

City of Elberton, Georgia

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2014

Prepared by:

Department of Finance

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Part I

Introductory Section

CITY OF ELBERTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2014

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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, 2013

Executive Director/CEO

CITY OF ELBERTON, GEORGIA

CITY OFFICIALS

June 30, 2014

MAYOR
Larry L. Guest

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

CITY MANAGER
Lanier W. Dunn, CPA

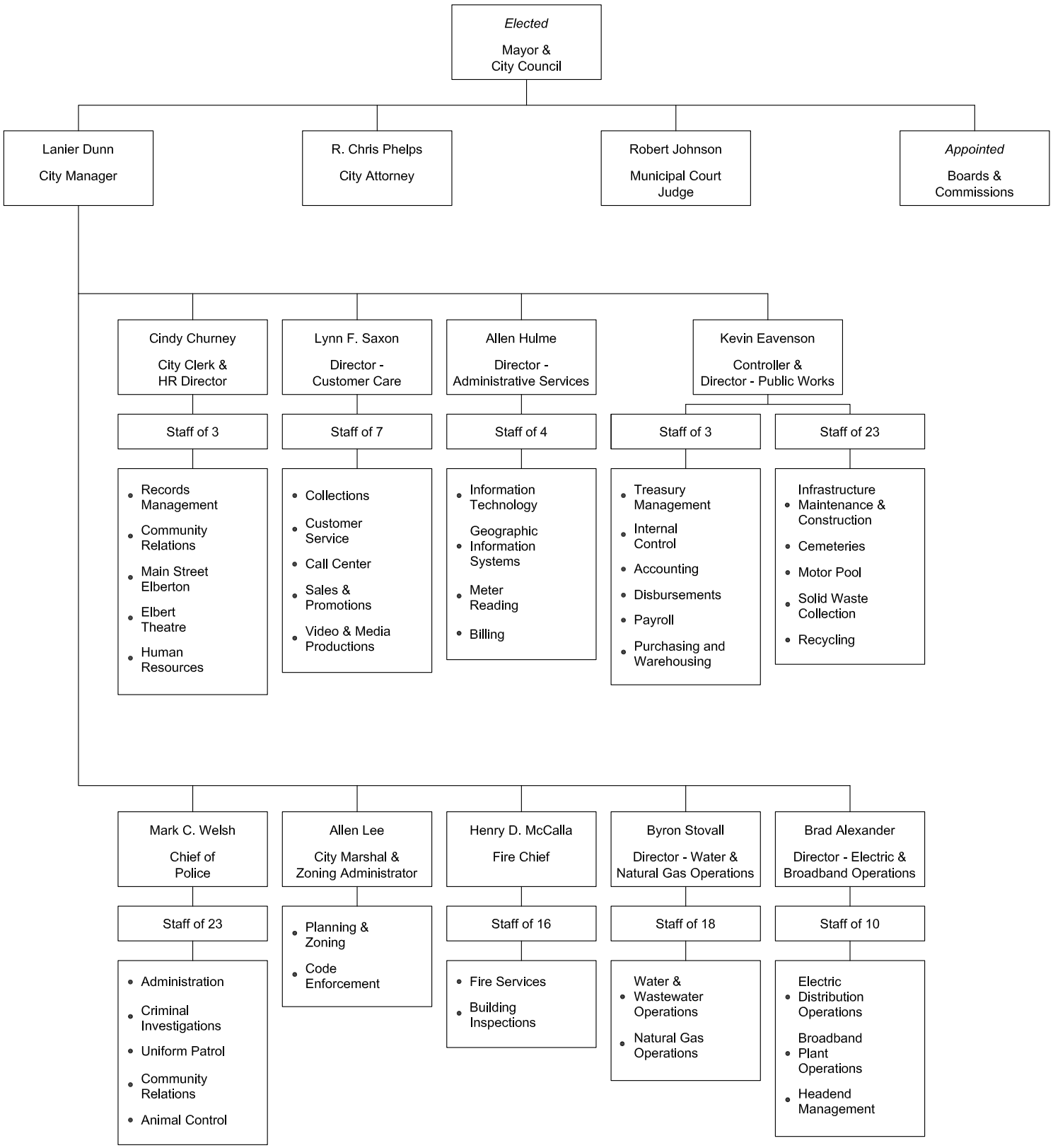
CITY ATTORNEY
R. Chris Phelps

MUNICIPAL COURT JUDGE
Robert A. Johnson

City of Elberton, Ga.

Organizational Chart

as of June 30, 2014



CITY OF ELBERTON
P. O. Box 70
230 N. McIntosh Street
ELBERTON, GA 30635
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November 6, 2014

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, 2014, 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 nearly twenty 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 2014.

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 six years in the City of Elberton. The proceeds from the 2011 special purpose local option sales tax are scheduled to conclude in June of 2017. Several capital projects during fiscal year 2014 were funded by the 2011 sales tax. Included in these projects were the completion of the Prince Street storm water improvement and paving project. Additionally, the City began the renovation of the Elberton Arts Center which will be completed in fiscal year 2015.

The divisions of Elberton Utilities initiated several projects in fiscal year 2014 that are part of long term renewal plans. The electric division began a system protection and coordination project to increase the safety, longevity and reliability of the city's electric grid. The water division started an extensive system-wide upgrade project to include residential and commercial water meter replacement. The meter replacement project will increase the accuracy and reliability of metering water sales. The water division began to replace a significant section of water main on Hartwell Highway and add another portion of water main on Martin Luther King, Jr. Boulevard. The final upgrade to the City water system will include general renovations and improvements at the water filter plant.

ElbertonNET continued to expand the current network by extending service to several areas of the county. Expansion projects in the Athens Highway, Nickville Road, Bowman Highway and Dewy Rose communities were completed in fiscal year 2014. Additionally, ElbertonNET added new headend equipment 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, 2013, for the eleventh 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

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Part II

Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying 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, 2014, 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, 2014, and the respective changes in the financial position and, where applicable, cash flows thereof, and the 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 combining and individual fund financial statements and schedules, and the special purpose local option sales tax report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements.

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

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, 2013, which are not presented with the accompanying financial statements. In our report dated November 8, 2013, 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's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2013 financial statements are presented for the purposes of additional analysis and are not a required part of the financial statements.

The individual fund financial statements and schedules related to the 2013 financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 2013 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 6, 2014, on our consideration of the City of Elberton, Georgia's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Elberton's internal control over financial reporting.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 6, 2014

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ELBERTON, GA 30635
Phone: 706-213-3100
Fax: 706-213-3125

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, 2014. 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 $34.6 million (reported as "*net position*"). Of this amount, $8.7 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 $2,858,335 as a result of this year's activities.
- The City's governmental funds report combined ending fund balances of $1,932,870. Approximately 37% of this amount, $706,758, 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 $28.9 million at the end of the fiscal year, an increase of $2,676,028 as a result of the current year's operations.
- The City's liabilities totaled $12.5 million on June 30, 2014. Most of these liabilities (72% or $8.9 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 15-17 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 30-66 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.

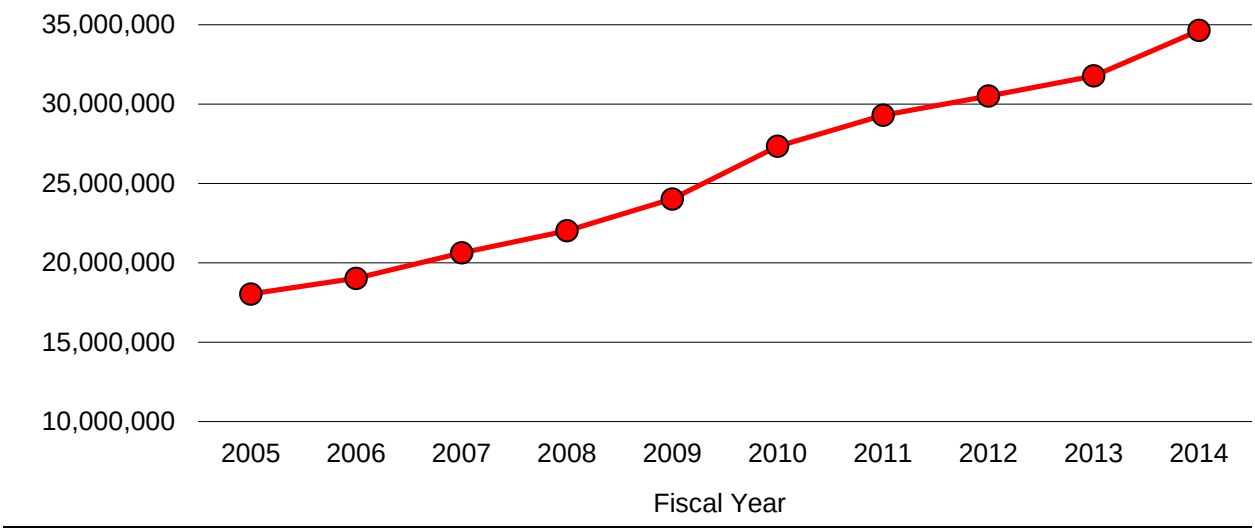
GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 $34,628,798 at the close of the most recent fiscal year.

City of Elberton
Net Position as of June 30, 2014 and 2013
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Current and Other Assets	$ 2,138	$ 1,892	$ 13,511	$ 11,225	$ 15,649	$ 13,117
Net Capital Assets	4,746	4,854	26,723	26,821	31,469	31,675
Total Assets	6,884	6,746	40,234	38,046	47,118	44,792
Long-term Liabilities	753	824	7,449	7,872	8,202	8,696
Other Liabilities	365	338	3,924	3,988	4,289	4,326
Total Liabilities	1,118	1,162	11,373	11,860	12,491	13,022
Net investment in capital assets	4,230	4,289	17,878	17,350	22,108	21,639
Restricted Net Position	1,067	883	2,703	2,318	3,770	3,201
Unrestricted Net Position	469	412	8,281	6,518	8,750	6,930
Total Net Position	$ 5,766	$ 5,584	$ 28,862	$ 26,186	$ 34,628	$ 31,770

Total Net Position – Ten Fiscal Years



The largest portion of the City's net position (64%) 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 $3,769,880 is constrained by legal requirements and is not available for day-to-day operations of the City. The remaining balance of *unrestricted net position* ($8,751,021) 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 $8,281,490

at the end of the fiscal year. The portion of unrestricted net position resulting from the City's governmental activities was $469,531 at the close of the fiscal year.

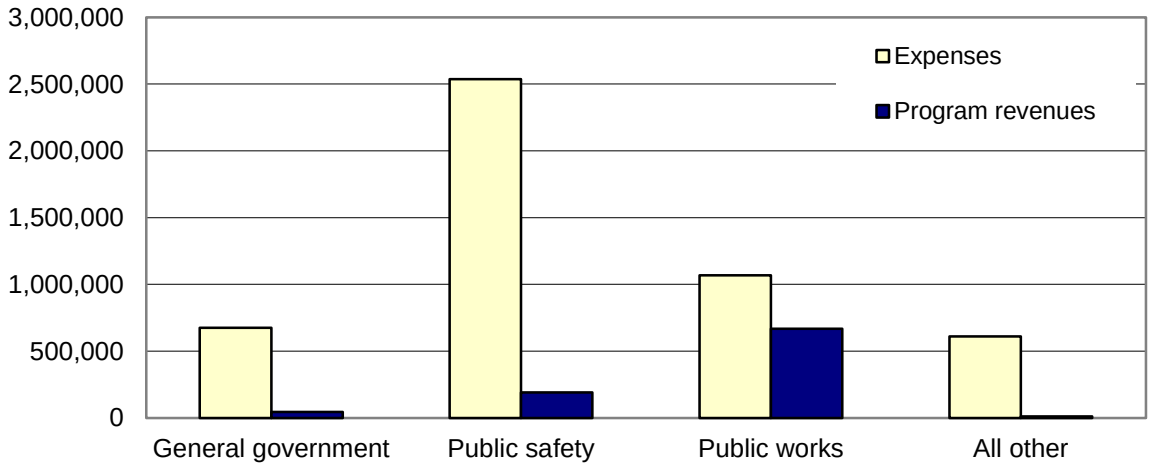
The City's net position increased by $2,858,335 during the current fiscal year. Governmental activities resulted in an increase in net position of $182,307 while business-type activities resulted in an increase of net position of $2,676,028. The following table was derived from the government-wide Statement 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, 2014 and 2013
(in Thousands)

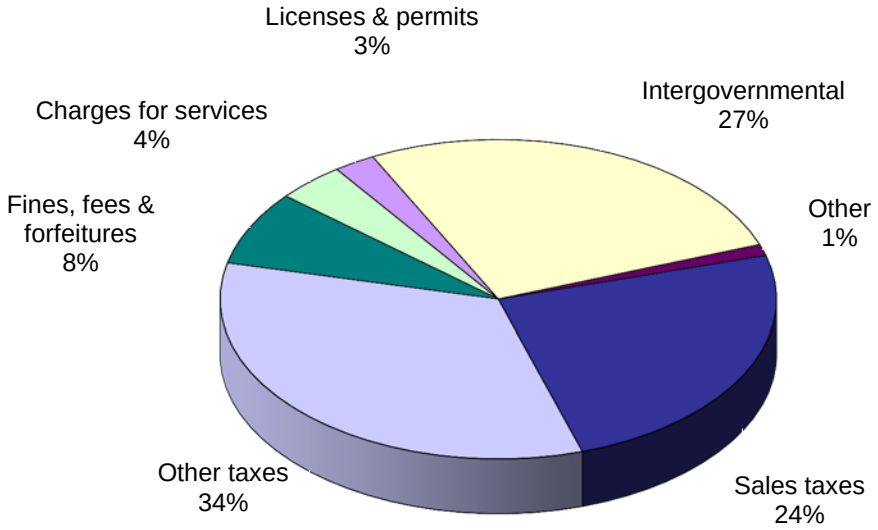
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	$ 312	$ 313	$ 27,943	$ 26,721	$ 28,255	$ 27,034
Operating Grants and Contributions	0	34	0	0	0	34
Capital Grants and Contributions	604	580	138	0	742	580
General Revenues:						
Taxes	1,304	1,252	0	0	1,304	1,252
Interest and Investment Earnings	2	2	135	86	137	88
Net change in the value of investments	0	0	74	(128)	0	0
Miscellaneous	24	19	14	33	38	52
Total Revenues	2,246	2,200	28,304	26,712	30,476	29,040
Expenses:						
General Government	674	657	0	0	674	657
Judicial	106	108	0	0	106	108
Public Safety	2,539	2,477	0	0	2,539	2,477
Public Works	1,067	1,151	0	0	1,067	1,151
Health and Welfare	58	67	0	0	58	67
Culture and Recreation	175	186	0	0	175	186
Housing and Development	259	250	0	0	259	250
Interest on long-term debt	11	9	0	0	0	9
Combined Public Utilities	0	0	18,925	18,775	18,925	18,775
ElbertonNET Technology Services	0	0	3,041	2,856	3,041	2,856
Industrial Park	0	0	0	0	0	-
Solid Waste	0	0	837	778	837	778
Total Expenses	4,889	4,905	22,803	22,409	27,681	27,314
Indirect Cost Allocation	(619)	(680)	619	680	-	0
Increase (Dec) in Net Position Before Transfers	(2,024)	(2,025)	4,882	3,623	2,795	1,726
Transfers	2,206	1,819	(2,206)	(1,819)	0	0
Change in Net Position	182	(206)	2,676	1,804	2,858	1,598
Net Position - July 1	5,584	5,790	26,186	24,715	31,770	30,505
Prior Period Adjustments	0	0	0	(333)	0	(333)
Net Position - June 30	$ 5,766	$ 5,584	$ 28,862	$ 26,186	$ 34,628	$ 31,770

Governmental Activities. Governmental activities increased the net position of the City by $182,307. Revenues for the City's governmental activities increased by 2.1% ($44,584) over fiscal year 2013. Expenses for governmental activities decreased by 0.5% ($17,877) during fiscal year 2014.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities



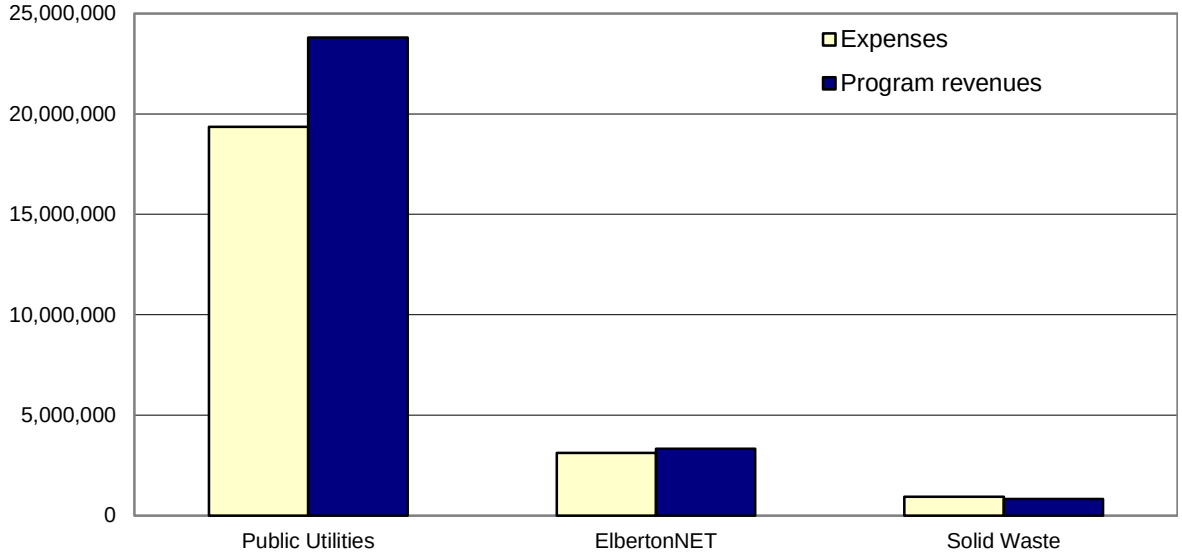
Business-type activities. Business-type activities increased the City's net position by $2,676,028. Key elements of this increase are as follows:

- Sales for business-type activities were $27.9 million, which was an increase of $1,219,332 over the prior fiscal year sales.
- Sales in the combined public utility fund for electric, water, sewer, and natural gas services increased by $916,985 or 4.0% over last fiscal year. Electric sales increased 1.1%, natural gas sales increased by 16.9%, and water/sewer sales increased by 1.5%. Natural gas sales increased due to a 14% increase in units sold compared to the previous year. This increase

was primarily due to an increase in consumption during the winter of 2014 over the winter of 2013 which is the second consecutive year for increased consumption due to colder winters.

- Income in the combined public utility fund before transfers to the general fund was $4.8 million, or 33% higher than last year's income of $3.6 million. Again, this increase is primarily attributed a colder winter in 2014 compared to the more normal winter of 2013 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 $3,329,343, an increase of 6.7% over the prior year sales of $3,121,582. This was primarily due to the increase in the customer base from the expansion into the northern and western portions of Elbert County and a continued effort in recruitment of customers in existing service territory.
- Sales for the Solid Waste operations increased by $94,586, a 13.0% increase 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 four governmental funds: the general 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 $853,017, an increase of $16,843 or 2.1% in comparison with the prior year. Approximately 83% of this amount ($706,758) 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 15.7% 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 $2,382,500 which is $100,000 more than the transfer in fiscal year 2013.

