

City of Elberton, Georgia

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2017

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, 2017

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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, 2016

Executive Director/CEO

CITY OF ELBERTON, GEORGIA

CITY OFFICIALS

June 30, 2017

MAYOR
Larry L. Guest

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

CITY MANAGER
Lanier W. Dunn, CPA

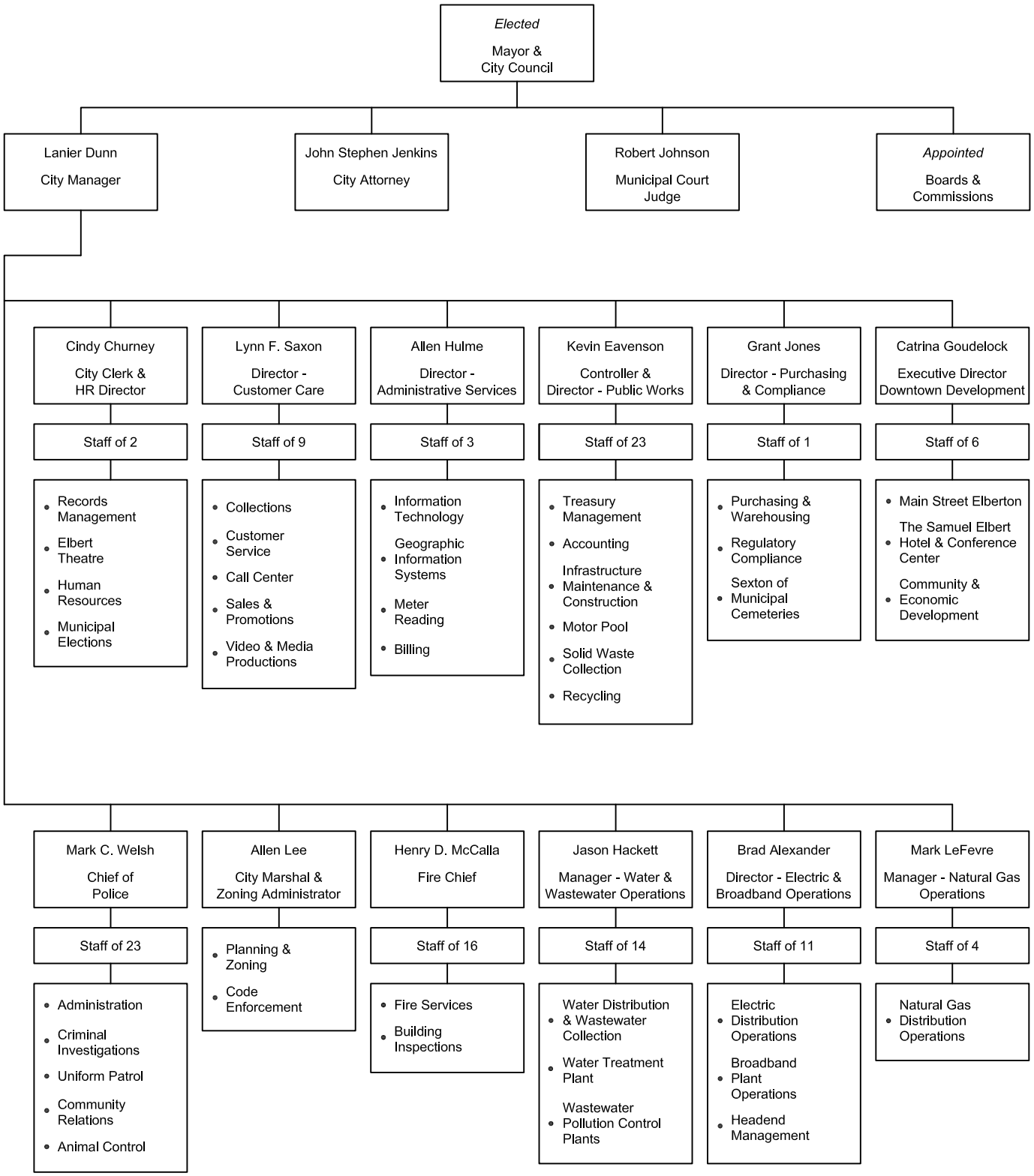
CITY ATTORNEY
John Stephen Jenkins, Sr.

