17,542,823	5,702,069	5.62
22,856,132	18,194,895	4,661,237	4.62
21,842,500	18,786,633	3,055,867	3.15
22,887,878	19,029,155	3,858,723	4.12

City of Elberton, Georgia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Unemployment Rate (2)	Median Household Income (3)	Per Capita Income (3)	Total Personal Income (4) (amounts in thousands)	School Enrollment (5)
2004	4,717	5.2%	30,322	23,712	490,680	3,704
2005	4,714	7.0%	30,871	24,813	510,982	3,588
2006	4,710	7.1%	32,287	25,396	523,946	3,481
2007	4,667	6.5%	33,344	27,281	560,650	3,437
2008	4,568	5.8%	34,986	28,375	581,038	3,358
2009	4,546	11.7%	32,865	28,008	569,548	3,424
2010	4,653	12.4%	30,543	27,754	558,390	3,341
2011	4,570	14.6%	N/A	27,713	570,984	3,278
2012	4,509	13.1%	N/A	N/A	N/A	3,220
2013	4,499	11.4%	N/A	N/A	N/A	3,105

(1) U. S. Census Bureau
(2) Georgia Department of Labor, for entire Elbert County
(3) U. S. Census Bureau, for entire Elbert County
(4) University of Georgia, Georgia Statistics System
(5) Elbert County Board of Education, for entire Elbert County

N/A = information not available



City of Elberton, Georgia

Principal Employers

For the Current Year and Nine Years Ago

	2013			2004		
Employer	Number of Employees (1)	Rank	Percentage of Total for Principal Employers	Number of Employees (2)	Rank	Percentage of Total for Principal Employers
Pilgrims Pride Corp	570	1	38.54%	552	1	32.88%
Star Granite Company	155	2	10.48%			
MollerTech South LLC	130	3	8.79%			
Elbert Memorial Hospital	112	4	7.57%			
Eagle Granite Company	97	5	6.56%			
Keystone Memorials	91	6	6.15%			
Pinnacle Bank	90	7	6.09%			
Everlasting Granite	86	8	5.81%			
Bubba Foods	79	9	5.34%	56	7	3.34%
Whilow Electric	69	10	4.67%	50	8	2.98%
Honeywell				427	2	25.43%
Glen Raven Mills				207	3	12.33%
Siegel Roberts, Inc				187	4	11.14%
Carlise Coating				70	5	4.17%
Turner Concrete				70	6	4.17%
Elberton Manufacturing				30	9	1.79%
IMEX				30	10	1.79%
Total for Principal Employers	1,479		100%	1,679		100%

Source:
(1) City of Elberton
(2) Elbert County Chamber of Commerce
Note: Governmental employers are not included in the ranking

City of Elberton

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	2013	2012	2011	2010	2009
Function					
Primary government					
General Government	5	5	6	7	8
Judicial	1	1	1	1	1
Public Safety					
Animal Control	1	1	1	1	1
Police	22	22	22	23	22
Fire	16	16	16	19	19
Public Works	12	14	14	14	15
Culture and Recreation	1	1	1	1	1
Housing and Development	2	2	2	2	2
Combined Public Utilities	46	47	48	48	48
ElbertonNET Technology Services	6	6	6	6	7
Solid Waste	12	11	11	11	11
Total primary government	124	126	128	133	135
Component unit					
Downtown Development Authority	1	1	1	1	1
Total employees	125	127	129	134	136

Source: City of Elberton Annual Budget

Full-time Equivalent Employees as of June 30				
2008	**2007**	**2006**	**2005**	**2004**
8	8	13	12	13
1	1	1	1	1
1	1	1	1	1
22	22	22	22	22
19	19	19	19	15
16	16	15	16	16
1	1	0	0	0
2	1	2	2	2
48	48	44	47	49
7	7	4	5	5
11	11	11	11	11
136	135	132	136	135
1	1	1	1	1
137	136	133	137	136

City of Elberton, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

Function	FISCAL YEAR 2013	2012	2011
Police			
Number of Citations	2,660	2,081	2,529
Number of Calls for Service	6,750	7,535	8,542
Fire			
Number of Calls Answered	238	204	295
Number of Inspections Conducted	465	212	288
Electrical Service:			
Number of customers	4,432	4,477	4,484
Kilowatt hours sold	150,210,061	150,187,217	149,315,808
Water & Sewer Service:			
Number of water customers	3,464	3,508	3,524
Gallons of water sold	440,791,336	460,021,368	451,648,930
Natural Gas Service:			
Number of customers	3,973	4,045	4,036
Cubic feet sold	394,789,619	331,140,000	374,576,000

Source: Various City Departments
N/A= Information is not available.

FISCAL YEAR						
2010	2009	2008	2007	2006	2005	2004
2,095	2,203	2,510	1,998	2,013	2,462	1,392
4,852	5,218	4,125	4,227	4,199	6,522	6,344
299	255	307	280	266	264	281
316	534	407	252	220	121	135
4,508	4,554	4,571	4,593	4,616	4,615	4,621
149,630,117	151,699,419	155,845,065	158,921,697	161,500,250	159,404,230	158,550,136
3,521	3,553	3,553	3,561	3,510	3,500	3,497
469,613,481	478,893,842	503,882,368	536,608,535	515,502,430	509,652,612	545,894,000
4,069	4,091	4,133	4,181	4,239	4,265	4,301
428,663,000	397,483,000	408,918,410	405,554,000	395,059,000	424,140,000	465,022,000