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.

	Combined Public Utility System	ElbertonNET Tech Services	Solid Waste	Total
Operating Revenues	$ 23,804,863	$ 3,329,343	$ 822,177	$ 27,956,383
Operating Expenses	19,158,536	3,059,311	939,994	23,157,841
Operating income (loss)	4,646,327	270,032	(117,817)	4,798,542
Non-operating income (loss)	7,553	(61,948)	(696)	(55,091)
Capital Contributions	138,067	0	0	138,067
Transfers in (out)	(2,620,490)	300,000	115,000	(2,205,490)
Change in net position	2,171,457	508,084	(3,513)	2,676,028
Net Position, July 1	26,057,686	115,485	13,022	26,186,193
Net Position, June 30	$ 28,229,143	$ 623,569	$ 9,509	$ 28,862,221

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 $115,000 between the original budget and the final amended budget. This was to account for a one-time transfer from the general fund to the solid waste fund to ensure a positive net position in the solid waste fund at the end of the fiscal year.

General fund revenues ended the year at 1.1%, or $23,152, above budget. Additionally, expenditures in the general fund were $102,896, or 2.3%, 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, 2014, totals $31,470,089 (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 $1,700,759 in new capital assets. Investment for business-type activities totaled $1,385,949 while $314,810 was for governmental activities. Major capital asset events during the current fiscal year included the following:

Governmental Activities - $314,810 total

- $1,215 for the purchase of land at the rear of the Utility Complex
- $2,075 for the purchase of land adjoining the Recycling Center
- $28,367 for a capital refurbishment of the street sweeper
- $19,788 for the purchase of a new service truck for the public works department
- $194,808 on construction of the Elberton Arts Center renovation project
- $63,557 to complete construction of storm water improvements and paving on Prince Street
- $5,000 to begin architectural work on the Samuel Elbert Hotel renovation project

Business-type Activities – $1,385,949 total

- $16,446 for a new pitched roof at the Falling Creek wastewater treatment plant
- $11,000 to re-shingle the roof at the water filter plant
- $32,685 to begin renovations and improvements on the water filter plant
- $32,685 to begin water system improvement projects including a water main extension on Hartwell Highway and a water main addition on Martin Luther King, Jr. Blvd.
- $629,188 to begin the water meter replacement project
- $65,500 to complete the new sewer SCADA system project
- $4,010 to begin construction on the Mill Street sewer rehabilitation project
- $3,462 for completion of electric system improvements and rehabilitation project on Hartwell Highway
- $61,018 for electric system improvements including line coordination and equipment protection of substation circuits #1 and #2
- $22,307 for the purchase of fiber splicing equipment for ElbertonNET
- $49,944 for the installation of new headend equipment for ElbertonNET
- $457,704 for ElbertonNET projects including expansion into the Athens Highway, Nickville Road, Pulliam Mill Road, Bowman Highway, and Dewy Rose communities.

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 $6,760,000. 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, 2014 was $2,072,179.

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 Notes 9 and 10 on pages 51-55 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The national and state economy remained stable in fiscal year 2014 with little growth over the prior year. Sales taxes for fiscal year 2014 declined as in the prior four years. However, the local unemployment rate decreased to 9.2% in 2014 from 11.4% in 2013.

During 2014 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 six fiscal periods including fiscal year 2014 and the new fiscal year 2015.

The overall City budget for fiscal year 2015 decreased by 0.9% under fiscal year 2014. No fee increases were included for the general fund. However, the rate schedule for the City's solid waste service was reviewed in preparation for the fiscal year 2015 budget. Residential solid waste rates and commercial solid waste rates will increase due to increases in operating costs, and will also be adjusted for capital replacement of two garbage trucks. Rates for water and sewerage services will increase by 5%. 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, 2014

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash	$ 1,225,249	$ 1,602,852	$ 2,828,101	$ 12,553
Certificates of deposit	0	120,000	120,000	0
Investments	0	5,283,160	5,283,160	0
Restricted assets				
Cash	25	522,438	522,463	0
Investments	0	2,988,926	2,988,926	0
Receivables (net)				
Accounts	7,623	2,529,870	2,537,493	0
Taxes	56,141	0	56,141	0
Intergovernmental	91,391	11,192	102,583	0
Interest	833	306	1,139	0
Notes	55,500	0	55,500	0
Prepaid items	121,701	0	121,701	2,250
Inventories	24,533	585,110	609,643	0
Internal balances	154,992	(154,992)	0	0
Other current assets	0	22,177	22,177	0
Total current assets	1,737,988	13,511,039	15,249,027	14,803
Noncurrent assets				
Notes receivable	400,000	0	400,000	0
Capital assets				
Non-depreciable	812,659	1,612,711	2,425,370	40,000
Depreciable (net)	3,933,727	25,110,992	29,044,719	538,831
Total noncurrent assets	5,146,386	26,723,703	31,870,089	578,831
Total assets	6,884,374	40,234,742	47,119,116	593,634
LIABILITIES				
Current liabilities				
Payables				
Accounts	73,318	1,412,876	1,486,194	1,150
Intergovernmental	0	21,040	21,040	0
Retainages	0	55,959	55,959	0
Sales tax	0	64,626	64,626	0
Interest	0	1,924	1,924	833
Unearned revenue	55,100	0	55,100	0
Accrued salaries and expenses	60,599	42,561	103,160	0
Compensated absences	102,471	102,889	205,360	0
Customer deposits payable	0	1,833	1,833	0
Other current liabilities	16,101	26,341	42,442	0
Notes payable	0	0	0	90,965
Capital lease payable	57,151	660,951	718,102	0
Liabilities payable from restricted assets				
Customer deposits payable	0	675,786	675,786	0
Interest payable	0	92,105	92,105	0
Bonds payable	0	765,000	765,000	0
Total current liabilities	364,740	3,923,891	4,288,631	92,948

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	$ 43,914	$ 44,095	$ 88,009	$ 0
Contractual liability	257,102	0	257,102	0
Notes payable	0	507,499	507,499	494,812
Capital lease payable	452,041	902,036	1,354,077	0
Bonds payable	0	5,995,000	5,995,000	0
Total noncurrent liabilities	753,057	7,448,630	8,201,687	494,812
Total liabilities	1,117,797	11,372,521	12,490,318	587,760
NET POSITION				
Net investment in capital assets	4,230,037	17,877,860	22,107,897	(6,946)
Restricted for:				
MEAG Generation Trust	0	2,313,140	2,313,140	0
Public Safety	25	0	25	0
Housing and development	480,000	0	480,000	0
Capital outlay	586,984	0	586,984	0
Debt service	0	389,731	389,731	0
Unrestricted	469,531	8,281,490	8,751,021	12,820
Total net position	$ 5,766,577	$ 28,862,221	$ 34,628,798	$ 5,874

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2014

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	$ 673,908	$ (477,578)	$ 45,358	$ 0	$ 0	$ (150,972)
Judicial	106,386	0	0	0	0	(106,386)
Public Safety	2,539,385	0	191,337	2,852	92,664	(2,252,532)
Public Works	1,067,150	(141,520)	65,170	0	336,591	(523,869)
Health and Welfare	58,144	0	0	0	0	(58,144)
Culture and Recreation	174,478	0	0	0	173,005	(1,473)
Housing and Development	259,179	0	10,495	0	0	(248,684)
Interest on long-term debt	11,278	0	0	0	0	(11,278)
Total governmental activities	4,889,908	(619,098)	312,360	2,852	602,260	(3,353,338)
Business-type activities						
Combined Public Utilities						
Electric	12,991,858	212,571	16,005,007	0	0	2,800,578
Water and Sewer	2,740,178	118,470	2,887,595	0	138,067	167,014
Natural Gas	3,193,275	103,949	4,899,169	0	0	1,601,945
ElbertonNET Technology Services	3,040,601	80,701	3,328,687	0	0	207,385
Solid Waste	837,283	103,407	822,177	0	0	(118,513)
Total business-type activities	22,803,195	619,098	27,942,635	0	138,067	4,658,409
Total primary government	27,693,103	0	28,254,995	2,852	740,327	1,305,071
Component Unit						
Downtown Development Authority	117,870	0	10,893	0	0	(106,977)

	Governmental Activities	Business-Type Activities	Total	Component Unit
Change in net position				
Net (expense) revenue	$ (3,353,338)	$ 4,658,409	$ 1,305,071	$ (106,977)
General revenues				
Taxes				
Title ad valorem	105,085	0	105,085	0
Sales	550,972	0	550,972	0
Franchise	89,389	0	89,389	0
Occupational	125,781	0	125,781	0
Insurance premium	240,020	0	240,020	0
Alcoholic beverage	142,639	0	142,639	0
Hotel/Motel	46,283	0	46,283	0
Other	4,096	0	4,096	0
Interest and investment earnings	2,117	135,465	137,582	1
Net increase (decrease) in the fair value of investments	0	73,896	73,896	0
Payments from City of Elberton	0	0	0	90,400
Miscellaneous	23,773	13,748	37,521	16,863
Transfers	2,205,490	(2,205,490)	0	0
Total general revenues and transfers	3,535,645	(1,982,381)	1,553,264	107,264
Change in net position	182,307	2,676,028	2,858,335	287
Net position - beginning	5,584,270	26,186,193	31,770,463	5,587
Net position - ending	$ 5,766,577	$ 28,862,221	$ 34,628,798	$ 5,874

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	General	Nonmajor Governmental Funds	Totals
ASSETS			
Cash	$ 563,972	$ 661,278	$ 1,225,250
Restricted assets			
Cash	25	0	25
Receivables (net)			
Accounts	7,622	0	7,622
Taxes	53,271	2,869	56,140
Intergovernmental	0	91,391	91,391
Notes	55,500	400,000	455,500
Interest	833	0	833
Prepaid items	121,701	0	121,701
Inventories	24,533	0	24,533
Due from other funds	283,421	0	283,421
Total assets	$ 1,110,878	$ 1,155,538	$ 2,266,416
LIABILITIES			
Accounts payable	$ 66,160	$ 7,157	$ 73,317
Accrued salaries and payroll liabilities	60,600	0	60,600
Unearned revenue	0	55,100	55,100
Due to other funds	115,000	13,428	128,428
Other liabilities	16,101	0	16,101
Total liabilities	257,861	75,685	333,546
FUND BALANCES			
Nonspendable:			
Inventory	24,533	0	24,533
Prepaid items	121,701	0	121,701
Restricted for:			
Public Safety	25	0	25
Housing and Development	0	480,000	480,000
Capital projects	0	586,984	586,984
Assigned for:			
Housing and Development	0	2,869	2,869
Capital projects	0	10,000	10,000
Unassigned	706,758	0	706,758
Total fund balances	853,017	1,079,853	1,932,870
Total liabilities and fund balances	$ 1,110,878	$ 1,155,538	$ 2,266,416

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, 2014

Total fund balance - total governmental funds		$ 1,932,870
Some assets are not financial resources and, therefore, are not reported in the funds.		
These are:		
Capital assets, net of accumulated depreciation		4,746,386
Long-term liabilities are not due and payable in the current period and are not reported in the funds.		
These are:		
Compensated absences	$ (146,385)	
Capital leases payable	(509,192)	
Contractual liability	(257,102)	(912,679)
Net position of governmental activities		$ 5,766,577

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, 2014

	General	Nonmajor Governmental Funds	Totals
REVENUES			
Taxes	$ 1,257,982	$ 46,282	$ 1,304,264
Licenses and permits	54,238	0	54,238
Fines, fees and forfeitures	169,016	0	169,016
Charges for services	708,204	0	708,204
Intergovernmental	15,928	588,600	604,528
Interest	2,117	232	2,349
Contributions	352	0	352
Other	13,968	0	13,968
Total revenues	2,221,805	635,114	2,856,919
EXPENDITURES			
Current			
General Government	651,547	0	651,547
Judicial	105,292	0	105,292
Public Safety	2,364,581	0	2,364,581
Public Works	982,393	0	982,393
Health and Welfare	58,144	0	58,144
Culture and Recreation	123,278	0	123,278
Housing and Development	222,203	22,650	244,853
Capital outlay	0	265,348	265,348
Debt service	0	67,248	67,248
Total expenditures	4,507,438	355,246	4,862,684
Excess (deficiency) of revenues over (under) expenditures	(2,285,633)	279,868	(2,005,765)
Other financing sources (uses)			
Transfers in	2,407,670	1,319	2,408,989
Transfers out	(115,000)	(88,499)	(203,499)
Sale of capital assets	9,806	0	9,806
Total other financing sources (uses)	2,302,476	(87,180)	2,215,296
Net change in fund balance	16,843	192,688	209,531
Fund balances, July 1	836,174	887,165	1,723,339
Fund balances, June 30	$ 853,017	$ 1,079,853	$ 1,932,870

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, 2014

Net change in fund balances - total governmental funds		$ 209,531
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	$ 314,810	
Depreciation	(422,914)	(108,104)
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term		
Proceeds from debt issuance	$ 0	
Debt repayments	55,970	55,970
Payments of contractual liabilities are an expenditure in the governmental funds, but the payments reduce long-term liabilities in the statements of net position.		
Payment of contractual liabilities		8,775
Some expenses reported in the statements of activities do not require the use of current finanacial resources and are not reported as expenditures in the governmental funds.		
Change in compensated absences		16,135
Change in net position of governmental activities		$ 182,307

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, 2014

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 1,105,000	$ 1,197,000	$ 1,257,983	$ 60,983
Licenses and permits	167,500	75,500	54,238	(21,262)
Fines, fees and forfeitures	202,400	200,800	169,016	(31,784)
Charges for services	705,753	710,753	708,204	(2,549)
Intergovernmental	10,000	0	15,928	15,928
Interest	2,500	2,500	2,117	(383)
Contributions	0	0	352	352
Other	5,500	12,100	13,978	1,878
Total revenues	2,198,653	2,198,653	2,221,816	23,163
EXPENDITURES				
Current				
General Government				
Mayor and Council	124,329	128,129	128,075	54
City Manager's Office	134,681	132,681	131,285	1,396
Finance	192,000	192,900	193,285	(385)
Human Resources	57,527	57,527	53,824	3,703
City Clerk	83,806	84,436	84,784	(348)
Elections	1,250	1,250	929	321
City Attorney	18,649	16,649	14,023	2,626
City Hall Maintenance	42,492	45,392	45,345	47
Judicial				
Municipal Court	103,890	103,890	105,294	(1,404)
Public Safety				
Police - Administration	335,794	359,894	360,264	(370)
Police - Uniform Division	923,729	893,729	893,394	335
Police - Criminal Investigations	136,726	136,726	127,144	9,582
Police - Community Relations	64,361	64,361	53,498	10,863
Police - Detention	42,500	23,500	23,374	126
Fire	871,664	871,664	854,060	17,604
Animal Control	54,625	54,625	52,849	1,776
Public Works				
Administrative	142,721	154,371	150,275	4,096
Infrastructure Maintenance	341,982	386,482	387,482	(1,000)
Parks and Rights-of-Way	53,400	57,850	57,801	49
Motor Pool	176,898	154,898	153,551	1,347
Street Lighting	18,000	18,000	14,663	3,337
Street Sweeper	0	34,200	34,168	32
Cemetery	172,236	184,136	184,457	(321)
Health and Welfare				
Agency allocations	67,000	67,000	58,144	8,856
Culture and Recreation				
Elbert Theatre	75,746	75,746	55,777	19,969
Agency allocations	67,500	67,500	67,500	0
Housing and Development				
Zoning/Special Projects	68,216	63,686	61,946	1,740
Code Enforcement	151,919	92,419	73,859	18,560
Economic Development	62,693	86,693	86,400	293
Total expenditures	4,586,334	4,610,334	4,507,448	102,886

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, 2014

	Budget			Variance with Final
	Original	Final	Actual	Budget
Excess (deficiency) of revenues over (under) expenditures	$ (2,387,681)	$ (2,411,681)	$ (2,285,633)	$ 126,048
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,407,500	2,407,500	2,407,670	170
Transfers out	(24,000)	0	(115,000)	(115,000)
Sales of capital assets	10,000	10,000	9,806	(194)
Contingency	(5,819)	(5,819)	0	5,819
Total other financing sources (uses)	2,387,681	2,411,681	2,302,476	(109,205)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	16,843	16,843
Fund balances, July 1	0	0	836,174	836,174
Fund balances, June 30	$ 0	$ 0	$ 853,017	$ 853,017

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Totals
ASSETS				
Current assets				
Cash	$ 1,602,852	$ 0	$ 0	$ 1,602,852
Certificates of deposit	120,000	0	0	120,000
Investments	5,283,160	0	0	5,283,160
Restricted assets				
Cash	481,836	40,602	0	522,438
Investments	2,988,926	0	0	2,988,926
Receivables (net)				
Accounts	2,144,282	316,639	68,949	2,529,870
Intergovernmental	11,192	0	0	11,192
Interest	306	0	0	306
Inventories	484,391	100,719	0	585,110
Due from other funds	198,651	0	115,000	313,651
Other current assets	22,177	0	0	22,177
Total current assets	13,337,773	457,960	183,949	13,979,682
Noncurrent assets				
Capital assets				
Non-depreciable	1,327,016	271,295	14,400	1,612,711
Depreciable (net)	18,942,238	6,074,116	94,638	25,110,992
Other assets				
Advances to other funds	4,483,671	0	0	4,483,671
Total noncurrent assets	24,752,925	6,345,411	109,038	31,207,374
Total assets	38,090,698	6,803,371	292,987	45,187,056
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,261,031	127,757	24,088	1,412,876
Intergovernmental	0	21,040	0	21,040
Retainages	55,959	0	0	55,959
Sales tax	64,626	0	0	64,626
Interest	0	1,924	0	1,924
Accrued salaries	29,139	5,539	7,883	42,561
Compensated absences	83,354	9,233	10,302	102,889
Customer deposits payable	0	1,833	0	1,833
Other current liabilities	26,341	0	0	26,341
Due to other funds	269,992	0	198,651	468,643
Capital leases payable	0	649,422	11,529	660,951
Liabilities payable from restricted assets:				
Customer deposits payable	675,786	0	0	675,786
Interest payable	92,105	0	0	92,105
Bonds payable	765,000	0	0	765,000
Total current liabilities	3,323,333	816,748	252,453	4,392,534

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Total Proprietary Funds
Noncurrent liabilities				
Compensated absences	$ 35,723	$ 3,957	$ 4,415	$ 44,095
Advances from other funds	0	4,483,671	0	4,483,671
Notes payable	507,499	0	0	507,499
Bonds payable	5,995,000	0	0	5,995,000
Capital lease payable	0	875,426	26,610	902,036
Total noncurrent liabilities	6,538,222	5,363,054	31,025	11,932,301
Total liabilities	9,861,555	6,179,802	283,478	16,324,835
NET POSITION				
Net investment in capital assets	12,945,796	4,861,165	70,899	17,877,860
Restricted for:				
Debt service	389,731	0	0	389,731
MEAG Generation Trust	2,313,140	0	0	2,313,140
Unrestricted	12,580,476	(4,237,596)	(61,390)	8,281,490
Total net position	$ 28,229,143	$ 623,569	$ 9,509	$ 28,862,221