MUNICIPAL COURT JUDGE
Robert A. Johnson

City of Elberton, Ga.

Organizational Chart

as of June 30, 2017



CITY OF ELBERTON
P. O. Box 70
230 N. McIntosh Street
ELBERTON, GA 30635
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Fax: 706-213-3125

November 2, 2017

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, 2017, 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 and Council of the City.

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 120 separate firms and quarries are operating businesses in granite production or its allied services in Elbert County. Approximately 1,800 persons are employed in the granite industry, with an annual payroll of $57 million. Statistics indicate that Georgia's stone industry, centered in the Elberton granite district, continues to lead the nation in total production. The financial well-being of Elberton is heavily dependent on a stable granite industry.

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

The Downtown Development Authority has operated the Main Street Elberton organization for over 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 2017.

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 (SPLOST) concluded at the end of June, 2017, but a new six year SPLOST began on July 1, 2017 to continue funding capital projects for several years with a budget of $3.4 million.

The divisions of Elberton Utilities concluded several projects in fiscal year 2017 that are part of long term renewal plans. The electric division continues working on a system protection and coordination project to increase the safety, longevity and reliability of the city's electric grid. During fiscal year 2017, the electric division completed the reconductoring of electric distribution lines from the substation. The water division completed in 2017 a galvanized water main replacement in the Mill Village area and the sewer plant renovations. The natural gas division continued to work on the natural gas bare steel main replacement project in 2017 to rid the system of all the original bare steel lines installed in the 1950s to meet current safety and operating standards. This project will conclude in 2018.

ElbertonNET continues to explore expansion possibilities within the rural areas of Elbert County. Additionally, the digital TV conversion upgrade for ElbertonNET was initiated in 2017. Upgrades to headend equipment during the fiscal year were also completed 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, 2016, for the fourteenth 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 present component unit, each major fund, and the aggregate remaining fund information of the City of Elberton, Georgia, as of and for the year ended June 30, 2017, 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, 2017, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 4 through 13 and 71 through 74, respectively be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elberton, Georgia's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, the statistical section, and the schedule of projects financed with special purpose local option sales tax, and are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Elberton, Georgia's basic financial statements for the year ended June 30, 2016, which are not presented with the accompanying financial statements. In our report dated November 11, 2016, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elberton, Georgia's basic financial statements as a whole. The individual fund financial statements and schedules related to the 2016 basic financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund financial statements and schedules related to the 2016 basic financial statements are the responsibility of management and were derived from and are related directly to the underlying accounting and other records used to prepare the 2016 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2016 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 2, 2017, on our consideration of the City of Elberton, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Elberton, Georgia's internal control over financial reporting and compliance.

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 2, 2017

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230 N. McIntosh Street
ELBERTON, GA 30635
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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, 2017. 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 $41.4 million (reported as "*net position*"). Of this amount, $11.4 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 $2,138,816 as a result of this year's activities.
- The City's governmental funds report combined ending fund balances of $1,963,929. Approximately 43% of this amount, $842,362, 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 $35.2 million at the end of the fiscal year, an increase of $1,619,020 as a result of the current year's operations.
- The City's liabilities totaled $17.5 million on June 30, 2017. Most of these liabilities (81% or $14.3 million) consist of revenue bonds, notes payable, capital leases, or interest on those obligations to finance improvements or extensions of the City's utility systems.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

Governmental funds. Most of the City's basic *governmental activities* reported in the government-wide statements are accounted for in *governmental funds*, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The relationship (or differences) between *governmental activities* (reported in the *statement of net position* and the *statement of activities*) and *governmental funds* is described in a reconciliation following the fund financial statements. The City uses five governmental funds, of which the general fund is considered a major fund, whose basic financial statements can be found on pages 17-22 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 five enterprise funds to account for separate business-type activities and are reported in the basic proprietary fund financial statements on pages 23-27 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 28. 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 29-70 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 18 and 20) 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.