City of Elberton
Capital Asset Statistics by Function
Last Ten Fiscal Years

	FISCAL YEAR		
	2013 [3]	2012	2011 [2]
Function			
Public safety			
Number of police stations	1	1	1
Number of fire stations	1	1	1
Highways and streets			
Miles of streets	53	35	35
Culture and Recreation			
Parks	4	4	4
Park acreage	29.42	29.42	29.42
Baseball/Softball fields	4	4	4
Tennis courts	6	6	6
Community Playgrounds	4	4	4
Electrical System			
# of Substations	3	3	3
# of Circuits	12	12	12
Miles of Distribution Line	163	163	163
Water and Sewerage System			
(MGD - Millions of Gallons per Day)			
Water System:			
Miles of water mains	124	121	121
Number of water treatment plants	1	1	1
Maximum daily capacity of treatment plants in gallons	3MGD	3MGD	3MGD
Sewer System:			
Miles of sanitary sewers	69	68	68
Number of wastewater treatment plants	2	2	2
Maximum daily capacity of treatment plant in gallons	1.5MGD	1.5MGD	1.5MGD
Natural Gas System			
Number of regulator stations	7	7	7
Miles of natural gas lines	195	192	192
Broadband System			
Miles of fiber optics	110	104	99
Miles of coaxial cable	184	165	151
Number of active nodes	27	25	24

Source: Various City Departments.

Note 1: No capital asset indicators are available for the general government function.

Note 2: Miles of gas, water and santiary sewer mains were verified and updated in 2011 utilizing new GIS software. Actual extensions did not occur in 2011.

Note 3: Miles of city streets were verified and updated in 2013 utilizing new GIS software. Actual extensions did not occur in 2013

FISCAL YEAR						
2010	2009	2008	2007	2006	2005	2004
1	1	1	1	1	1	1
1	1	1	1	1	1	1
35	35	35	35	35	35	35
4	4	4	4	4	4	4
29.42	29.42	29.42	29.42	29.42	29.42	29.42
4	4	4	4	4	4	4
6	6	6	6	6	6	6
3	3	3	3	2	2	2
3	3	3	3	3	3	3
12	12	11	11	11	11	11
163	163	162	162	162	162	162
107	107	107	107	104	104	103
1	1	1	1	1	1	1
3MGD	3MGD	3MGD	3MGD	3MGD	3MGD	3MGD
62	62	62	62	62	62	62
2	2	2	2	2	2	2
1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD
7	7	7	7	7	7	7
182	181	181	181	169	169	169
95	70	65	65	65	65	65
151	106	96	92	92	92	92
22	15	14	14	14	14	14

City of Elberton, Georgia
Property Value - Construction
Last Ten Fiscal Years

Fiscal Year	Number of Permits	Estimated Construction Costs
2004	250	1,911,519
2005	305	4,430,762
2006	210	2,802,569
2007	289	3,973,644
2008	411	3,077,483
2009	450	3,398,222
2010	197	7,445,351
2011	188	1,419,547
2012	122	2,916,596
2013	92	1,770,712

Source: City of Elberton Building Inspection Office

City of Elberton, Georgia
Miscellaneous Statistics
June 30, 2013

Date of incorporation	December 10, 1803
Form of government	Mayor--Council--Manager
Population (Census 2010)	4,653
Area	3.5 square miles
Fire protection:	
Number of certified firefighters	17
Police protection:	
Number of sworn police officers	21
Education:	
Elementary schools (PreK - 5)	2
Number of teachers	58
Number of students	846
Middle schools (6 - 8)	1
Number of teachers	70
Number of students	891
High schools (9 - 12)	1
Number of teachers	70
Number of students	808
Schools of post-secondary education	1
Recreation and Culture:	
Libraries	1
Recreation centers	4
Municipal cemeteries	2
Total acreage	24.10
Number of employees:	
Full-time	125
Part-time	8

Source: Various city departments and local institutions

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Part IV

Other Reporting Section

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RUSHTON & COMPANY

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance with *Government Auditing Standards*

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

We have audited, audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elberton, Georgia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City of Elberton, Georgia's the basic financial statements and have issued our report thereon dated November 8, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Elberton, Georgia's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Elberton's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Elberton's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Elberton, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 8, 2012

CITY OF ELBERTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2013

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2006 SPLOST					
Infrastructure Improvements	$ 830,000	$ 830,000	$ 896,555	$ 11,446	$ 908,001
Elbert Theatre Improvements	145,000	145,000	283,997	2,434	286,431
Public Safety Building Improvements and Equipment	525,000	525,000	844,516	0	844,516
Water and Sewer Distribution System Improvements	1,400,000	1,400,000	1,444,961	106,998	1,551,959
Total	$ 2,900,000	$ 2,900,000	$ 3,470,029	$ 120,878	$ 3,590,907
Current year expenditures				$ 120,878	
Expenditures financed through other revenues and transfers from other funds				0	
Total expenditures of the 2006 SPLOST Capital Projects Fund				$ 120,878	
2011 SPLOST					
Infrastructure Improvements	$ 358,000	$ 358,000	$ 0	$ 17,696	$ 17,696
Recreation Facilities and Equipment	595,000	595,000	31,586	14,900	46,486
Downtown Elberton Revitalization	300,000	300,000	199,548	0	199,548
Public Safety Equipment	750,000	750,000	51,431	86,649	138,080
Public Works Equipment	125,000	125,000	0	41,211	41,211
Broadband Distribution System Improvements	350,000	350,000	31,284	293,572	324,856
Water and Sewer Distribution System Improvements	1,350,000	1,350,000	0	63,000	63,000
Total	$ 3,828,000	$ 3,828,000	$ 313,849	$ 517,028	$ 830,877
Current year expenditures				$ 517,028	
Expenditures financed through other revenues, financing sources, and transfers from other funds				569,774	
Total expenditures of the 2011 SPLOST Capital Projects Fund				$ 1,086,802	

* Estimated cost represents the portion of these projects to be financed with Special Purpose Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

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