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, 2014

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Totals
OPERATING REVENUES				
Charges for sales and services	$ 23,791,771	$ 3,328,687	$ 822,177	$ 27,942,635
Miscellaneous revenues	13,092	656	0	13,748
Total operating revenues	23,804,863	3,329,343	822,177	27,956,383
OPERATING EXPENSES				
Costs of sales and services	15,862,614	2,420,286	451,425	18,734,325
Personal services	2,068,612	331,301	465,519	2,865,432
Depreciation	1,181,550	282,404	19,840	1,483,794
Other	45,760	25,320	3,210	74,290
Total operating expenses	19,158,536	3,059,311	939,994	23,157,841
Operating income (loss)	4,646,327	270,032	(117,817)	4,798,542
Non-operating revenues (expenses)				
Interest revenue	135,422	43	0	135,465
Net increase (decrease) in the fair value of investments	73,896	0	0	73,896
Interest expense	(197,598)	(61,991)	(696)	(260,285)
Gain (loss) on sales of capital assets	(4,167)	0	0	(4,167)
Total non-operating revenues (expenses)	7,553	(61,948)	(696)	(55,091)
Net income (loss) before capital contributions and transfers	4,653,880	208,084	(118,513)	4,743,451
Capital contributions				
Intergovernmental	138,067	0	0	138,067
Net income (loss) before transfers	4,791,947	208,084	(118,513)	4,881,518
Transfers in (out)				
Transfers in	63,329	300,000	115,000	478,329
Transfers out	(2,683,819)	0	0	(2,683,819)
Total transfers	(2,620,490)	300,000	115,000	(2,205,490)
Change in net position	2,171,457	508,084	(3,513)	2,676,028
Net position, July 1	26,057,686	115,485	13,022	26,186,193
Net position, June 30	$ 28,229,143	$ 623,569	$ 9,509	$ 28,862,221

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2014

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Fund Solid Waste	Totals
Cash flows from operating activities:				
Receipts from customers	$ 23,612,332	$ 3,327,890	$ 820,392	$ 27,760,614
Payments to suppliers	(15,750,464)	(2,433,856)	(446,845)	(18,631,165)
Payments to employees	(2,084,424)	(338,117)	(461,025)	(2,883,566)
Other receipts	13,092	656	0	13,748
Other payments	(45,760)	(25,320)	(3,210)	(74,290)
Net cash provided (used) by operating activities	5,744,776	531,253	(90,688)	6,185,341
Cash flows from non-capital financing activities:				
Receipts from other funds	0	445,910	102,733	548,643
Payments to other funds	(2,660,512)	0	0	(2,660,512)
Net cash provided (used) by non-capital financing activities	(2,660,512)	445,910	102,733	(2,111,869)
Cash flows from capital and related financing activities:				
Receipts from other governments	126,875	0	0	126,875
Receipts from other funds	69,510	0	0	69,510
Interest paid	(207,681)	(63,618)	(696)	(271,995)
Payment of capital related accounts payable	(65,500)	0	0	(65,500)
Acquisition of capital assets	(800,037)	(529,953)	0	(1,329,990)
Issuance of capital lease	0	520,000	0	520,000
Issuance of notes payable	507,499	0	0	507,499
Debt issue costs	(4,167)	0	0	(4,167)
Principal payments - bonds	(740,000)	0	0	(740,000)
Principal payments - capital leases	0	(863,033)	(11,349)	(874,382)
Net cash provided (used) by capital and related financing activities	(1,113,501)	(936,604)	(12,045)	(2,062,150)
Cash flows from investing activities:				
Interest received	136,301	43	0	136,344
Proceeds from sale of investments	947,619	0	0	947,619
Purchase of investments	(1,618,540)	0	0	(1,618,540)
Net cash provided (used) by investing activities	(534,620)	43	0	(534,577)
Net increase (decrease) in cash	1,436,143	40,602	0	1,476,745
Cash, July 1	648,545	0	0	648,545
Cash, June 30	$ 2,084,688	$ 40,602	$ 0	$ 2,125,290

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2014

	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)	$ 4,646,327	$ 270,032	$ (117,817)	$ 4,798,542
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,181,550	282,404	19,840	1,483,794
(Increase) decrease in accounts receivable	(191,153)	(336)	(1,785)	(193,274)
(Increase) decrease in inventories	(23,404)	(32,846)	0	(56,250)
(Increase) decrease in prepaid items	20,829	2,908	2,999	26,736
(Increase) decrease in other current assets	5,247	0	0	5,247
Increase (decrease) in accounts payable	109,478	14,474	1,581	125,533
Increase (decrease) in intergovernmental payable	0	1,894	0	1,894
Increase (decrease) in sales tax payable	(249)	0	0	(249)
Increase (decrease) in other current liabilities	(5,863)	0	0	(5,863)
Increase (decrease) in accrued salaries	7,279	2,334	2,559	12,172
Increase (decrease) in compensated absences payable	(23,091)	(9,150)	1,935	(30,306)
Increase (decrease) in customer deposits payable	17,826	(461)	0	17,365
Total adjustments	1,098,449	261,221	27,129	1,386,799
Net cash provided (used) by operating activities	$ 5,744,776	$ 531,253	$ (90,688)	$ 6,185,341
Cash reconciliation:				
Cash	$ 1,602,852	$ 0	$ 0	$ 1,602,852
Restricted assets				
Cash	481,836	40,602	0	522,438
Total cash	$ 2,084,688	$ 40,602	$ 0	$ 2,125,290

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled $73,896 for the fiscal year ended June 30, 2014.

Acquistion of capital assets through accounts payable totaled $55,959 for the fiscal year ended June 30, 2014.

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2014

	Municipal Court Agency Fund
ASSETS	
Cash and cash equivalents	$ 11,215
LIABILITIES	
Due to other agencies	$ 11,215

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, which constitutes a financial burden, 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 2014.

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, 2014, 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
Land	N/A	1
Nondepreciable intangibles	N/A	5,000

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 position is 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 restricted net position.

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. The City Manager has determined that all 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types, bond premiums and discounts 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 2013 amounts have been reclassified to conform with the 2014 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 AAAf 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, 2014 was 62 days. At June 30, 2014, the City's balance in Georgia Fund 1 was $1,810,357.

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, 2014, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 26.8, 70.8, and 4.5 months, respectively. At June 30, 2014, the City's balances in the Voluntary Flexible Operating Accounts were $5,958,946, and in the Generation Trust Accounts were $2,313,140.

4. Accounts Receivable

Net accounts receivable at June 30, 2014 consist of the following:

Major Funds		
General	$ 14,863	
Less: Allowance for Uncollectibles	(7,240)	$ 7,623
Enterprise funds		
Combined Public Utilities	2,490,792	
Less: Allowance for Uncollectibles	(346,510)	
ElbertonNET Technology Services	432,049	
Less: Allowance for Uncollectibles	(115,410)	2,460,921
Nonmajor Funds		
Solid Waste	83,739	
Less: Allowance for Uncollectibles	(14,790)	68,949
Total primary government		$ 2,537,493

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2014 consist of the following:

Major Funds	
Combined Public Utilities	
Georgia Environmental Finance Authority	$ 11,192
Nonmajor Funds	
2011 SPLOST Capital Projects	
Elbert County	91,391
Total Primary Government	$ 102,583

6. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2014 is as follows:

Receivable Fund	Payable Fund	Amount
General	Combined Public Utilities	$ 269,992
	Nonmajor Governmental	13,428
Combined Public Utilities	ElbertonNET	4,483,671
	Solid Waste	198,651
Solid Waste	General	115,000
Subtotal		$ 5,080,742

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
General	Nonmajor Enterprise	$ 115,000
Combined Public Utilities	General	2,382,500
	ElbertonNET	300,000
	Nonmajor Governmental	1,319
Nonmajor Governmental	General	25,170
	Combined Public Utilities	63,329
		$ 2,887,318

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. 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 $50,849, $19,994, and $538,781 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 $67,284 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, 2014 was as follows:

	Balance June 30, 2013	Increases	Decreases	Balance June 30, 2014
Governmental activities				
Non-depreciable assets				
Land	$ 656,842	$ 3,290	$ 0	$ 660,132
Construction in progress	21,650	130,877	0	152,527
Total non-depreciable assets	678,492	134,167	0	812,659
Depreciable assets				
Buildings	1,823,676	68,931	(34,624)	1,857,983
Land improvements	1,168,937	0	(27,658)	1,141,279
Vehicles and equipment	2,965,404	48,155	(90,722)	2,922,837
Infrastructure	2,582,065	63,557	0	2,645,622
Total depreciable assets	8,540,082	180,643	(153,004)	8,567,721
Accumulated depreciation				
Buildings	(901,026)	(85,336)	34,624	(951,738)
Land improvements	(774,610)	(38,104)	27,658	(785,056)
Vehicles and equipment	(1,760,898)	(221,546)	90,722	(1,891,722)
Infrastructure	(927,550)	(77,928)	0	(1,005,478)
Total accumulated depreciation	(4,364,084)	(422,914)	153,004	(4,633,994)
Total depreciable assets, net	4,175,998	(242,271)	0	3,933,727
Governmental activities capital assets, net	$ 4,854,490	$ (108,104)	$ 0	$ 4,746,386
Business-type activities				
Non-depreciable assets				
Land	$ 268,335	$ 0	$ 0	$ 268,335
Construction in progress	98,188	1,035,646	(167,150)	966,684
Intangible assets	377,692	0	0	377,692
Total non-depreciable assets	744,215	1,035,646	(167,150)	1,612,711
Depreciable assets				
Buildings	1,090,492	0	0	1,090,492
Land improvements	54,739	0	0	54,739
Distribution system	43,673,454	517,453	(218,162)	43,972,745
Vehicles and equipment	3,298,076	0	(49,790)	3,248,286
Total depreciable assets	48,116,761	517,453	(267,952)	48,366,262
Accumulated depreciation				
Buildings	(488,028)	(49,593)	0	(537,621)
Land improvements	(40,838)	(2,189)	0	(43,027)
Distribution system	(18,760,569)	(1,271,407)	218,162	(19,813,814)
Vehicles and equipment	(2,749,993)	(160,605)	49,790	(2,860,808)
Total accumulated depreciation	(22,039,428)	(1,483,794)	267,952	(23,255,270)
Total depreciable assets, net	26,077,333	(966,341)	0	25,110,992
Business-type activities capital assets, net	$ 26,821,548	$ 69,305	$ (167,150)	$ 26,723,703

8. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the fiscal year ended June 30, 2014 was as follows:

	June 30, 2013	Increases	Decreases	June 30, 2014
Downtown Development Authority Component Unit				
Non-depreciable assets				
Land	$ 40,000	$ 0	$ 0	$ 40,000
Depreciable assets				
Buildings	784,693	0	0	784,693
Less accumulated depreciation				
Buildings	(207,583)	(38,279)	0	(245,862)
Total depreciable assets, net	577,110	(38,279)	0	538,831
Downtown Development Authority Component Unit capital assets, net	$ 617,110	$ (38,279)	$ 0	$ 578,831

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 23,594
Public Safety	164,917
Public Works	143,912
Culture and Recreation	80,958
Housing and Development	9,533
Total depreciation expense for governmental activities	$ 422,914
Business-type activities	
Combined Public Utilities	
Electric Department	$ 282,275
Water and Sewer Department	763,332
Natural Gas Department	135,943
ElbertonNet Technology Services	282,404
Solid Waste	19,840
Total depreciation expense for business-type activities	$ 1,483,794
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, 2014 are $509,192 and $1,562,987 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, 2014:

Year Ending June 30,	Governmental Activities	Business-type Activities
2015	$ 67,248	$ 688,381
2016	67,248	266,954
2017	67,248	266,954
2018	67,248	190,445
2019	67,248	80,220
2020-2024	218,555	140,386
Total minimum lease payments	554,795	1,633,340
Less amounts representing interest	(45,603)	(70,353)
Present value of minimum lease payments	$ 509,192	$ 1,562,987

Total assets leased under capital leases are $569,774 and $8,081,792 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities	Business-type Activities
Distribution system	$ 0	$ 7,777,288
Construction in progress	0	248,604
Vehicles and equipment	569,774	55,900
Total assets under capital leases	$ 569,774	$ 8,081,792

Amortization of leased equipment under capital assets is included with depreciation expense.

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, 2014:

$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% ($6,760,000 outstanding).

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

Year Ending June 30,	Principal	Interest	Total
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	855,000	97,010	952,010
2020-2024	2,705,000	148,921	2,853,921
Totals	$ 6,760,000	$ 855,602	$ 7,615,602

Notes Payable

Business-type Activities

The City entered into an agreement the Georgia Environmental Finance Authority (GEFA) in the amount of $2,500,000 for improvements to the City's water system. GEFA agrees to forgive $500,000 of the loan if all funds are drawn. The City has drawn $634,374 on this agreement and recognized $126,875 in principal forgiveness. Monthly installments of principal and interest are due beginning on the first day of the calendar month following the date that the loan is fully disbursed (the Amortization Commencement Date) for 240 months; interest at 1.11%. Monthly installments are expected to commence on January 1, 2017 ($507,499 outstanding).

10. Long-Term Debt (continued)

Notes Payable, continued

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2015	$ 0	$ 0	$ 0
2016	0	0	0
2017	11,807	2,334	14,141
2018	22,896	5,386	28,282
2019	23,152	5,131	28,283
2020-2024	119,690	21,720	141,410
2025-2029	126,518	14,893	141,411
2030-2034	133,735	7,676	141,411
2035-2037	69,701	1,003	70,704
Totals	$ 507,499	$ 58,143	$ 565,642

Elberton Downtown Development Authority Component Unit

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, 2014, the balance of this note is $55,500. Monthly installments of $138 interest are due through May 31, 2015, unpaid principal and interest are due June 30, 2015; 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, 2014, the balance of this note is $130,277. 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, 2014, the balance of this note is $400,000. 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
2015	$ 90,965	$ 4,166	$ 95,131
2016	35,696	2,269	37,965
2017	35,932	2,033	37,965
2018	36,173	1,763	37,936
2019	36,419	1,547	37,966
2020-2024	190,592	460	191,052
2025-2029	120,000	0	120,000
2030-2032	40,000	0	40,000
Totals	$ 585,777	$ 12,238	$ 598,015

Total interest incurred and expensed in the governmental activities and the business-type activities for the fiscal ended June 30, 2014 was $11,278 and $260,285, respectively.

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, 2014:

	Balance 6/30/2013	Additions	Deductions	Balance 6/30/2014	Due Within One Year
Governmental Activities					
Contractual liability	$ 265,877	$ 0	$ (8,775)	$ 257,102	$ 0
Capital lease obligations	565,162	0	(55,970)	509,192	57,151
Compensated absences	162,520	97,629	(113,764)	146,385	102,472
Total Governmental Activities	$ 993,559	$ 97,629	$ (178,509)	$ 912,679	$ 159,623
Business-type Activities					
Revenue bonds	$ 7,500,000	$ 0	$ (740,000)	$ 6,760,000	$ 765,000
Notes payable	0	507,499	0	507,499	0
Capital lease obligations	1,917,369	520,000	(874,382)	1,562,987	660,951
Compensated absences	177,290	93,797	(124,103)	146,984	102,889
Total Business-type Activities	$ 9,594,659	$ 1,121,296	$ (1,738,485)	$ 8,977,470	$ 1,528,840
Downtown Development Authority Component Unit					
Notes payable	$ 620,089	$ 0	$ (34,312)	$ 585,777	$ 90,965

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 $257,102. 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 Position.

12. 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.

The City has joined the Georgia Municipal Association (GMA) Group Self-Insurance Workers' Compensation Fund, a group self-insured program authorized by state statute and administered by GMA. The fund provides workers' compensation statutory coverage to local government entities in Georgia as an alternative to the standard commercial insurance market. The membership owns and controls the fund, resulting in dividends (or renewal credits) returned to the fund members, significantly reducing the cost of coverage for the membership. The cost of coverage is based on individual loss experience and underwriting.

Membership includes proactive safety and risk control service which includes loss control field service, individual member problem analysis, and on-site and regional training. Workers' compensation claims are reported to and administered by GMA employees.

The City's deductible for workers' compensation claims is $500,000. At June 30, 2014, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

13. 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.

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

13. Pension Plan (continued)

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.

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2014. 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.

13. Pension Plan (continued)

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

Annual pension cost	$	342,531
Contributions made		(342,531)
Increase (decrease) in net pension obligation		0
Net pension obligation - beginning of year		0
Net pension obligation - end of year	$	0

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
6/30/2009	$	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
6/30/2014		342,531	100%	0

13. Pension Plan (continued)

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Funded) (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll** (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
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%
1/1/2014	17,806,646	16,392,626	(1,414,020)	108.63%	4,149,979	-34%

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

14. 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.

14. Deferred Compensation Plan (continued)

During the fiscal year, the City contributed $96,448 to the plan based on covered salaries of $2,937,952. Plan members made voluntary contributions of $154,794 to the plan. Total payroll was $4,668,801.

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.

15. 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.

16. 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, 2014, follows:

Lodging tax receipts	$ 46,282	
Disbursements to Chamber of Commerce, for Elbert Theatre, and for other tourism and visitor programs	$ 47,820	103% of tax receipts

17. 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 2014, 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.

17. 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 2014, the City contributed $23,000 in cash financing. A copy of the MANS unit financial statements can be obtained from Franklin County, Georgia, 141 Athens Street, Carnesville, Georgia 30521.

18. 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 $1,185 as payment for services provided during fiscal year 2014.

19. 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 $10,640,326 from MEAG during the fiscal year ended June 30, 2014. 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.

19. 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, 2014, the balance in this account was $5,958,946. 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, 2014, the balance in this account was $2,313,140. 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, 2014, were $2,796 and $3,422,762 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, 2014. At year-end, the City's commitments with contractors are as follows:

Projects	Amount Expended To Date	Remaining Commitment
Arts Center renovation project	$ 20,246	$ 30,370
Elbert Hotel renovation project	5,000	13,750
Water and sewer distribution system improvements	633,198	343,066
Total	$ 658,444	$ 387,186

19. Commitments and Contingencies (continued)

Contingencies

The City has extended a nonexchange financial guarantee to the Development Authority of Elbert County, Elberton, and Bowman through an intergovernmental agreement dated July 1, 2010 whereby the City along with Elbert County Board of Commissioners agrees 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. Pursuant to O.C.G.A. Section 48-5-350, the City has the power to levy and collect three mills per dollar on the assessed value of the taxable property in the City to provide for financial assistance to the Authority, which is the legal authority for extending the guarantee. 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 length of time of the guarantee is the later of (a) the final maturity date of the Bond or (b) the date that all amounts owing under the Bond have been paid. The final maturity date of the Bond is October 30, 2020. The intergovernmental contract provides that the City, or any defaulting party, may take whatever action at law or in equity may appear necessary or desirable to collect the contract payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the County, the City or the Authority under the intergovernmental contract.The balance on the bond at June 30, 2014, was $1,588,134, interest at 5.00% per annum. The Company was current on all lease payments at June 30, 2014, and the Authority was current on all bond payments at June 30, 2014. The City has a contingent liability at June 30, 2014, of $794,067. 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.