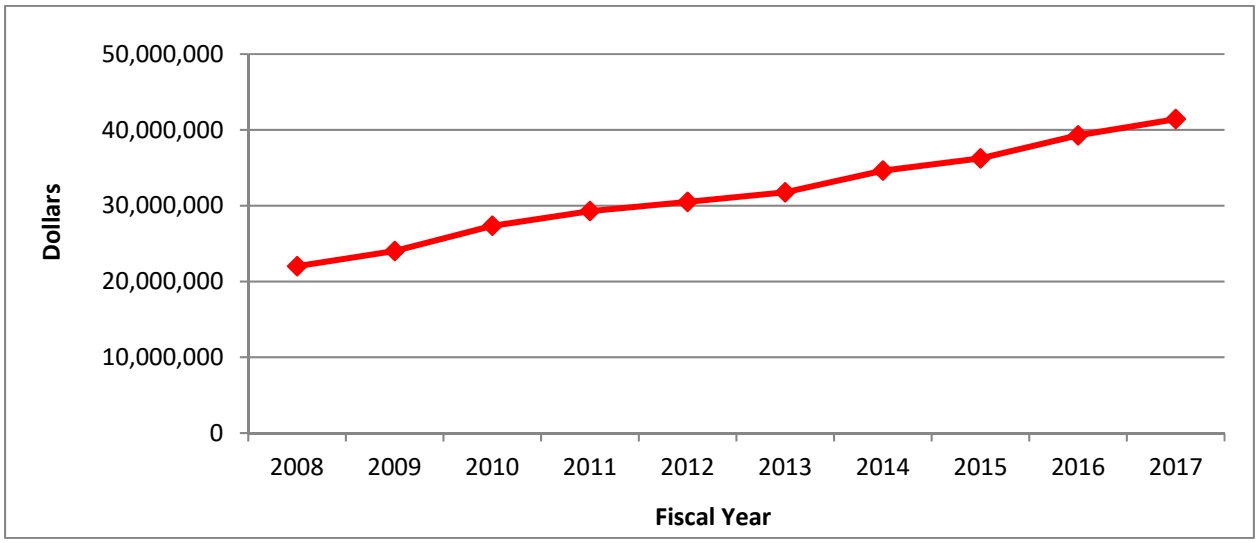
GOVERNMENT-WIDE FINANCIAL ANALYSIS

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 $41,422,740 at the close of the most recent fiscal year.

City of Elberton
Net Position as of June 30, 2017 and 2016
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and Other Assets	$ 2,481	$ 1,802	$ 17,084	$ 17,745	$ 19,565	$ 19,547
Net Capital Assets	4,791	5,093	34,895	33,488	39,686	38,581
Total Assets	7,272	6,895	51,979	51,233	59,251	58,128
Long-term Liabilities	555	869	12,461	12,614	13,016	13,483
Other Liabilities	366	498	4,166	5,165	4,532	5,663
Total Liabilities	921	1,367	16,627	17,779	17,548	19,146
Net investment in capital assets	4,457	4,699	21,118	19,533	25,575	24,232
Restricted Net Position	956	480	3,480	3,288	4,436	3,768
Unrestricted Net Position	794	508	10,617	10,775	11,411	11,283
Total Net Position	$ 6,207	$ 5,687	$ 35,215	$ 33,596	$ 41,422	$ 39,283

Total Net Position – Ten Fiscal Years



The largest portion of the City's net position (62%) 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 $4,422,167 is constrained by legal requirements and is not available for day-to-day operations of the City. The remaining balance of *unrestricted net position* ($11,425,720) 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 $10,617,545

at the end of the fiscal year. The portion of unrestricted net position resulting from the City's governmental activities was $794,391 at the close of the fiscal year.