19. Commitments and Contingencies (continued)

Contingencies, continued

The City has extended a nonexchange financial guarantee to the Development Authority of Elbert County, Elberton, and Bowman through an intergovernmental agreement dated December 1, 2011 whereby the City agrees to provide credit support for the Authority to issue a taxable revenue bond in the amount of $932,500 and a tax-exempt 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. Pursuant to O.C.G.A. Section 48-5-350, the City has the power to levy and collect three mills per dollar on the assessed value of the taxable property in the City to provide for financial assistance to the Authority, which is the legal authority for extending the guarantee. 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 length of time of the guarantee is the later of (a) the final maturity date of the Bonds or (b) the date that all amounts owing under the Bonds have been paid. The final maturity date of the Bonds are December 1, 2019. The intergovernmental contract provides that the City, or any defaulting party, may take whatever action at law or in equity may appear necessary or desirable to collect the contract payments then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the City or the Authority under the intergovernmental contract. The balance on the taxable bond at June 30, 2014, was $1,466,045, interest at 4.75% per annum. The balance on the tax-exempt bond at June 30, 2014, was $757,066 interest at 3.60%. The Company was current on all lease payments at June 30, 2014, and the Authority was current on all bond payments at June 30, 2014. The City has a contingent liability at June 30, 2014, of $2,223,111.

At June 30, 2014, the City's total contingent liabilities under nonexchange financial guarantees is $3,017,178.

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

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Supplementary Information

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COMBINING STATEMENTS

Nonmajor Governmental Funds

CITY OF ELBERTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2014

	Special Revenue	
	Hotel/Motel Tax	**Revolving Loan**
ASSETS		
Cash	$ 0	$ 80,000
Receivables		
Taxes	2,869	0
Intergovernmental	0	0
Notes	0	400,000
Total assets	$ 2,869	$ 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	2,869	0
Capital projects	0	0
Total fund balances	2,869	480,000
Total liabilities and fund balances	$ 2,869	$ 480,000

Capital Projects		Total Nonmajor Governmental Funds
2006 SPLOST	2011 SPLOST	
$ 0	$ 581,278	$ 661,278
0	0	2,869
0	91,391	91,391
0	0	400,000
$ 0	$ 672,669	$ 1,155,538
$ 0	$ 7,157	$ 7,157
0	55,100	55,100
0	13,428	13,428
0	75,685	75,685
0	0	480,000
0	586,984	586,984
0	0	2,869
0	10,000	10,000
0	596,984	1,079,853
$ 0	$ 672,669	$ 1,155,538

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2014

	Special Revenue	
	Hotel/Motel Tax	**Revolving Loan**
REVENUES		
Taxes	$ 46,282	$ 0
Intergovernmental	0	0
Interest	0	0
Total revenues	46,282	0
EXPENDITURES		
Current		
Housing and Development	22,650	0
Capital outlay	0	0
Debt service	0	0
Total expenditures	22,650	0
Excess (deficiency) of revenues over over (under) expenditures	23,632	0
Other financing sources (uses)		
Transfers in	0	0
Transfers out	(25,170)	0
Total other financing sources (uses)	(25,170)	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,538)	0
Fund balances, July 1	4,407	480,000
Fund balances, June 30	$ 2,869	$ 480,000

Capital Projects		Total Nonmajor Governmental Funds
2006 SPLOST	2011 SPLOST	
$ 0	$ 0	$ 46,282
0	588,600	588,600
11	221	232
11	588,821	635,114
0	0	22,650
0	265,348	265,348
0	67,248	67,248
0	332,596	355,246
11	256,225	279,868
0	1,319	1,319
(63,329)	0	(88,499)
(63,329)	1,319	(87,180)
(63,318)	257,544	192,688
63,318	339,440	887,165
$ 0	$ 596,984	$ 1,079,853

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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, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 563,972	$ 573,391
Restricted assets		
Cash	25	25
Receivables (net)		
Accounts	7,622	11,939
Taxes	53,271	55,174
Intergovernmental	0	7,998
Notes	55,500	55,500
Interest	833	866
Prepaid items	121,701	165,109
Inventory, at cost	24,533	25,622
Due from other funds	283,421	54,861
Total assets	$ 1,110,878	$ 950,485
LIABILITIES		
Accounts payable	$ 66,160	$ 64,981
Accrued salaries and payroll liabilities	60,600	26,728
Unearned revenue	0	2,500
Due to other funds	115,000	0
Other liabilities	16,101	20,102
Total liabilities	257,861	114,311
FUND BALANCES		
Nonspendable:		
Inventory	24,533	25,622
Prepaid items	121,701	165,109
Restricted for public safety	25	25
Unassigned	706,758	645,418
Total fund balances	853,017	836,174
Total liabilities and fund balances	$ 1,110,878	$ 950,485

CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
REVENUES		
Taxes	$ 1,257,982	$ 1,199,214
Licenses and permits	54,238	57,725
Fines, fees and forfeitures	169,016	191,822
Charges for services	708,204	743,539
Intergovernmental	15,928	34,372
Interest	2,117	2,317
Contributions	352	285
Other	13,968	6,203
Total revenues	2,221,805	2,235,477
EXPENDITURES		
Current		
General Government	651,547	633,371
Judicial	105,292	106,007
Public Safety	2,364,581	2,354,039
Public Works	982,393	1,016,610
Health and Welfare	58,144	67,100
Culture and Recreation	123,278	146,973
Housing and Development	222,203	214,143
Total expenditures	4,507,438	4,538,243
Excess (deficiency) of revenues over (under) expenditures	(2,285,633)	(2,302,766)
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Fund	25,170	21,319
Combined Public Utility System Fund	2,382,500	2,282,500
Solid Waste Fund	(115,000)	0
Sale of capital assets	9,806	13,212
Total other financing sources (uses)	2,302,476	2,317,031
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	16,843	14,265
Fund balances, July 1	836,174	821,909
Fund balances, June 30	$ 853,017	$ 836,174

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
Intangibles tax	$ 7,000	$ 4,096	$ (2,904)	$ 7,061
Franchise tax	92,000	89,389	(2,611)	91,243
Occupational tax	116,000	125,781	9,781	110,828
Insurance premium tax	230,000	240,020	10,020	231,813
Title ad valorem tax	0	105,085	105,085	31,875
Liquor tax	22,000	16,647	(5,353)	19,394
Beer and wine tax	130,000	125,992	(4,008)	129,775
Local option sales tax	600,000	550,972	(49,028)	577,225
Total taxes	1,197,000	1,257,982	60,982	1,199,214
Licenses and permits				
Building permits	20,000	10,195	(9,805)	11,343
Alcoholic beverage licenses	45,000	41,000	(4,000)	42,500
Other permits	10,500	3,043	(7,457)	3,882
Total licenses and permits	75,500	54,238	(21,262)	57,725
Fines, fees and forfeitures				
Parking fines	200	25	(175)	20
Court and DUI fines	155,600	123,608	(31,992)	159,455
Probation fees	45,000	45,383	383	32,347
Total fines, fees, and forfeitures	200,800	169,016	(31,784)	191,822
Charges for services				
Reimbursement of joint expenses	619,096	619,098	2	679,809
Cemetery sales and services	60,000	65,062	5,062	50,668
Public safety	26,000	20,380	(5,620)	10,278
Other	5,657	3,664	(1,993)	2,784
Total charges for services	710,753	708,204	(2,549)	743,539
Intergovernmental				
Grants	0	15,928	15,928	34,372
Interest	2,500	2,117	(383)	2,317
Contributions	0	352	352	285
Other				
Miscellaneous	12,100	13,968	1,868	6,203
Total revenues	$ 2,198,653	$ 2,221,805	$ 23,152	$ 2,235,477

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 75,345	$ 78,013	$ (2,668)	$ 74,306
Contractual services	52,284	49,782	2,502	50,083
Materials and supplies	500	280	220	281
Total Mayor and Council	128,129	128,075	54	124,670
City Manager's Office				
Personal services	127,311	127,029	282	124,506
Contractual services	5,370	4,255	1,115	4,894
Total City Manager's Office	132,681	131,284	1,397	129,400
Finance				
Personal services	140,538	143,561	(3,023)	139,012
Contractual services	51,262	49,123	2,139	49,616
Materials and supplies	1,100	601	499	1,863
Total Finance	192,900	193,285	(385)	190,491
Human Resources				
Personal services	49,505	48,664	841	47,780
Contractual services	7,522	3,580	3,942	7,066
Materials and supplies	500	1,579	(1,079)	1,082
Total Human Resources	57,527	53,823	3,704	55,928
City Clerk				
Personal services	79,036	79,977	(941)	75,867
Contractual services	800	455	345	711
Materials and supplies	4,600	4,351	249	5,374
Total City Clerk	84,436	84,783	(347)	81,952
Elections				
Personal services	500	390	110	0
Contractual services	600	499	101	0
Materials and supplies	150	40	110	0
Total Elections	1,250	929	321	0
City Attorney				
Personal services	6,649	6,998	(349)	7,427
Contractual services	10,000	7,026	2,974	4,575
Total City Attorney	16,649	14,024	2,625	12,002

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
General Government - continued				
City Hall Maintenance				
Contractual services	$ 34,392	$ 34,317	$ 75	$ 28,891
Materials and supplies	11,000	11,027	(27)	10,037
Total City Hall Maintenance	45,392	45,344	48	38,928
Total General Government	658,964	651,547	7,417	633,371
Judicial				
Municipal Court				
Personal services	57,602	58,515	(913)	59,306
Contractual services	46,288	46,777	(489)	46,701
Total Judicial	103,890	105,292	(1,402)	106,007
Public Safety				
Police - Administration				
Personal services	142,522	138,478	4,044	139,069
Contractual services	180,151	175,823	4,328	160,644
Materials and supplies	23,239	22,963	276	20,355
Capital outlay	0	0	0	7,998
Payments to others	13,982	23,000	(9,018)	13,982
Total Police - Administration	359,894	360,264	(370)	342,048
Police - Uniform Division				
Personal services	804,706	808,232	(3,526)	803,547
Contractual services	20,000	19,876	124	21,198
Materials and supplies	69,023	65,285	3,738	70,479
Total Police - Uniform Division	893,729	893,393	336	895,224
Police - Criminal Investigations				
Personal services	125,380	118,336	7,044	121,513
Contractual services	3,062	637	2,425	2,036
Materials and supplies	8,284	8,172	112	10,769
Total Police - Criminal Investigations	136,726	127,145	9,581	134,318
Police - Community Relations				
Personal services	58,861	50,425	8,436	57,892
Contractual services	250	390	(140)	128
Materials and supplies	5,250	2,682	2,568	2,488
Total Police - Community Relations	64,361	53,497	10,864	60,508

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Public Safety - continued				
Police - Detention				
Contractual services	$ 23,500	$ 23,374	$ 126	$ 46,404
Fire				
Personal services	809,146	798,471	10,675	779,228
Contractual services	35,264	28,127	7,137	20,116
Materials and supplies	27,254	27,460	(206)	25,093
Total Fire	871,664	854,058	17,606	824,437
Animal Control				
Personal services	43,734	44,264	(530)	42,993
Contractual services	6,541	5,980	561	4,620
Materials and supplies	4,350	2,606	1,744	3,487
Total Animal Control	54,625	52,850	1,775	51,100
Total Public Safety	2,404,499	2,364,581	39,918	2,354,039
Public Works				
Administrative				
Personal services	89,070	84,268	4,802	85,702
Contractual services	32,891	33,889	(998)	24,518
Materials and supplies	19,410	23,341	(3,931)	19,190
Payments to others	13,000	8,775	4,225	10,517
Total Administration	154,371	150,273	4,098	139,927
Infrastructure Maintenance				
Personal services	343,598	259,443	84,155	256,710
Contractual services	7,289	11,185	(3,896)	4,532
Materials and supplies	35,595	50,606	(15,011)	36,931
Capital outlay	0	66,249	(66,249)	30,415
Total Infrastructure Maintenance	386,482	387,483	(1,001)	328,588
Parks and Rights-of-Way				
Contractual services	52,850	54,355	(1,505)	68,073
Materials and supplies	5,000	3,446	1,554	6,639
Total Parks and Rights of Way	57,850	57,801	49	74,712

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
Public Works - continued				
Motor Pool				
Personal services	$ 92,103	$ 92,274	$ (171)	$ 163,029
Contractual services	27,295	39,171	(11,876)	71,873
Materials and supplies	35,500	22,106	13,394	24,061
Total Motor Pool	154,898	153,551	1,347	258,963
Street Lighting				
Contractual services	4,000	0	4,000	2,607
Materials and supplies	14,000	14,663	(663)	9,517
Total Street Lighting	18,000	14,663	3,337	12,124
Street Sweeper				
Personal services	0	5,792	(5,792)	32,133
Contract services	0	0	0	6,685
Materials and supplies	0	9	(9)	3,544
Capital outlay	34,200	28,367	5,833	0
Total Street Sweeper	34,200	34,168	32	42,362
Cemetery				
Personal services	136,875	136,392	483	129,818
Contractual services	32,110	35,569	(3,459)	12,931
Materials and supplies	15,151	12,493	2,658	17,185
Total Cemetery	184,136	184,454	(318)	159,934
Total Public Works	989,937	982,393	7,544	1,016,610
Health and Welfare				
Agency allocations				
Elbert County Hospital Authority	59,500	50,644	8,856	58,100
Community Partnership	1,500	1,500	0	3,000
Elbert County Aging Program	6,000	6,000	0	6,000
Total Health and Welfare	67,000	58,144	8,856	67,100
Culture and Recreation				
Elbert Theatre				
Personal services	50,530	34,374	16,156	50,966
Contract services	6,916	8,851	(1,935)	10,287
Materials and supplies	18,300	12,553	5,747	18,220
Total Elbert Theatre	75,746	55,778	19,968	79,473

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	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
Total agency allocations	67,500	67,500	0	67,500
Total Culture and Recreation	143,246	123,278	19,968	146,973
Housing and Development				
Zoning/City Marshal				
Personal services	57,364	56,119	1,245	60,450
Contractual services	2,746	2,045	701	1,704
Materials and supplies	3,576	3,782	(206)	3,148
Total Zoning/Special Projects	63,686	61,946	1,740	65,302
Code Enforcement				
Personal services	46,236	47,752	(1,516)	42,941
Contractual services	44,430	20,850	23,580	16,700
Materials and supplies	1,753	1,965	(212)	1,636
Capital outlay	0	3,290	(3,290)	1,354
Total Code Enforcement	92,419	73,857	18,562	62,631
Economic Development				
Mainstreet Elberton	86,693	86,400	293	86,210
Total Housing and Development	242,798	222,203	20,595	214,143
Total expenditures	$ 4,610,334	$ 4,507,438	$ 102,896	$ 4,538,243

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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, 2014 and 2013

	2014	2013
ASSETS		
Taxes receivable	$ 2,869	$ 4,407
FUND BALANCES		
Assigned for Housing and Development	$ 2,869	$ 4,407

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 50,000	$ 46,282	$ (3,718)	$ 51,865
Total revenues	50,000	46,282	(3,718)	51,865
EXPENDITURES				
Current				
Housing and Development				
Elbert Theatre				
Contract services	5,000	2,650	2,350	9,200
Chamber of Commerce				
Payments to other agencies	20,000	20,000	0	20,000
Total expenditures	25,000	22,650	2,350	29,200
Excess (deficiency) of revenues over (under) expenditures	25,000	23,632	(1,368)	22,665
Other financing sources (uses)				
Transfers in (out)				
General Fund	(25,000)	(25,170)	(170)	(21,319)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	(1,538)	(1,538)	1,346
Fund balances, July 1	0	4,407	4,407	3,061
Fund balances, June 30	$ 0	$ 2,869	$ 2,869	$ 4,407

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 80,000	$ 56,000
Notes receivable	400,000	424,000
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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 24,000	$ 0	$ (24,000)	$ 0
Total revenues	24,000	0	(24,000)	0
EXPENDITURES				
Current				
Housing and Development	24,000	0	24,000	0
Total expenditures	24,000	0	24,000	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, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 0	$ 64,991
Intergovernmental receivable	0	0
Total assets	$ 0	$ 64,991
LIABILITIES		
Accounts payable	$ 0	$ 1,673
FUND BALANCES		
Restricted for capital projects	0	63,318
Total liabilities and fund balances	$ 0	$ 64,991

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, 2014 and 2013

	2014	2013
REVENUES		
Interest	$ 11	$ 54
Total revenues	11	54
EXPENDITURES		
Capital Outlay		
Public Works	0	11,446
Culture and Recreation	0	2,434
Total expenditures	0	13,880
Excess (deficiency) of revenues over (under) expenditures	11	(13,826)
Other financing sources (uses)		
Transfers in (out)		
Combined Public Utility System Fund	(63,329)	(106,998)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(63,318)	(120,824)
Fund balances, July 1	63,318	184,142
Fund balances, June 30	$ 0	$ 63,318

CITY OF ELBERTON, GEORGIA
2011 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 581,278	$ 361,243
Intergovernmental receivable	91,391	93,496
Total assets	$ 672,669	$ 454,739
LIABILITIES		
Accounts payable	$ 7,157	$ 1,243
Unearned revenue	55,100	51,056
Due to other funds	13,428	63,000
Total liabilities	75,685	115,299
FUND BALANCES		
Restricted for capital projects	586,984	336,940
Assigned for capital projects	10,000	2,500
Total fund balances	596,984	339,440
Total liabilities and fund balances	$ 672,669	$ 454,739

CITY OF ELBERTON, GEORGIA
2011 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, 2014 and 2013

	2014	2013
REVENUES		
Intergovernmental	$ 588,600	$ 579,455
Interest	221	289
Total revenues	588,821	579,744
EXPENDITURES		
Capital outlay		
Public Safety	25,416	643,144
Public Works	66,927	47,683
Culture and Recreation	173,005	26,124
Debt service		
Public Safety	67,248	13,279
Total expenditures	332,596	730,230
Excess (deficiency) of revenues over (under) expenditures	256,225	(150,486)
Other financing sources (uses)		
Transfers in (out)		
Combined Utilities Fund	1,319	(63,000)
ElbertonNet Technology Services Fund	0	(293,572)
Issuance of capital lease	0	569,774
Total other financing sources (uses)	1,319	213,202
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	257,544	62,716
Fund balances, July 1	339,440	276,724
Fund balances, June 30	$ 596,984	$ 339,440

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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, 2014 and 2013

ASSETS	**2014**	**2013**
Current assets		
Cash	$ 1,602,852	$ 166,870
Certificates of deposit	120,000	447,619
Investments	5,283,160	4,603,503
Receivables		
Accounts (net)	2,144,282	1,953,129
Intergovernmental	11,192	0
Interest	306	1,185
Prepaid items	0	20,829
Inventories	484,391	460,987
Due from other funds	198,651	158,918
Other current assets	22,177	27,424
Total current assets	9,867,011	7,840,464
Restricted assets		
MEAG Generation Trust		
Investments	2,313,140	1,938,187
Bond Redemption		
Cash	481,836	481,675
Customer Deposits		
Investments	675,786	657,960
Total restricted assets	3,470,762	3,077,822
Capital assets		
Land	247,035	247,035
Intangible assets	377,692	377,692
Buildings	490,221	490,221
Distribution system	35,863,952	35,780,388
Vehicles and equipment	2,037,401	2,040,901
Construction in progress	702,289	98,188
Accumulated depreciation	(19,449,336)	(18,439,617)
Total capital assets (net of accumulated depreciation)	20,269,254	20,594,808
Other assets		
Advances to other funds	4,483,671	4,337,761
Total assets	38,090,698	35,850,855