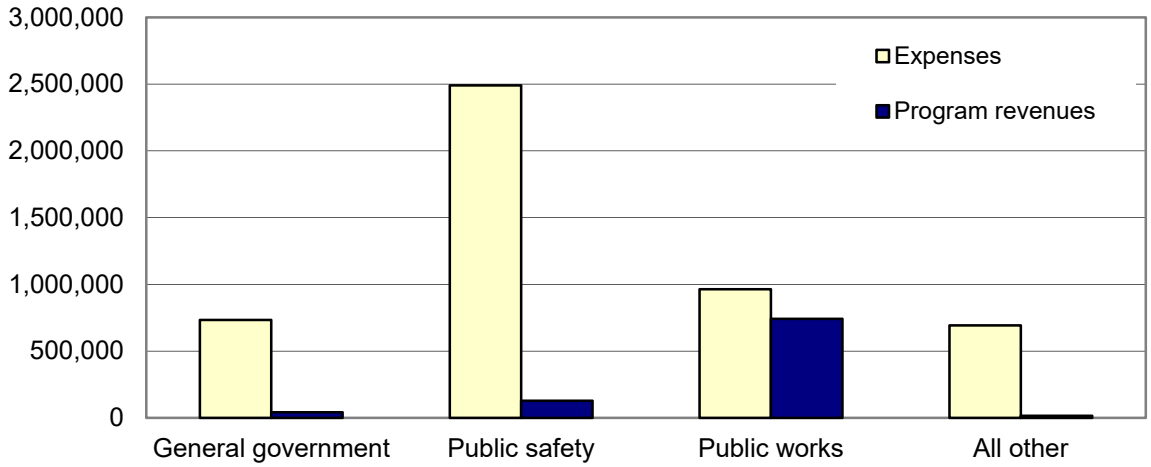
The City's net position increased by $2,138,816 during the current fiscal year. Governmental activities resulted in an increase in net position of $519,796 while business-type activities resulted in an increase of net position of $1,619,020. The following table was derived from the government-wide Statement 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, 2017 and 2016
(in Thousands)

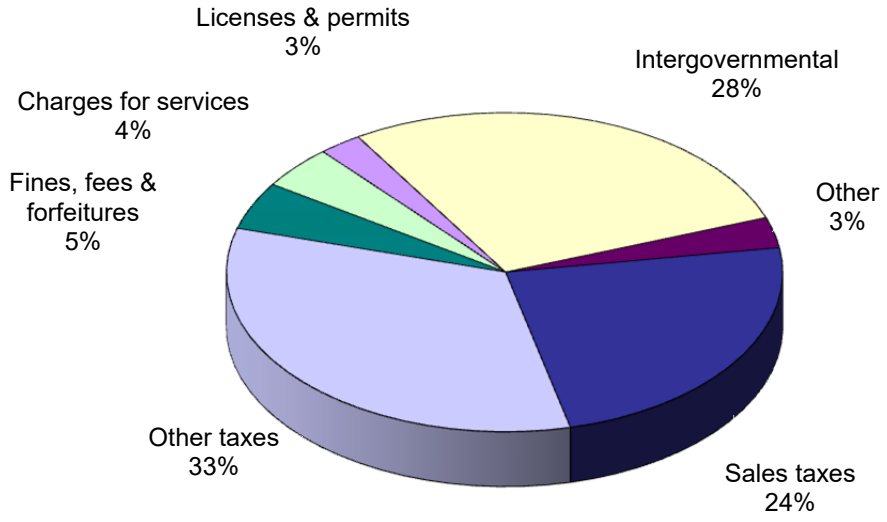
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for Services	$ 271	$ 245	$ 27,486	$ 26,759	$ 27,757	$ 27,004
Operating Grants and Contributions	0	2	702	934	$ 702	936
Capital Grants and Contributions	656	672	81	307	737	979
General Revenues:						
Taxes	1,318	1,336	0	0	1,318	1,336
Interest and Investment Earnings	3	2	207	153	210	155
Net change in the value of investments	0	0	(132)	177	0	0
Miscellaneous	69	60	23	12	92	72
Total Revenues	2,317	2,317	28,367	28,342	30,816	30,482
Expenses:						
General Government	733	696	0	0	733	696
Judicial	73	67	0	0	73	67
Public Safety	2,490	2,356	0	0	2,490	2,356
Public Works	964	1,067	0	0	964	1,067
Health and Welfare	62	66	0	0	62	66
Culture and Recreation	262	269	0	0	262	269
Housing and Development	288	254	0	0	288	254
Interest on long-term debt	8	9	0	0	0	9
Combined Public Utilities	0	0	18,375	18,255	18,375	18,255
ElbertonNET Technology Services	0	0	3,742	3,566	3,742	3,566
Solid Waste	0	0	884	805	884	805
Elbert Theatre	0	0	81	77	81	77
Elbert Hotel	0	0	584	137	584	0
Total Expenses	4,880	4,784	23,666	22,840	28,538	27,487
Indirect Cost Allocation	(619)	(623)	619	623	0	0
Increase (Dec) in Net Position Before Transfers	(1,944)	(1,844)	4,082	4,879	2,278	2,995
Transfers	2,463	1,803	(2,463)	(1,803)	0	0
Change in Net Position	519	(41)	1,619	3,076	2,138	3,035
Net Position - July 1	5,688	5,728	33,596	30,520	39,284	36,248
Net Position - June 30	$ 6,207	$ 5,687	$ 35,215	$ 33,596	$ 41,422	$ 39,283