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

LIABILITIES	**2014**	**2013**
Current liabilities		
Payables		
Accounts	$ 1,261,031	$ 1,217,053
Retainages	55,959	0
Sales tax	64,626	64,875
Accrued salaries	29,139	21,860
Compensated absences	83,354	99,518
Other current liabilities	26,341	32,204
Due to other funds	269,992	54,861
Total current liabilities	1,790,442	1,490,371
Current liabilities payable from restricted assets		
Customer deposits payable	675,786	657,960
Interest payable	92,105	102,188
Bonds payable	765,000	740,000
Total liabilities payable from restricted assets	1,532,891	1,500,148
Noncurrent liabilities		
Compensated absences	35,723	42,650
Notes payable	507,499	0
Bonds payable	5,995,000	6,760,000
Total noncurrent liabilities	6,538,222	6,802,650
Total liabilities	9,861,555	9,793,169
NET POSITION		
Net investment in capital assets	12,945,796	13,029,308
Restricted for:		
Debt service	389,731	379,487
MEAG Generation Trust	2,313,140	1,938,187
Unrestricted	12,580,476	10,710,704
Total net position	$ 28,229,143	$ 26,057,686

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, 2014 and 2013

	2014	2013
OPERATING REVENUES		
Charges for sales and services	$ 23,791,771	$ 22,871,738
Miscellaneous revenues	13,092	16,140
Total operating revenues	23,804,863	22,887,878
OPERATING EXPENSES		
Costs of sales and services	15,862,614	15,579,351
Personal services	2,068,612	2,218,936
Depreciation	1,181,550	1,172,628
Miscellaneous expenses	45,760	58,240
Total operating expenses	19,158,536	19,029,155
Operating income (loss)	4,646,327	3,858,723
Non-operating revenues (expenses)		
Interest revenue	135,422	86,083
Net increase (decrease) in the fair value of investments	73,896	(128,447)
Interest expense	(197,598)	(215,635)
Debt issue costs	(4,167)	0
Total non-operating revenues (expenses)	7,553	(257,999)
Net income (loss) before capital contributions and transfers	4,653,880	3,600,724
Capital contributions		
Intergovernmental	138,067	0
Net income (loss) before transfers	4,791,947	3,600,724
Transfers in (out)		
General Fund	(2,382,500)	(2,282,500)
2006 SPLOST Fund	63,329	106,998
2011 SPLOST Fund	(1,319)	63,000
ElbertonNET Technology Services Fund	(300,000)	(345,000)
Total transfers	(2,620,490)	(2,457,502)
Change in net position	2,171,457	1,143,222
Net position, July 1	26,057,686	24,914,464
Net position, June 30	$ 28,229,143	$ 26,057,686

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, 2014 and 2013

	2014	2013
OPERATING REVENUES		
Charges for sales and services	$ 16,005,007	$ 15,839,368
Miscellaneous revenues	6,675	6,554
Total operating revenues	16,011,682	15,845,922
OPERATING EXPENSES		
Costs of sales and services	11,738,755	11,787,662
Personal services	1,149,369	1,265,095
Depreciation	282,275	301,821
Miscellaneous expenses	34,030	45,450
Total operating expenses	13,204,429	13,400,028
Operating income (loss)	2,807,253	2,445,894
Non-operating revenues (expenses)		
Interest revenue	135,113	85,669
Net increase (decrease) in the fair value of investments	73,896	(128,447)
Total non-operating revenues (expenses)	209,009	(42,778)
Net income (loss) before transfers	3,016,262	2,403,116
Transfers in (out)		
General Fund	(1,625,000)	(1,580,000)
ElbertonNET Technology Services Fund	(300,000)	(345,000)
Total transfers	(1,925,000)	(1,925,000)
Change in net position	$ 1,091,262	$ 478,116

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, 2014 and 2013

	2014	2013
OPERATING REVENUES		
Charges for sales and services	$ 2,887,595	$ 2,843,066
Miscellaneous revenues	725	2,559
Total operating revenues	2,888,320	2,845,625
OPERATING EXPENSES		
Costs of sales and services	1,240,959	1,230,454
Personal services	648,252	677,166
Depreciation	763,332	734,812
Miscellaneous expenses	4,340	1,730
Total operating expenses	2,656,883	2,644,162
Operating income (loss)	231,437	201,463
Non-operating revenues (expenses)		
Interest revenue	309	414
Interest expense	(197,598)	(215,635)
Debt issue costs	(4,167)	0
Total non-operating revenues (expenses)	(201,456)	(215,221)
Net income (loss) before capital contributions and transfers	29,981	(13,758)
Capital contributions		
Intergovernmental	138,067	0
Net income (loss) before transfers	168,048	(13,758)
Transfers in (out)		
General Fund	(7,500)	(2,500)
2006 SPLOST Fund	63,329	106,998
2011 SPLOST Fund	(1,319)	63,000
Total transfers	54,510	167,498
Change in net position	$ 222,558	$ 153,740

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, 2014 and 2013

	2014	2013
OPERATING REVENUES		
Charges for sales and services	$ 4,899,169	$ 4,189,304
Miscellaneous revenues	5,692	7,027
Total operating revenues	4,904,861	4,196,331
OPERATING EXPENSES		
Costs of sales and services	2,882,900	2,561,235
Personal services	270,991	276,675
Depreciation	135,943	135,995
Miscellaneous expenses	7,390	11,060
Total operating expenses	3,297,224	2,984,965
Operating income (loss)	1,607,637	1,211,366
Transfers in (out)		
General Fund	(750,000)	(700,000)
Change in net position	$ 857,637	$ 511,366

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 23,612,332	$ 22,771,283
Payments to suppliers	(15,750,464)	(15,612,470)
Payments to employees	(2,084,424)	(2,219,145)
Other receipts	13,092	16,140
Other payments	(45,760)	(58,240)
Net cash provided (used) by operating activities	5,744,776	4,897,568
Cash flows from non-capital financing activities:		
Payments to other funds	(2,660,512)	(2,804,363)
Cash flows from capital and related financing activities:		
Receipts from other governments	126,875	0
Receipts from other funds	69,510	169,998
Payment of capital related accounts payable	(65,500)	0
Acquisition of capital assets	(800,037)	(485,375)
Debt issue costs	(4,167)	0
Interest paid	(207,681)	(225,445)
Issuance of notes payable	507,499	0
Principal payments - bonds	(740,000)	(720,000)
Net cash provided (used) by capital and related financing activities	(1,113,501)	(1,260,822)
Cash flows from investing activities:		
Interest received	136,301	86,942
Proceeds from sale of investments	947,619	1,027,532
Purchase of investments	(1,618,540)	(1,890,711)
Net cash provided (used) by investing activities	(534,620)	(776,237)
Net increase (decrease) in cash	1,436,143	56,146
Cash, July 1	648,545	592,399
Cash, June 30	$ 2,084,688	$ 648,545

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 4,646,327	$ 3,858,723
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,181,550	1,172,628
(Increase) decrease in accounts receivable	(191,153)	(83,459)
(Increase) decrease in inventories	(23,404)	(38,870)
(Increase) decrease in prepaid items	20,829	(20,829)
(Increase) decrease in other current assets	5,247	753
Increase (decrease) in accounts payable	109,478	25,827
Increase (decrease) in sales tax payable	(249)	(26,824)
Increase (decrease) in accrued salaries	7,279	(441)
Increase (decrease) in compensated absences payable	(23,091)	232
Increase (decrease) in deposits payable	17,826	20,462
Increase (decrease) in other current liabilities	(5,863)	(10,634)
Total adjustments	1,098,449	1,038,845
Net cash provided (used) by operating activities	$ 5,744,776	$ 4,897,568
Cash reconciliation:		
Cash	$ 1,602,852	$ 166,870
Bond Redemption Cash	481,836	481,675
Total cash	$ 2,084,688	$ 648,545

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled $73,896 and ($128,447) for the fiscal years ended June 30, 2014 and 2013, respectively.

Acquistion of capital assets through accounts payable totaled $55,959 and $65,500 for the fiscal years ended June 30, 2014 and 2013, respectively.

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Current assets		
Accounts receivable (net)	$ 68,949	$ 67,164
Prepaid items	0	2,999
Due from other funds	115,000	0
Total current assets	183,949	70,163
Capital assets		
Land	14,400	14,400
Land improvements	54,739	54,739
Buildings	86,886	86,886
Vehicles and equipment	610,002	610,002
Accumulated depreciation	(656,989)	(637,149)
Total capital assets (net of accumulated depreciation)	109,038	128,878
Total assets	292,987	199,041
LIABILITIES		
Current liabilities		
Accounts payable	24,088	22,507
Accrued salaries	7,883	5,324
Compensated absences	10,302	8,947
Capital leases payable	11,529	11,349
Due to other funds	198,651	95,918
Total current liabilities	252,453	144,045
Noncurrent liabilities		
Compensated absences	4,415	3,835
Capital leases payable	26,610	38,139
Total noncurrent liabilities	31,025	41,974
Total liabilities	283,478	186,019
NET POSITION		
Net investment in capital assets	70,899	79,390
Unrestricted	(61,390)	(66,368)
Total net position	$ 9,509	$ 13,022

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, 2014 and 2013

OPERATING REVENUES	**2014**	**2013**
Charges for sales and services		
Residential service	$ 413,974	$ 362,001
Commercial service	316,439	271,282
Sale of recyclables	82,871	83,525
Garbage container sales	8,893	10,783
Total operating revenues	822,177	727,591
OPERATING EXPENSES		
Costs of sales and services	451,425	423,838
Personal services	465,519	395,934
Depreciation	19,840	36,267
Miscellaneous	3,210	2,130
Total operating expenses	939,994	858,169
Operating income (loss)	(117,817)	(130,578)
Non-operating revenues (expenses)		
Interest expense	(696)	(614)
Gain (loss) on sale of capital assets	0	13,913
Total non-operating revenues (expenses)	(696)	13,299
Net income (loss) before transfers	(118,513)	(117,279)
Transfers in (out)		
General Fund	115,000	0
Change in net position	(3,513)	(117,279)
Net position, July 1	13,022	130,301
Net position, June 30	$ 9,509	$ 13,022

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 820,392	$ 715,227
Payments to suppliers	(446,845)	(420,710)
Payments to employees	(461,025)	(398,002)
Other payments	(3,210)	(2,130)
Net cash provided (used) by operating activities	(90,688)	(105,615)
Cash flows from non-capital financing activities:		
Receipts from other funds	102,733	98,728
Cash flows from capital and related financing activities:		
Receipts from sale of assets	0	13,913
Acquisition of capital assets	0	(55,900)
Interest paid	(696)	(614)
Issuance of capital lease	0	55,900
Principal payments - capital leases	(11,349)	(6,412)
Net cash provided (used) by capital and related financing activities	(12,045)	6,887
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)	$ (117,817)	$ (130,578)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	19,840	36,267
(Increase) decrease in accounts receivable	(1,785)	(12,364)
(Increase) decrease in prepaid items	2,999	(2,999)
Increase (decrease) in accounts payable	1,581	6,127
Increase (decrease) in accrued salaries	2,559	(320)
Increase (decrease) in compensated absences payable	1,935	(1,748)
Total adjustments	27,129	24,963
Net cash provided (used) by operating activities	$ (90,688)	$ (105,615)

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

ASSETS	**2014**	**2013**
Current assets		
Accounts receivable (net)	$ 316,639	$ 316,303
Prepaid items	0	2,908
Inventories	100,719	67,873
Total current assets	417,358	387,084
Restricted assets		
Construction Fund		
Cash	40,602	0
Capital assets		
Land	6,900	6,900
Buildings	513,385	513,385
Vehicles and equipment	600,883	647,172
Distribution system	8,108,793	7,893,066
Construction in progress	264,395	0
Accumulated depreciation	(3,148,945)	(2,962,661)
Total capital assets (net of accumulated depreciation)	6,345,411	6,097,862
Total assets	6,803,371	6,484,946
LIABILITIES		
Current liabilities		
Payables		
Accounts	127,757	113,283
Intergovernmental	21,040	19,146
Interest	1,924	3,551
Accrued salaries	5,539	3,205
Compensated absences	9,233	15,638
Customer deposits	1,833	2,294
Capital lease payable	649,422	847,274
Total current liabilities	816,748	1,004,391
Noncurrent liabilities		
Compensated absences	3,957	6,702
Advances from other funds	4,483,671	4,337,761
Capital lease payable	875,426	1,020,607
Total noncurrent liabilities	5,363,054	5,365,070
Total liabilities	6,179,802	6,369,461
NET POSITION		
Net investment in capital assets	4,861,165	4,229,981
Unrestricted	(4,237,596)	(4,114,496)
Total net position	$ 623,569	$ 115,485

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, 2014 and 2013

	2014	2013
OPERATING REVENUES		
Charges for sales and services	$ 3,328,687	$ 3,121,582
Miscellaneous revenues	656	0
Total operating revenues	3,329,343	3,121,582
OPERATING EXPENSES		
Costs of sales and services	2,420,286	2,211,276
Personal services	331,301	323,293
Depreciation	282,404	308,327
Miscellaneous expenses	25,320	53,270
Total operating expenses	3,059,311	2,896,166
Operating income (loss)	270,032	225,416
Non-operating revenues (expenses)		
Interest revenue	43	18
Interest expense	(61,991)	(89,472)
Gain (loss) on sale of capital assets	0	3,300
Total non-operating revenues (expenses)	(61,948)	(86,154)
Net income (loss) before transfers	208,084	139,262
Transfers in (out)		
2011 SPLOST Fund	0	293,572
Combined Utilities Fund	300,000	345,000
Total transfers	300,000	638,572
Change in net position	508,084	777,834
Net position, July 1	115,485	(662,349)
Net position, June 30	$ 623,569	$ 115,485

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Receipts from customers	$ 3,327,890	$ 3,104,737
Payments to suppliers	(2,433,856)	(2,193,599)
Payments to employees	(338,117)	(323,218)
Other receipts	656	0
Other payments	(25,320)	(53,270)
Net cash provided (used) by operating activities	531,253	534,650
Cash flows from non-capital financing activities:		
Receipts from other funds	445,910	379,803
Cash flows from capital and related financing activities:		
Receipts from sale of assets	0	3,300
Receipts from other funds	0	293,572
Acquisition of capital assets	(529,953)	(421,583)
Payment of capital related accounts payable	0	(1,180)
Interest paid	(63,618)	(91,212)
Issuance of capital lease	520,000	103,000
Principal payments - capital lease obligations	(863,033)	(800,418)
Net cash provided (used) by capital and related financing activities	(936,604)	(914,521)
Cash flows from investing activities:		
Interest received	43	18
Net increase (decrease) in cash	40,602	(50)
Cash, July 1	0	50
Cash, June 30	$ 40,602	$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 270,032	$ 225,416
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	282,404	308,327
(Increase) decrease in accounts receivable	(336)	(16,562)
(Increase) decrease in inventories	(32,846)	13,464
(Increase) decrease in prepaid items	2,908	7,872
Increase (decrease) in accounts payable	14,474	268
Increase (decrease) in intergovernmental payable	1,894	(3,926)
Increase (decrease) in customer deposits	(461)	(284)
Increase (decrease) in accrued salaries	2,334	279
Increase (decrease) in compensated absences payable	(9,150)	(204)
Total adjustments	261,221	309,234
Net cash provided (used) by operating activities	$ 531,253	$ 534,650

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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, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 11,215	$ 19,525
LIABILITIES		
Due to other agencies	$ 11,215	$ 19,525

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2014

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Cash	$ 19,525	$ 175,665	$ (183,975)	$ 11,215
LIABILITIES				
Due to other agencies	$ 19,525	$ 175,665	$ (183,975)	$ 11,215

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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, 2014 and 2013

	2014	2013
ASSETS		
Cash	$ 12,553	$ 9,082
Accounts receivable	0	2,000
Prepaid items	2,250	0
Total assets	$ 14,803	$ 11,082
LIABILITIES		
Accounts payable	$ 1,150	$ 1,650
FUND BALANCES		
Nonspendable prepaid items	2,250	0
Assigned for Housing and Development	11,403	9,432
Total fund balances	13,653	9,432
Total liabilities and fund balances	$ 14,803	$ 11,082

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, 2014
(With comparative actual amounts for the fiscal year ended June 30, 2013)

	2014			2013
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 86,693	$ 90,400	$ 3,707	$ 86,212
Rents	25,800	16,864	(8,936)	27,696
Event revenue	11,383	10,893	(490)	13,262
Contributions	0	0	0	225
Interest	0	1	1	0
Total revenues	123,876	118,158	(5,718)	127,395
EXPENDITURES				
Current				
Economic Development				
Personnel services	56,392	51,743	4,649	50,690
Contract services	22,023	14,511	7,512	21,308
Materials and supplies	2,830	8,017	(5,187)	7,245
Debt service	42,631	39,665	2,966	95,391
Total expenditures	123,876	113,936	9,940	174,634
Excess (deficiency) of revenues over (under) expenditures	0	4,222	4,222	(47,239)
Other financing sources (uses)				
Sale of capital assets	0	0	0	50,160
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	4,222	4,222	2,921
Fund balances, July 1	0	9,432	9,432	6,511
Fund balances, June 30	$ 0	$ 13,654	$ 13,654	$ 9,432

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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.	**105-119**
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.	**120-123**
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.	**124-129**
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.	**130-131**
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.	**132-137**
Other Information	**138-139**

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		
	2014	2013	2012
Governmental Activities			
Net investment in capital assets	$ 4,230,037	$ 4,289,328	$ 4,474,881
Restricted	1,067,009	882,783	940,916
Unrestricted	469,531	412,159	374,476
Total Governmental Activities Net Position	5,766,577	5,584,270	5,790,273
Business-type Activities			
Net investment in capital assets	17,877,860	17,350,028	16,525,113
Restricted	2,702,871	2,317,674	2,020,369
Unrestricted	8,281,490	6,518,491	6,170,317
Total Business-Type Activities Net Position	28,862,221	26,186,193	24,715,799
Primary Government			
Net investment in capital assets	22,107,897	21,639,356	20,999,994
Restricted	3,769,880	3,200,457	2,961,285
Unrestricted	8,751,021	6,930,650	6,544,793
Total Primary Government Net Position	$ 34,628,798	$ 31,770,463	$ 30,506,072

FISCAL YEAR						
2011	2010	2009	2008	2007	2006	2005
$ 4,138,536	$ 3,924,223	$ 3,935,047	$ 3,624,359	$ 3,471,430	$ 2,909,989	$ 3,035,688
1,214,456	851,529	730,810	419,048	369,936	275,544	76,648
483,631	517,319	447,389	224,861	36,620	(137,068)	(456,924)
5,836,623	5,293,071	5,113,246	4,268,268	3,877,986	3,048,465	2,655,412
15,555,835	15,262,590	14,315,837	13,384,786	12,175,380	12,350,686	12,625,161
1,383,145	504,668	305,477	289,907	523,595	525,970	518,176
6,516,711	6,280,127	4,288,720	4,077,359	4,052,857	3,104,570	2,242,107
23,455,691	22,047,385	18,910,034	17,752,052	16,751,832	15,981,226	15,385,444
19,694,371	19,186,813	18,250,884	17,009,145	15,646,810	15,260,675	15,660,849
2,597,601	1,356,197	1,036,287	708,955	893,531	801,514	594,824
7,000,342	6,797,446	4,736,109	4,302,220	4,089,477	2,967,502	1,785,183
$ 29,292,314	$ 27,340,456	$ 24,023,280	$ 22,020,320	$ 20,629,818	$ 19,029,691	$ 18,040,856