Governmental Activities. Governmental activities increased the net position of the City by $519,796. Revenues for the City's governmental activities decreased by 0.01% ($262) under fiscal year 2016. Expenses for governmental activities increased by 2.0% ($96,028) during fiscal year 2017.

Expenses and Program Revenues – Governmental Activities



Revenues by Source – Governmental Activities

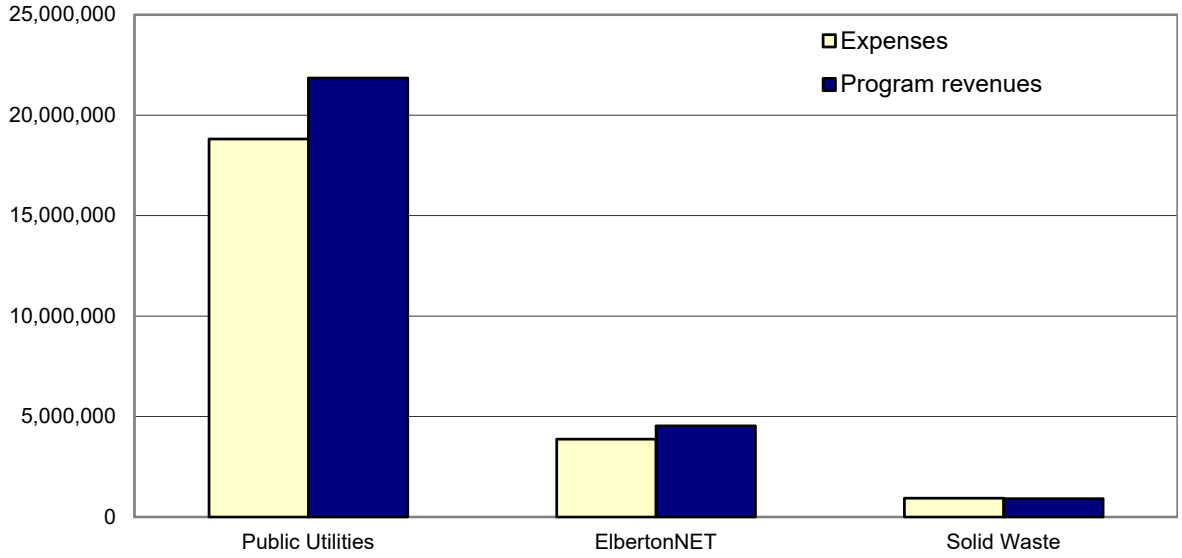


Business-type activities. Business-type activities increased the City's net position by $1,619,020. Key elements of this increase are as follows:

- Sales for business-type activities were $27.5 million, which was an increase of $723,660 from the prior fiscal year sales.
- Sales in the combined public utility fund for electric, water, sewer, and natural gas services increased by $263,761 or 1.2% from last fiscal year. Electric sales increased 1.1%, natural gas sales increased by 1%, and water/sewer sales increased by 2.2%.