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
Expenses	**2014**	**2013**	**2012**
Governmental Activities:			
General Government	$ 673,908	$ 657,516	$ 697,793
Judicial	106,386	107,728	104,279
Public Safety	2,539,385	2,476,946	2,395,267
Public Works	1,067,150	1,151,627	1,166,098
Health and Welfare	58,144	67,100	9,000
Culture and Recreation	174,478	186,059	167,465
Housing and Development	259,179	249,642	247,896
Non-departmental	0	0	0
Interest on Long-term Debt	11,278	8,667	92
Total Governmental Activities	4,889,908	4,905,285	4,787,890
Business-type Activities:			
Combined Public Utilities			
Electric	12,991,858	13,179,039	13,064,053
Water and Sewer	2,740,178	2,734,886	2,816,229
Natural Gas	3,193,275	2,861,258	2,734,236
Telecommunications	0	0	0
ElbertonNET Technology Services	3,040,601	2,855,925	2,623,765
Industrial Park	0	0	0
Solid Waste	837,283	778,294	768,886
Total Business-type Activities	22,803,195	22,409,402	22,007,169
Total Primary Government Expenses	27,693,103	27,314,687	26,795,059
Indirect Costs			
Governmental Activities:			
General Government	(477,578)	(451,965)	(464,060)
Public Works	(141,520)	(227,844)	(204,846)
Total Governmental Activities Indirect Cost	(619,098)	(679,809)	(668,906)
Business-type Activities:			
Combined Public Utilities			
Electric	212,571	220,989	244,671
Water and Sewer	118,470	124,911	143,042
Natural Gas	103,949	123,707	174,494
Telecommunications	0	0	0
ElbertonNET Technology Services	80,701	129,713	50,756
Solid Waste	103,407	80,489	55,943
Total Business-type Activities Indirect Cost	619,098	679,809	668,906
Total Primary Government Indirect Cost	0	0	0
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	45,358	45,815	53,823
Public Safety	191,337	204,784	178,550
Public Works	65,170	51,235	52,891
Housing and Development	10,495	11,443	17,933
Operating Grants and Contributions	2,852	34,276	62,948
Capital Grants and Contributions	602,260	580,179	797,939
Total Governmental Activities Program Revenues	917,472	927,732	1,164,084
Business-type Activities:			
Charges for Services:			
Electric	16,005,007	15,839,368	15,566,693
Water and Sewer	2,887,595	2,843,066	2,817,914
Natural Gas	4,899,169	4,189,304	3,440,528
Telecommunications	0	0	0
ElbertonNET Technology Services	3,328,687	3,121,582	2,740,805
Solid Waste	822,177	727,591	769,818
Operating Grants and Contributions	0	0	0
Capital Grants and Contributions	138,067	0	258,408
Total Business-type Activities Program Revenues	28,080,702	26,720,911	25,594,166
Total Primary Government Program Revenues	28,998,174	27,648,643	26,758,250

FISCAL YEAR						
2011	2010	2009	2008	2007	2006	2005
$ 782,934	$ 776,304	$ 758,352	$ 734,895	$ 761,879	$ 865,142	$ 791,563
99,901	101,982	100,939	103,965	98,082	98,881	78,031
2,509,964	2,442,237	2,355,213	2,293,427	2,213,641	2,064,532	1,871,062
1,155,171	1,178,530	1,315,287	1,310,736	1,216,164	1,342,388	1,277,223
11,900	9,900	9,900	5,900	9,249	1,300	13,561
163,831	161,416	151,363	157,287	82,588	66,164	96,910
205,442	246,774	415,226	263,260	286,226	225,903	200,727
0	0	0	0	0	0	10,853
437	2,716	5,485	5,922	5,239	2,907	1,967
4,929,580	4,919,859	5,111,765	4,875,392	4,673,068	4,667,217	4,341,897
12,136,219	11,302,256	11,840,875	12,518,339	11,903,757	11,034,964	10,146,459
2,797,193	2,808,412	2,840,855	2,691,386	3,095,123	2,590,337	2,389,663
3,075,133	3,329,597	3,923,296	4,022,390	4,465,284	4,912,460	3,726,484
0	0	0	0	0	40,261	877,771
2,435,188	2,166,187	1,945,176	2,251,378	1,818,099	1,672,512	1,007,243
459,399	7,047	7,048	7,047	7,048	7,262	14,967
757,211	774,633	737,010	692,069	655,667	579,156	556,310
21,660,343	20,388,132	21,294,260	22,182,609	21,944,978	20,836,952	18,718,897
26,589,923	25,307,991	26,406,025	27,058,001	26,618,046	25,504,169	23,060,794
(546,280)	(456,853)	(450,154)	(431,896)	(411,379)	(649,151)	(429,572)
(202,378)	(225,423)	(221,872)	(217,936)	(167,910)	(240,056)	(396,892)
(748,658)	(682,276)	(672,026)	(649,832)	(579,289)	(889,207)	(826,464)
294,516	263,319	259,899	250,461	228,156	297,849	314,994
147,294	137,540	135,338	131,349	97,122	194,293	146,748
196,945	180,607	178,075	172,194	140,551	278,517	171,856
0	0	0	0	0	0	59,167
54,817	48,630	47,642	46,096	40,866	17,793	10,000
55,086	52,180	51,072	49,732	72,594	100,755	123,699
748,658	682,276	672,026	649,832	579,289	889,207	826,464
0	0	0	0	0	0	0
55,109	60,476	55,965	57,784	62,241	63,572	140,450
227,569	235,767	232,192	242,567	214,756	225,841	211,864
72,514	64,151	59,175	62,405	58,637	71,253	71,190
12,393	45,249	44,145	37,504	37,130	19,235	39,664
44,386	100,177	72,158	842	8,722	39,969	120,474
714,791	22,584	877,058	99,514	231,841	200,000	392,279
1,126,762	528,404	1,340,693	500,616	613,327	619,870	975,921
15,721,112	15,570,785	14,462,334	14,505,101	13,769,282	12,886,623	11,948,853
2,778,123	2,854,234	2,878,146	2,881,331	2,916,737	2,654,050	2,575,343
4,331,615	4,803,798	5,279,518	5,632,829	5,387,505	6,227,798	5,346,246
0	0	0	0	0	0	533,407
2,401,396	1,954,681	1,675,254	1,559,185	1,336,275	1,058,866	691,799
801,319	789,409	739,446	763,511	697,416	670,577	667,104
0	0	0	41,324	750,039	16,030	36,642
38,833	11,167	0	0	398,258	248,737	0
26,072,398	25,984,074	25,034,698	25,383,281	25,255,512	23,762,681	21,799,394
27,199,160	26,512,478	26,375,391	25,883,897	25,868,839	24,382,551	22,775,315

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
	2014	2013	2012
Change in Net Position			
Net (expense) Revenue -			
Governmental Activities	$ (3,353,338)	$ (3,297,744)	$ (2,954,900)
Net (expense) Revenue -			
Business-type Activities	4,658,409	3,631,700	2,918,091
Total Primary Government			
Net (Expense) Revenue	1,305,071	333,956	(36,809)
General Revenues and			
Other Changes in Net Position			
Governmental Activities			
Taxes:			
Title ad valorem	105,085	31,875	0
Sales	550,972	577,225	592,734
Franchise	89,389	91,243	90,041
Occupational (1)	125,781	110,828	74,804
Insurance Premium	240,020	231,813	218,245
Alcoholic Beverages	142,639	149,169	153,664
Hotel/Motel	46,283	51,865	45,344
Other	4,096	7,061	5,294
Interest and Investment Earnings	2,117	2,317	2,646
Gain on Sale of Assets	0	0	0
Miscellaneous	23,773	19,415	9,288
Transfers	2,205,490	1,818,930	1,716,490
Total Government Activities	3,535,645	3,091,741	2,908,550
Business-type Activities			
Interest and Investment Earnings	135,465	86,101	38,738
Net increase (decrease) in the fair value of investments	73,896	(128,447)	0
Gain on Sale of Assets	0	17,213	2,404
Miscellaneous	13,748	16,140	17,365
Transfers	(2,205,490)	(1,818,930)	(1,716,490)
Total Business-type Activities	(1,982,381)	(1,827,923)	(1,657,983)
Total Primary Government General Revenues	1,553,264	1,263,818	1,250,567
Change in Net Position			
Governmental Activities	182,307	(206,003)	(46,350)
Business-type Activities	2,676,028	1,803,777	1,260,108
Total Primary Government			
Change in Net Position	2,858,335	1,597,774	1,213,758
Net Position - beginning (original)			
Governmental Activities	5,584,270	5,790,273	5,836,623
Business-type Activities	26,186,193	24,715,799	23,455,691
Total Primary Government			
Beginning Net Position (original)	31,770,463	30,506,072	29,292,314
Prior Period Adjustments			
Governmental Activities	0	0	0
Business-type Activities	0	(333,383)	0
Total Primary Government			
Prior Period Adjustments	0	(333,383)	0
Net Position - beginning (restated)			
Governmental Activities	5,584,270	5,790,273	5,836,623
Business-type Activities	26,186,193	24,382,416	23,455,691
Total Primary Government			
Beginning Net Position (restated)	31,770,463	30,172,689	29,292,314
Change in Net Position - ending			
Governmental Activities	5,766,577	5,584,270	5,790,273
Business-type Activities	28,862,221	26,186,193	24,715,799
Total Primary Government			
Ending Net Position	$ 34,628,798	$ 31,770,463	$ 30,506,072

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

FISCAL YEAR						
2011	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**
$ (3,054,160)	$ (3,709,179)	$ (3,099,046)	$ (3,724,944)	$ (3,480,452)	$ (3,158,140)	$ (2,539,512)
3,663,397	4,913,666	3,068,412	2,550,840	2,731,245	2,036,522	2,254,033
609,237	1,204,487	(30,634)	(1,174,104)	(749,207)	(1,121,618)	(285,479)
0	0	0	0	0	0	0
633,998	1,345,161	1,182,430	1,399,514	1,285,913	640,156	560,452
84,338	86,620	88,790	87,815	83,545	82,846	80,446
73,352	79,349	85,706	85,683	90,545	80,697	0
255,324	262,968	265,457	259,247	248,533	237,546	220,795
143,118	141,394	158,225	158,789	152,952	152,254	147,003
58,650	72,661	66,655	69,510	66,505	71,052	62,711
3,160	3,829	5,888	8,847	12,786	7,593	8,649
2,500	4,092	3,172	51,770	79,361	37,785	11,926
10,123	1,800	0	26,355	5,972	0	0
17,953	17,034	49,716	38,341	20,451	460,627	6,624
2,315,196	1,874,096	2,037,985	1,929,355	2,102,559	1,626,340	1,850,639
3,597,712	3,889,004	3,944,024	4,115,226	4,149,122	3,396,896	2,949,245
33,603	66,891	91,420	133,186	124,201	131,765	125,280
0	0	0	0	0	0	0
1,220	5,225	2,510	15,916	5,769	0	0
25,282	25,665	33,625	229,633	11,950	53,835	16,133
(2,315,196)	(1,874,096)	(2,037,985)	(1,929,355)	(2,102,559)	(1,626,340)	(1,850,639)
(2,255,091)	(1,776,315)	(1,910,430)	(1,550,620)	(1,960,639)	(1,440,740)	(1,709,226)
1,342,621	2,112,689	2,033,594	2,564,606	2,188,483	1,956,156	1,240,019
543,552	179,825	844,978	390,282	668,670	238,756	409,733
1,408,306	3,137,351	1,157,982	1,000,220	770,606	595,782	544,807
1,951,858	3,317,176	2,002,960	1,390,502	1,439,276	834,538	954,540
5,293,071	5,113,246	4,268,268	3,877,986	3,048,465	2,655,412	2,245,679
22,047,385	18,910,034	17,752,052	16,751,832	15,981,226	15,385,444	14,840,637
27,340,456	24,023,280	22,020,320	20,629,818	19,029,691	18,040,856	17,086,316
0	0	0	0	160,851	154,297	0
0	0	0	0	0	0	0
0	0	0	0	160,851	154,297	0
5,293,071	5,113,246	4,268,268	3,877,986	3,209,316	2,809,709	2,245,679
22,047,385	18,910,034	17,752,052	16,751,832	15,981,226	15,385,444	14,840,637
27,340,456	24,023,280	22,020,320	20,629,818	19,190,542	18,195,153	17,086,316
5,836,623	5,293,071	5,113,246	4,268,268	3,877,986	3,048,465	2,655,412
23,455,691	22,047,385	18,910,034	17,752,052	16,751,832	15,981,226	15,385,444
$ 29,292,314	$ 27,340,456	$ 24,023,280	$ 22,020,320	$ 20,629,818	$ 19,029,691	$ 18,040,856

City of Elberton
Fund Balances of Governmental Funds
Last Ten Fiscal Years

	FISCAL YEAR		
	2014	2013	2012
General Fund			
Reserved			
Unreserved			
Nonspendable (1)	$ 146,234	$ 190,731	$ 158,855
Restricted (1)	25	25	50
Unassigned (1)	706,758	645,418	663,004
Total General Fund	853,017	836,174	821,909
All Other Governmental Funds			
Unreserved, Reported in:			
Special Revenue Fund			
Capital Project Funds			
Nonspendable (1)			
Restricted (1)	1,066,984	882,758	940,866
Assigned (1)	12,869	4,407	3,061
Total All Other Governmental Funds	1,079,853	887,165	943,927
Total Governmental Fund Balances	$ 1,932,870	$ 1,723,339	$ 1,765,836

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

FISCAL YEAR						
2011	2010	2009	2008	2007	2006	2005
	$ 144,344	$ 393,228	$ 439,843	$ 147,922	$ 149,041	$ 92,216
	865,048	569,642	307,883	413,512	323,490	153,157
$ 170,860						
50						
801,597						
972,507	1,009,392	962,870	747,726	561,434	472,531	245,373
	485,210	485,210	6,885	8,972	13,798	0
	366,319	245,600	412,163	360,964	198,646	76,649
448,000						
766,455						
4,068						
1,218,523	851,529	730,810	419,048	369,936	212,444	76,649
$ 2,191,030	$ 1,860,921	$ 1,693,680	$ 1,166,774	$ 931,370	$ 684,975	$ 322,022

City of Elberton

Changes in Fund Balances - Governmental Funds (1)

Last Ten Fiscal Years

	FISCAL YEAR		
	2014	2013	2012
Revenues			
Taxes	$ 1,304,264	$ 1,251,079	$ 1,180,126
Licenses and permits (2)	54,238	57,725	70,936
Fines, fees and forfeitures	169,016	191,822	161,225
Charges for services	708,204	743,539	739,942
Intergovernmental	604,528	613,827	860,372
Interest	2,349	2,660	2,996
Contributions	352	285	0
Other	13,968	6,203	9,453
Total Revenues	2,856,919	2,867,140	3,025,050
Expenditures			
General Government	651,547	633,371	688,978
Judicial	105,292	106,007	104,845
Public Safety	2,364,581	2,354,039	2,285,569
Public Works	982,393	1,016,610	1,083,913
Health and Welfare	58,144	67,100	9,000
Culture and Recreation	123,278	146,973	143,053
Housing and Development	244,853	243,343	239,926
Non-Departmental	0	0	0
Debt Service - Principal	55,970	4,612	7,300
Debt Service - Interest	11,278	8,667	92
Capital Outlay	265,348	730,831	604,058
Total Expenditures	4,862,684	5,311,553	5,166,734
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,005,765)	(2,444,413)	(2,141,684)
Other Financing Sources (Uses)			
Transfers In	2,408,989	2,303,819	2,168,581
Transfers Out	(203,499)	(484,889)	(452,091)
Sale of Capital Assets	9,806	13,212	0
Issuance of Capital Leases	0	569,774	0
Total Other Financing Sources (Uses)	2,215,296	2,401,916	1,716,490
Net Change in Fund Balances	209,531	(42,497)	(425,194)
Fund Balances, July 1	1,723,339	1,765,836	2,191,030
Prior Period Adjustment	0	0	0
Fund Balances, June 30	$ 1,932,870	$ 1,723,339	$ 1,765,836
Debt service as a percentage of noncapital expenditures	1.48%	0.29%	0.16%

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						
2011	2010	2009	2008	2007	2006	2005
$ 1,251,941	$ 1,317,624	$ 1,264,618	$ 1,375,542	$ 1,300,551	$ 1,191,447	$ 1,080,056
67,553	103,994	100,084	94,654	99,693	161,855	181,532
195,234	202,828	203,387	223,968	202,083	211,142	159,359
853,456	781,097	760,032	731,470	650,277	976,808	948,741
747,837	796,805	1,406,679	794,204	788,416	239,969	512,753
3,695	4,092	3,172	51,770	79,361	37,785	11,926
0	0	0	0	0	0	0
28,097	17,348	49,786	38,357	112,826	56,356	6,624
3,147,813	3,223,788	3,787,758	3,309,965	3,233,207	2,875,362	2,900,991
872,270	795,652	739,722	717,350	725,386	848,845	818,311
100,857	102,716	100,616	103,447	97,015	97,358	77,692
2,390,993	2,309,661	2,234,428	2,171,102	2,122,180	2,064,065	1,846,427
1,091,821	1,117,742	1,281,083	1,208,520	1,079,879	1,227,280	1,315,284
11,900	9,900	9,900	5,900	5,000	1,300	13,561
139,290	146,215	142,491	186,597	155,888	60,000	296,144
195,955	242,834	412,796	234,047	192,520	229,786	199,959
0	0	0	0	0	0	10,853
10,650	86,590	45,538	58,298	64,794	46,118	40,046
437	2,716	5,485	5,922	5,239	2,907	1,967
152,138	118,417	457,778	380,548	807,331	88178	146447
4,966,311	4,932,443	5,429,837	5,071,731	5,255,232	4,665,837	4,766,691
(1,818,498)	(1,708,655)	(1,642,079)	(1,761,766)	(2,022,025)	(1,790,475)	(1,865,700)
2,289,493	2,304,843	2,344,502	2,259,913	2,196,666	1,705,864	1,947,432
(151,009)	(430,747)	(306,517)	(330,558)	(94,107)	(79,524)	(96,793)
10,123	1,800	131,000	26,355	5,972	527,088	0
0	0	0	41,460	159,889	0	157,985
2,148,607	1,875,896	2,168,985	1,997,170	2,268,420	2,153,428	2,008,624
330,109	167,241	526,906	235,404	246,395	362,953	142,924
1,860,921	1,693,680	1,166,774	931,370	684,975	322,022	179,098
0	0	0	0	0	0	0
$ 2,191,030	$ 1,860,921	$ 1,693,680	$ 1,166,774	$ 931,370	$ 684,975	$ 322,022
0.24%	1.90%	1.06%	1.40%	1.59%	1.11%	1.03%

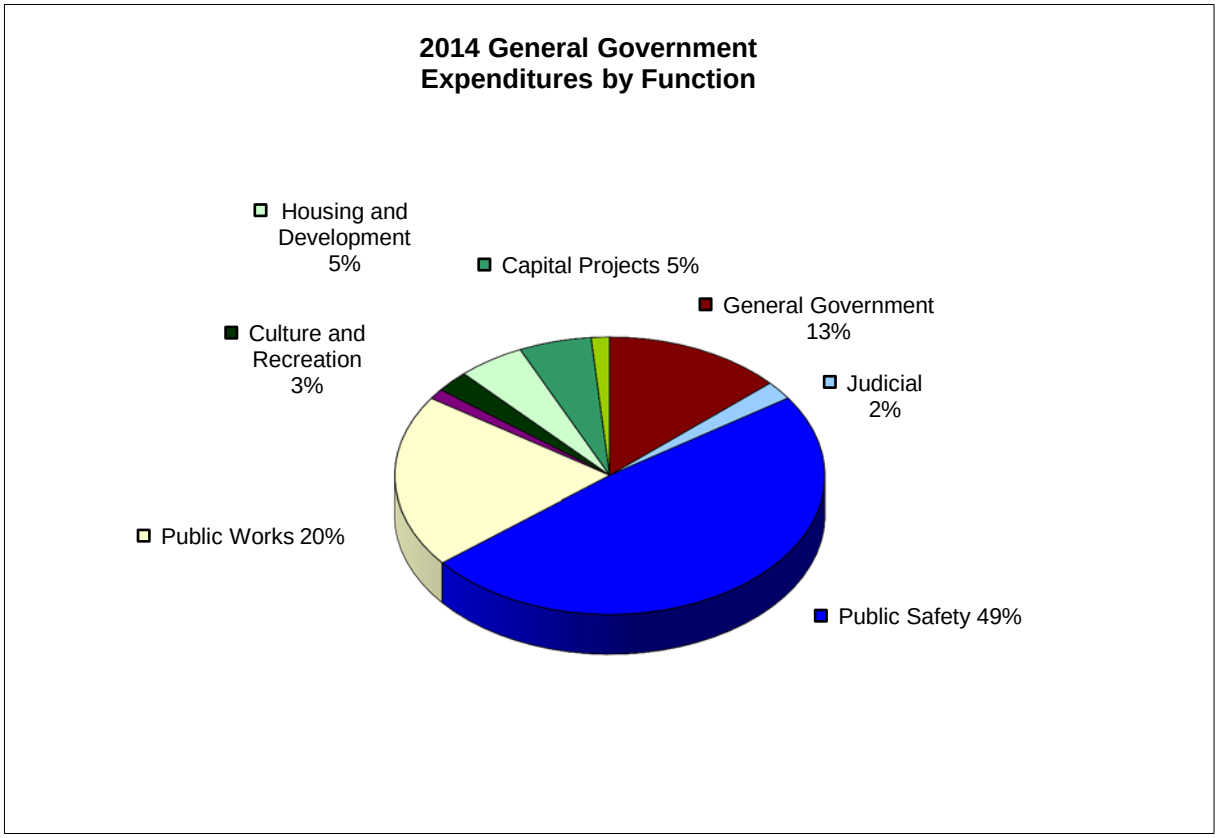
City of Elberton, Georgia

General Government Expenditures by Function (1)

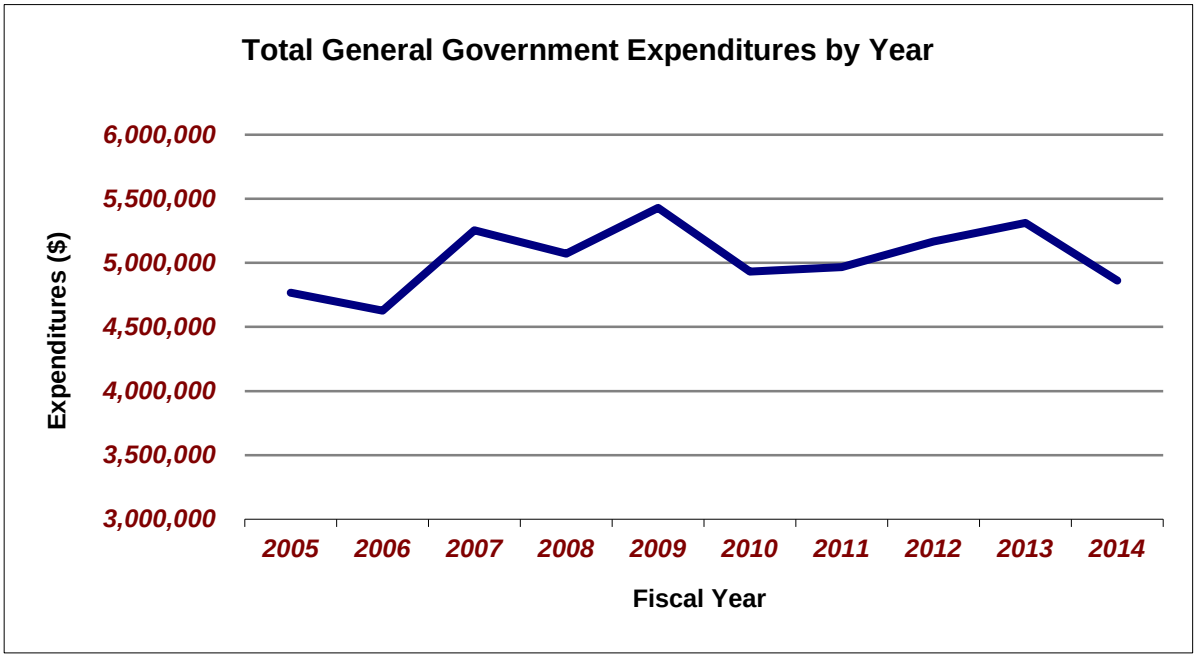
Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health and Welfare
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
2014	651,547	105,292	2,364,581	982,393	58,144

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



Culture and Recreation	Housing and Development	Other	Capital Projects	Debt Service	Total
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
123,278	244,853	0	265,348	67,248	4,862,684



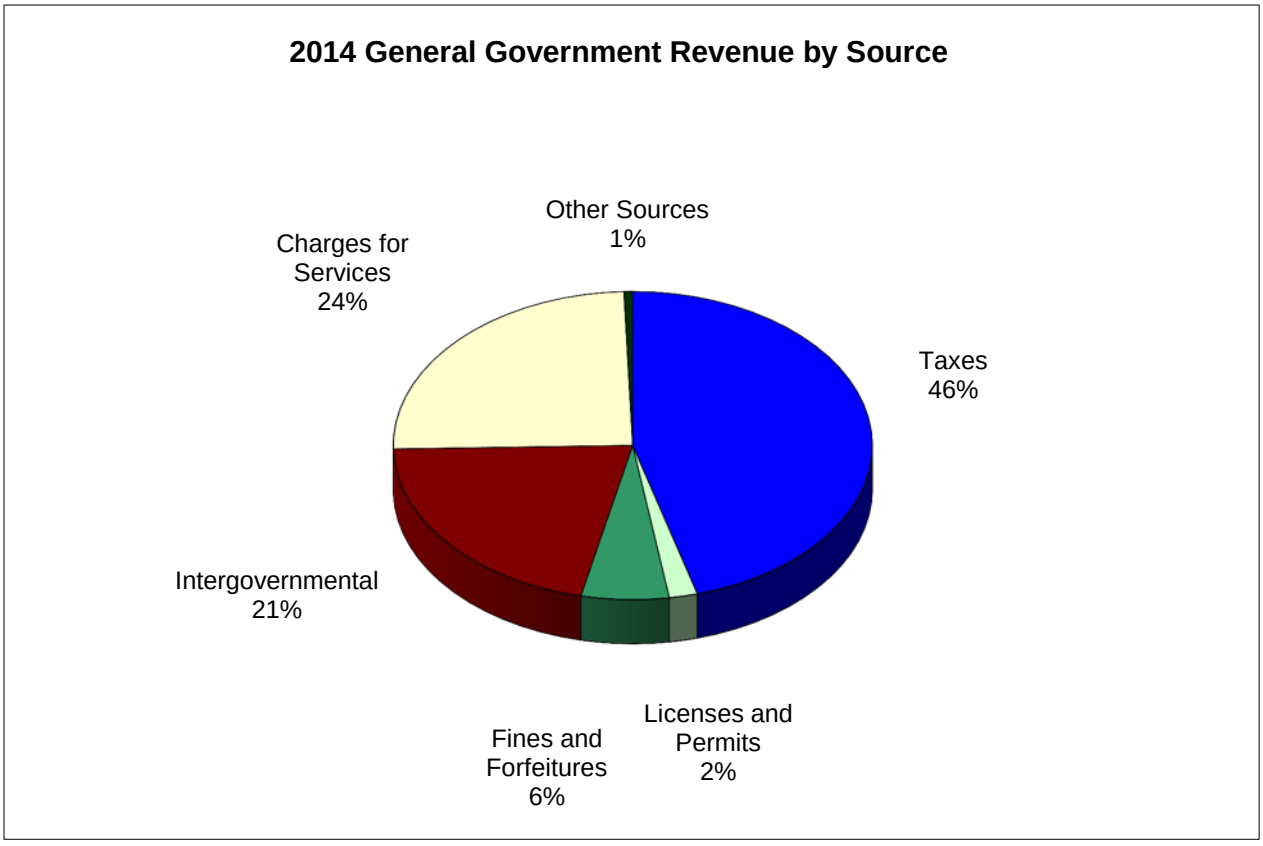
City of Elberton, Georgia

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
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
2014	1,304,264	54,238	169,016	604,528	708,204	16,669	2,856,919

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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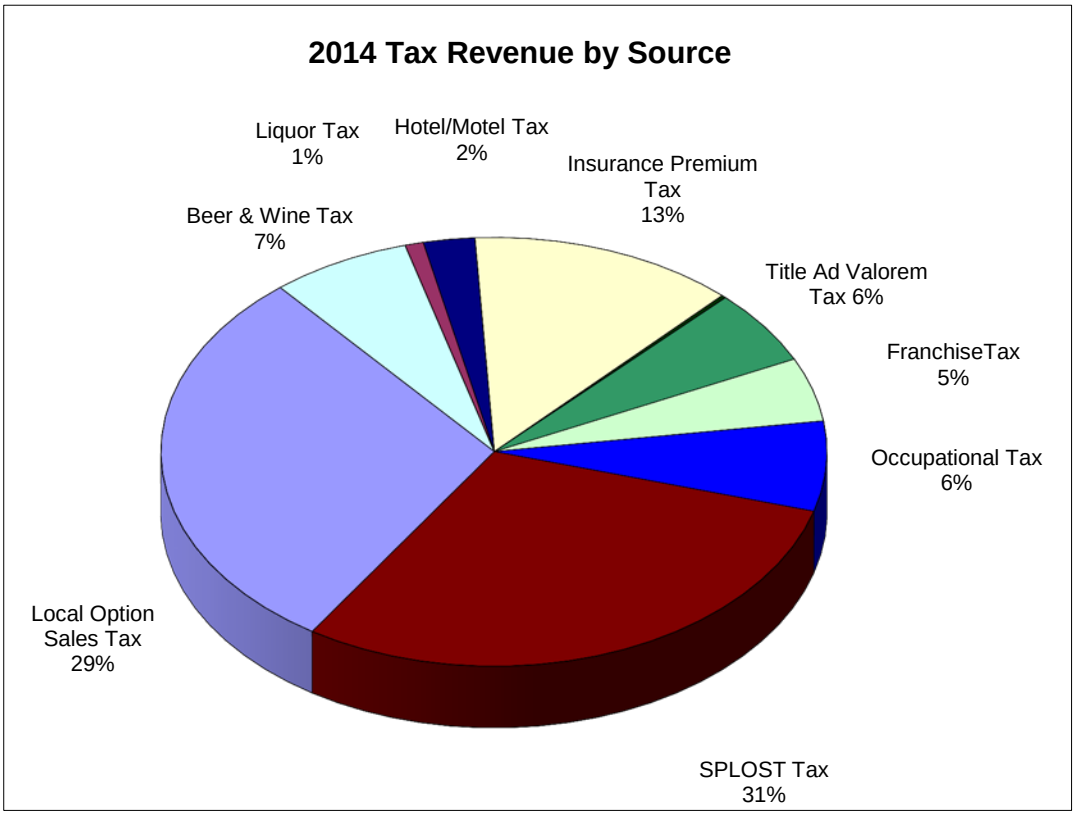
City of Elberton, Georgia

General Government Tax Revenues by Source

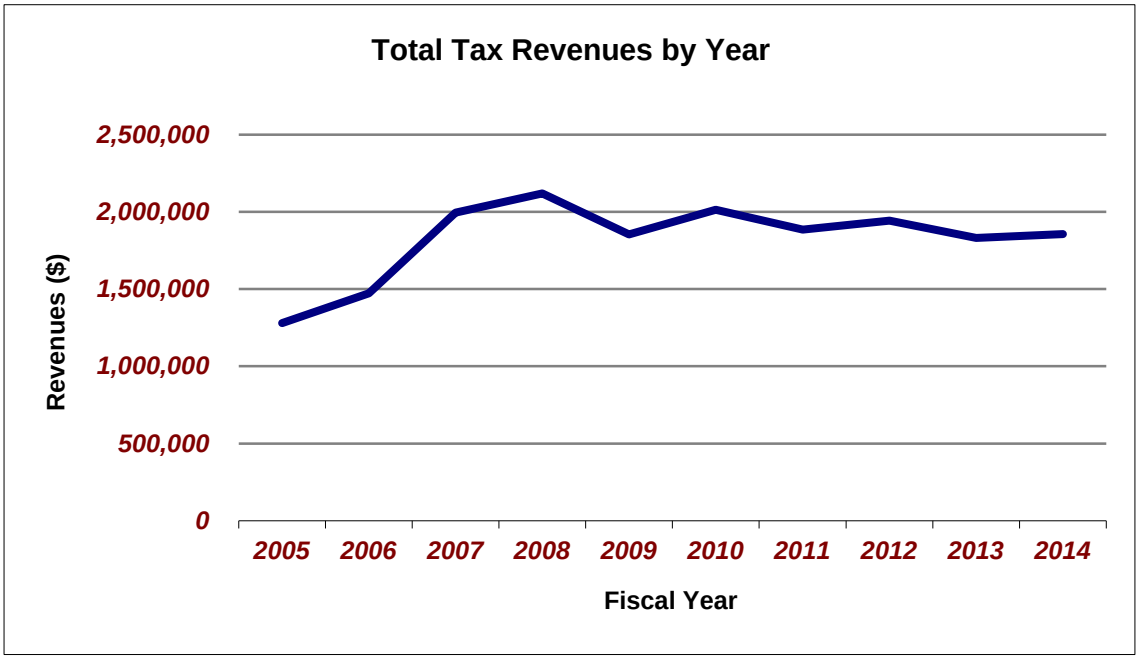
Last Ten Fiscal Years

Fiscal Year	Beer & Wine Tax	Liquor Tax	Hotel/Motel Tax (1)	Insurance Premium Tax	Intangible Tax
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
2014	125,992	16,647	46,282	240,020	4,096

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	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
105,085	89,389	125,781	550,972	550,972	1,855,236



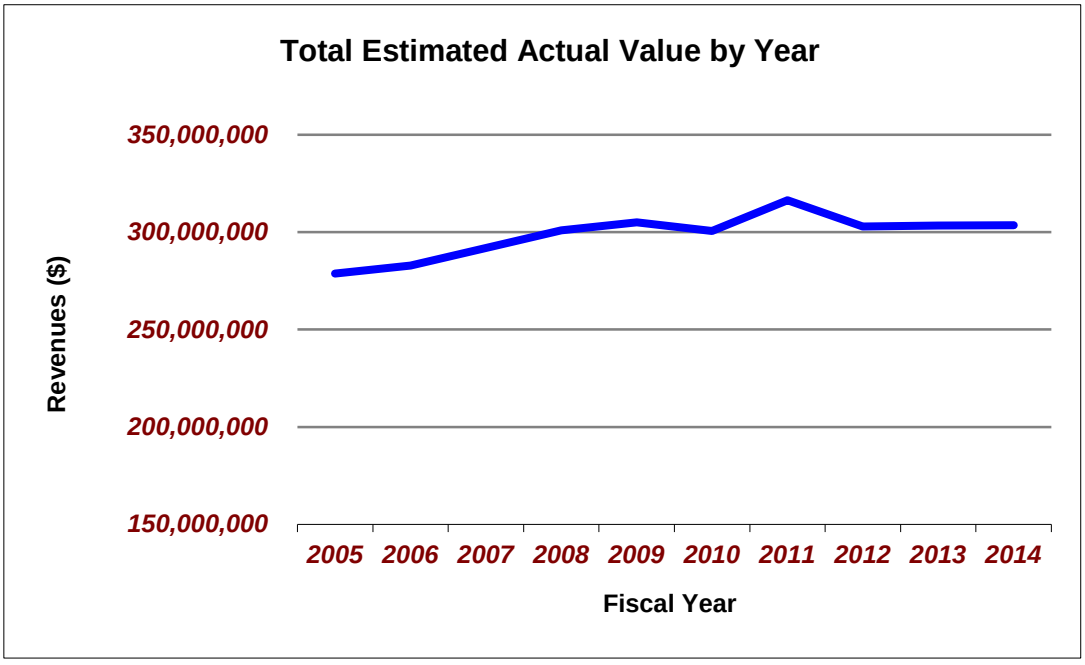
City of Elberton, Georgia

Assessed and Estimated Actual Value of Taxable Property

Digest Years 2004 - 2013

Calendar Year of Digest	Real Property	Motor Vehicles	Mobile Homes	Public Utilities
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
2014	108,348,155	6,913,940	156,160	5,991,509

Source: Elbert County Tax Digest



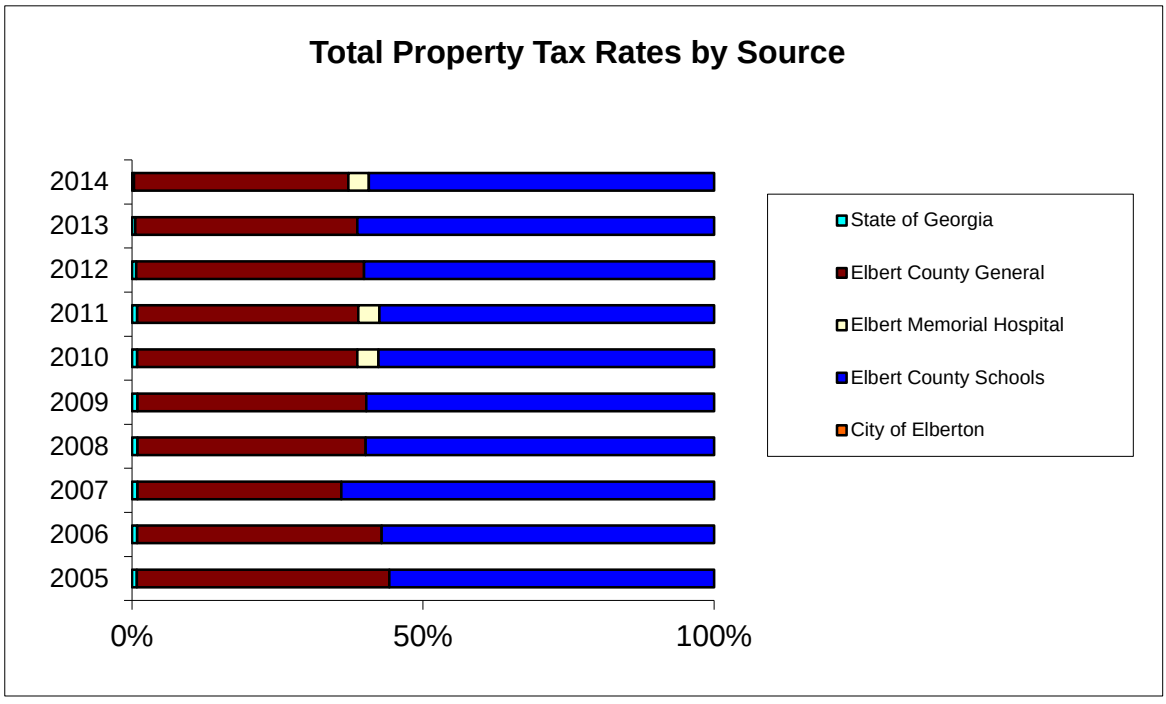
Total Property	Less: Exemptions	Total Taxable Property	Total Estimated Actual Value	Total Direct Tax Rate
111,467,609	(5,403,422)	106,064,187	278,669,023	0.00
113,156,358	(6,001,710)	107,154,648	282,890,895	0.00
116,778,032	(6,925,246)	109,852,786	291,945,080	0.00
120,333,554	(3,749,436)	116,584,118	300,833,885	0.00
122,016,538	(4,873,097)	117,143,441	305,041,345	0.00
120,214,661	(3,839,856)	116,374,805	300,536,653	0.00
126,549,038	(8,162,096)	118,386,942	316,372,595	0.00
121,178,741	(4,334,640)	116,844,101	302,946,853	0.00
121,344,641	(5,205,734)	116,138,907	303,361,603	0.00
121,409,764	(6,261,621)	115,148,143	303,524,410	0.00

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
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
2014	0.10	10.43	1.00	11.43	16.80	0.00	28.33

Source: Elbert County Tax Digest

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



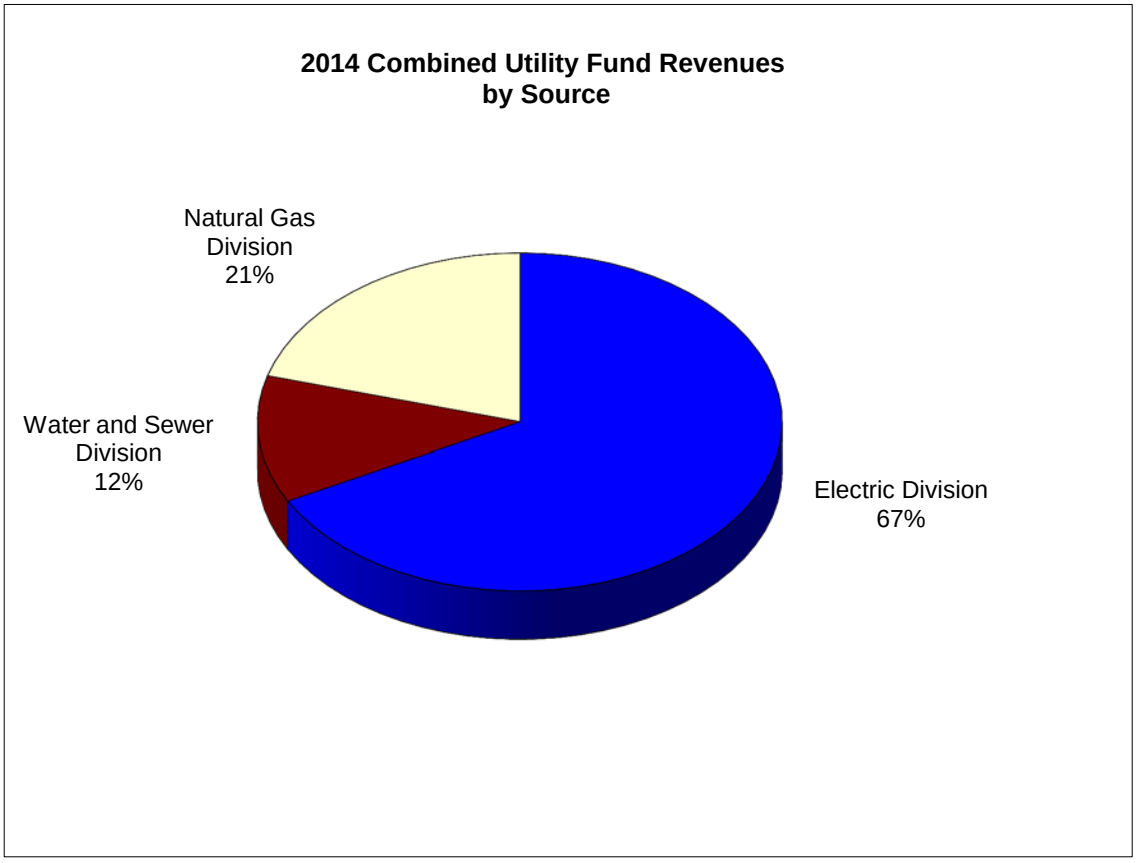
City of Elberton, Georgia

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
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
2014	16,011,682	2,888,320	4,904,861	0	23,804,863

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]
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%	2,839
2011	7,300	8,535,000	0	3,329,935	11,872,235	2.08%	2,598
2012	0	8,220,000	0	2,565,299	10,785,299	1.82%	2,392
2013	565,162 [5]	7,500,000	0	1,917,369	9,982,531	N/A	2,219
2014	509,192	6,760,000	507,499 [6]	1,562,987	8,832,179	N/A	1,957

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.

Note (6): Note payable through Georgia Environmental Finance Authority for improvements to water system.

City of Elberton, Georgia
Computation of Legal Debt Margin
June 30, 2014

Net assessed value	$	115,148,143
Debt limit - 10% of total assessed value		11,514,814
Total General Obligation bonds outstanding		0
Legal debt margin	$	11,514,814
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		6,760,000		1,498
Total General Obligation and Guaranteed Revenue Debt	$	6,760,000	$	1,498

City of Elberton

Legal Debt Margin Information

Last Ten Fiscal Years

	FISCAL YEAR		
	2014	2013	2012
Debt Limit	$ 11,514,814	$ 11,613,891	$ 11,684,410
Total Net Debt applicable to limit	0	0	0
Legal debt margin	11,514,814	11,613,891	11,684,410
Ratio of Legal Debt Margin to Debt Limit	100%	100%	100%

FISCAL YEAR						
2011	2010	2009	2008	2007	2006	2005
$ 11,838,694	$ 11,637,481	$ 11,714,344	$ 11,658,412	$ 10,985,279	$ 10,715,465	$ 10,606,419
0	0	0	0	0	0	0
11,838,694	11,637,481	11,714,344	11,658,412	10,985,279	10,715,465	10,606,419
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
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
2014	740,000	197,598	937,598	2,888,320	2,656,883	231,437	0.25

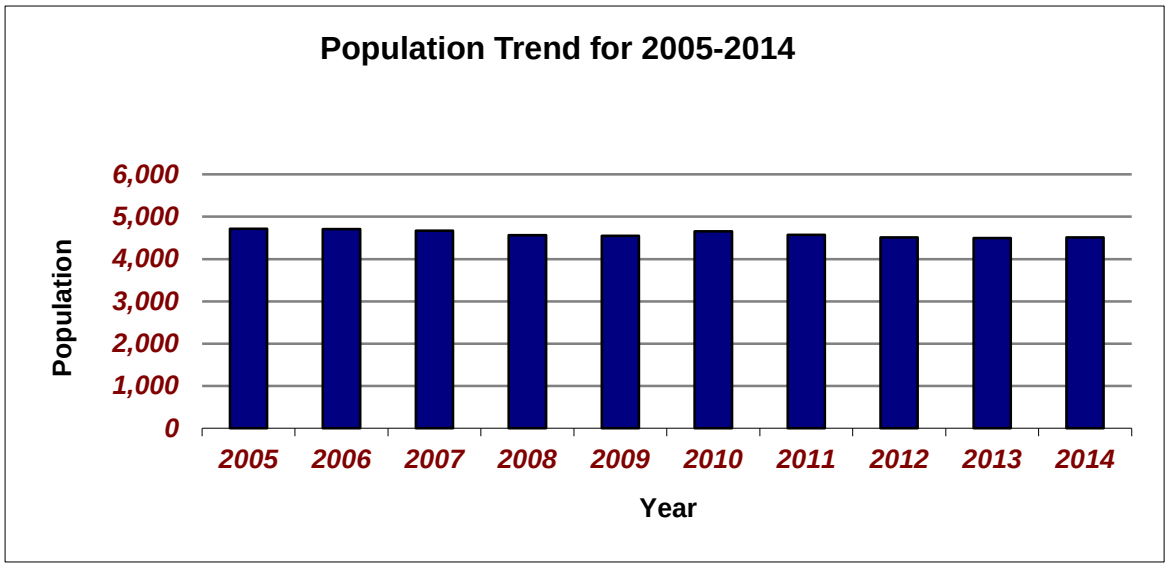
Combined Public Utility System Fund			
Gross Revenue	Operating Expense	Net Revenue	Debt Coverage
20,419,982	16,988,617	3,431,365	3.41
21,805,626	18,753,890	3,051,736	3.02
22,085,474	19,389,273	2,696,201	2.66
23,079,463	19,259,740	3,819,723	3.77
22,643,732	18,673,234	3,970,498	3.92
23,244,892	17,542,823	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
23,804,863	19,158,536	4,646,327	4.96

City of Elberton, Georgia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Unemployment Rate (2)	Median Household Income (3)	Per Capita Income (4)	Total Personal Income (4) (amounts in thousands)	School Enrollment (5)
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%	32,046	28,713	570,984	3,278
2012	4,509	13.1%	35,053	30,099	592,472	3,220
2013	4,499	11.4%	N/A	N/A	N/A	3,105
2014	4,512	9.2%	N/A	N/A	N/A	3,049

(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

Employer	2014 Number of Employees (1)	2014 Rank	2014 Percentage of Total for Principal Employers	2005 Number of Employees (2)	2005 Rank	2005 Percentage of Total for Principal Employers
Pilgrims Pride Corp	541	1	35.64%	552	1	33.91%
Star Granite Company	171	2	11.26%			
Bubba Foods	126	3	8.30%	56	7	3.44%
MollerTech South LLC	109	4	7.18%			
Elbert Memorial Hospital	106	5	6.98%			
Eagle Granite Company	106	6	6.98%			
Keystone Memorials	97	7	6.39%			
Whitlow Electric	88	8	5.80%			
Pinnacle Bank	87	9	5.73%			
Everlasting Granite	87	10	5.73%			
Honeywell				427	2	26.23%
Glen Raven Mills				206	3	12.65%
Siegel Roberts, Inc				187	4	11.49%
Carlise Coating				70	5	4.30%
Turner Concrete				70	6	4.30%
Elberton Manufacturing				30	8	1.84%
Imex				30	9	1.84%
Total for Principal Employers	1,518		100%	1,628		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				
	2014	2013	2012	2011	2010
Function					
Primary government					
General Government	5	5	5	6	7
Judicial	1	1	1	1	1
Public Safety					
Animal Control	1	1	1	1	1
Police	22	22	22	22	23
Fire	16	16	16	16	19
Public Works	11	12	14	14	14
Culture and Recreation	1	1	1	1	1
Housing and Development	2	2	2	2	2
Combined Public Utilities	40	46	47	48	48
ElbertonNET Technology Services	6	6	6	6	6
Solid Waste	12	12	11	11	11
Total primary government	117	124	126	128	133
Component unit					
Downtown Development Authority	1	1	1	1	1
Total employees	118	125	127	129	134

Source: City of Elberton Annual Budget

Full-time Equivalent Employees as of June 30				
2009	**2008**	**2007**	**2006**	**2005**
8	8	8	13	12
1	1	1	1	1
1	1	1	1	1
22	22	22	22	22
19	19	19	19	19
15	16	16	15	16
1	1	1	0	0
2	2	1	2	2
48	48	48	44	47
7	7	7	4	5
11	11	11	11	11
135	136	135	132	136
1	1	1	1	1
136	137	136	133	137

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

Function	FISCAL YEAR 2014	2013	2012
Police			
Number of Citations	1,599	2,660	2,081
Number of Calls for Service	6,323	6,750	7,535
Fire			
Number of Calls Answered	263	238	204
Number of Inspections Conducted	418	465	212
Electrical Service:			
Number of customers	4,372	4,432	4,477
Kilowatt hours sold	142,837,883	150,210,061	150,187,217
Water & Sewer Service:			
Number of water customers	3,444	3,464	3,508
Gallons of water sold	418,102,962	440,791,336	460,021,368
Natural Gas Service:			
Number of customers	3,928	3,973	4,045
Cubic feet sold	439,296,494	394,789,619	331,140,000

Source: Various City Departments

FISCAL YEAR						
2011	2010	2009	2008	2007	2006	2005
2,529	2,095	2,203	2,510	1,998	2,013	2,462
8,542	4,852	5,218	4,125	4,227	4,199	6,522
295	299	255	307	280	266	264
288	316	534	407	252	220	121
4,484	4,508	4,554	4,571	4,593	4,616	4,615
149,315,808	149,630,117	151,699,419	155,845,065	158,921,697	161,500,250	159,404,230
3,524	3,521	3,553	3,553	3,561	3,510	3,500
451,648,930	469,613,481	478,893,842	503,882,368	536,608,535	515,502,430	509,652,612
4,036	4,069	4,091	4,133	4,181	4,239	4,265
374,576,000	428,663,000	397,483,000	408,918,410	405,554,000	395,059,000	424,140,000

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

	FISCAL YEAR		
	2014	2013 [3]	2012
Function			
Public safety			
Number of police stations	1	1	1
Number of fire stations	1	1	1
Highways and streets			
Miles of streets	53	53	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	164	163	163
Water and Sewerage System			
(MGD - Millions of Gallons per Day)			
Water System:			
Miles of water mains	124	124	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	69	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	195	192
Broadband System			
Miles of fiber optics	145	110	104
Miles of coaxial cable	186	184	165
Number of active nodes	31	27	25

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						
2011 [2]	2010	2009	2008	2007	2006	2005
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
4	3	3	3	3	2	2
3	3	3	3	3	3	3
12	12	12	11	11	11	11
163	163	163	162	162	162	162
121	107	107	107	107	104	104
1	1	1	1	1	1	1
3MGD	3MGD	3MGD	3MGD	3MGD	3MGD	3MGD
68	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
192	182	181	181	181	169	169
99	95	70	65	65	65	65
151	151	106	96	92	92	92
24	22	15	14	14	14	14

City of Elberton, Georgia

Property Value - Construction

Last Ten Fiscal Years

Fiscal Year	Number of Permits	Estimated Construction Costs
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
2014	100	3,056,851

Source: City of Elberton Building Inspection Office

City of Elberton, Georgia
Miscellaneous Statistics
June 30, 2014

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	22
Education:	
Elementary schools (PreK - 5)	2
Number of teachers	58
Number of students	843
Middle schools (6 - 8)	1
Number of teachers	65
Number of students	859
High schools (9 - 12)	1
Number of teachers	63
Number of students	784
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	118
Part-time	8

Source: Various city departments and local institutions

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Part IV

Other Reporting Section

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SINGLE AUDIT 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, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2014, and the related notes to the financial statements, which collectively comprise the City of Elberton, Georgia's basic financial statements and have issued our report thereon dated November 6, 2014.

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 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 is 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 6, 2014

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by OMB Circular A-133

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

Report on Compliance for Each Major Federal Program

We have audited the City of Elberton, Georgia's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Elberton's major federal programs for the year ended June 30, 2014. The City of Elberton's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the City of Elberton, Georgia, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major programs for the year ended June 30, 2014.

Report on Internal Control over Compliance

Management of the City of Elberton, Georgia, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Elberton's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major program and to test and report on internal

control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Elberton's internal control over compliance.

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

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

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 6, 2014

CITY OF ELBERTON, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2014

Federal Grant/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Number	Expenditures
U.S. Environmental Protection Agency			
Passed through:			
Georgia Environmental Finance Authority			
Capitalization Grants for Drinking Water State Revolving Funds	66.648	DWSRF 13008	
Loans			$ 552,266
Grants			138,067
Total Federal Awards			$ 690,333

See accompanying notes to the schedule of expenditures of federal awards and the schedule of findings and questioned costs.

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the SEFA) includes the federal grant activity of the City of Elberton, Georgia, under programs for the federal government for the year ended June 30, 2014. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because this schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or cash flows of the City.

2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

CITY OF ELBERTON, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the fiscal year ended June 30, 2014

1. Summary of the Auditor's Results

A. Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	None reported
Significant deficiencies identified Not considered material weaknesses?	None reported
Noncompliance material to financial statements noted?	None reported

B. Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	None reported
Significant deficiencies identified not considered material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)?	None reported

Identification of major programs:

66.648	Capitalization Grants for Drinking Water State Revolving Funds

Dollar threshold used to distinguish Between Type A and Type B programs:	$300,000
Auditee qualified as low-risk auditee?	No

2. Financial Statement Findings

A. Current Year Audit Findings

None reported

B. *Prior Year Audit Findings Follow-Ups*

None reported

3. Federal Award Findings and Questioned Costs

The audit of our basic financial statements and schedule of expenditures of federal awards disclosed no audit findings or questioned costs which are required to be reported under Section .510(a) of OMB A-133.

STATE REPORTING SECTION

CITY OF ELBERTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2014

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2006 SPLOST					
Infrastructure Improvements	$ 830,000	$ 908,001	$ 908,001	$ 0	$ 908,001
Elbert Theatre Improvements	145,000	286,431	286,431	0	286,431
Public Safety Building Improvements and Equipment	525,000	844,516	844,516	0	844,516
Water and Sewer Distribution System Improvements	1,400,000	1,615,288	1,551,959	63,329	1,615,288
Total	$ 2,900,000	$ 3,654,236	$ 3,590,907	$ 63,329	$ 3,654,236
2011 SPLOST					
Infrastructure Improvements	$ 358,000	$ 358,000	$ 17,696	$ 9,511	$ 27,207
Recreation Facilities and Equipment	595,000	595,000	46,486	168,005	214,491
Downtown Elberton Revitalization	300,000	300,000	199,548	5,000	204,548
Public Safety Equipment	750,000	750,000	138,080	92,664	230,744
Public Works Equipment	125,000	125,000	41,211	19,788	60,999
Broadband Distribution System Improvements	350,000	350,000	324,856	0	324,856
Water and Sewer Distribution System Improvements	1,350,000	1,350,000	63,000	6,181	69,181
Total	$ 3,828,000	$ 3,828,000	$ 830,877	$ 301,149	$ 1,132,026

Current year expenditures	$ 301,149
Expenditures financed through other revenues, financing sources, and transfers from other funds	37,628
	338,777
Transfer to Combined Utilities Fund reported as expenditure of project financed through SPLOST, netted in the financial statements with an unrestricted transfer from Combined Utilities Fund	(6,181)
Total expenditures of the 2011 SPLOST Capital Projects Fund	332,596

* 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.