- Income in the combined public utility fund before transfers to the general fund was $3.9 million, or 12% lower than last year's income of $4.5 million.
- The ElbertonNET technology services enterprise fund experienced sales of $4,540,110, an increase of 7.2% over the prior year sales of $4,231,947.
- Sales for the Solid Waste operations totaled $912,359 an increase of $59,004, or 6.9% over the prior fiscal year.
- The Elbert Hotel fund opened in 2016 to account for construction costs. The property opened for business in 2017. Sales in the current fiscal year were $88,221 for four months of operations.

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 $1,061,344, an increase of $53,851 or 5.3% in comparison with the prior year. Approximately 84% of this amount ($896,071) 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 19% 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 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 $2,505,000 which is $102,500 more than the transfer in fiscal year 2016.

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

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

City of Elberton Proprietary Funds
Net Position as of June 30, 2017

	Combined Public Utility System	ElbertonNET Tech Services	All Other Proprietary	Total
Operating Revenues	$ 21,855,429	$ 4,540,110	$ 1,099,929	$ 27,495,468
Operating Expenses	18,606,627	3,869,246	1,388,342	23,864,215
Operating income (loss)	3,248,802	670,864	(288,413)	3,631,253
Non-operating income (loss)	584,070	(1,210)	(213,041)	369,819
Capital Contributions	80,948	0	0	80,948
Transfers in (out)	(2,981,000)	0	518,000	(2,463,000)
Change in net position	932,820	669,654	16,546	1,619,020
Net Position, July 1	31,909,701	1,465,751	220,893	33,596,345
Net Position, June 30	$ 32,842,521	$ 2,135,405	$ 237,439	$ 35,215,365

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 did not increase for the fiscal year. However, the amendment was to account for a one-time transfer of $62,000 from the general fund to the solid waste fund in the fiscal year that was not originally budgeted.

General fund revenues ended the year at 2%, or $44,867, below budget. Additionally, expenditures in the general fund were $47,667, or 1%, 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, 2017, totals $39,685,820 (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 $3,425,585 in new capital assets. Investment for business-type activities totaled $3,349,382 while $76,203 was for governmental activities. Major capital asset events during the current fiscal year included the following:

Governmental Activities – $76,203 total

- $6,842 for the purchase of a lot adjacent to the rear of the utilities compound
- $1,314 for the acquisition of a lot on South Oliver Street
- $19,405 for the purchase of a used car for the police department
- $14,338 for the refurbishment of heavy equipment in motor pool
- $34,304 for the purchase of a new LED display sign for the Elbert Theatre

Business-type Activities – $3,349,382 total

- $453,949 for sewer plant improvements and upgrades to equipment
- $64,586 to replace old galvanized water mains along various city streets
- $11,789 for the purchase of an in-pipe camera system for the water department
- $54,931 to reconductor and rehabilitate several electric circuits out of substation #1
- $47,460 for new vehicles for the electric department
- $902,920 to fund the mandated replacement of natural gas bare steel mains
- $318,604 for the digital TV conversion upgrade for ElbertonNET
- $26,747 for the upgrade of headend equipment for ElbertonNET
- $58,200 for the upgrade of the CableBridge software system used for ElbertonNET
- $1,410,196 for the renovation of the Samuel Elbert Hotel

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 $4,395,000. 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 replace aged natural gas lines and to purchase vehicles. The balance of these leases at June 30, 2017 was $1,947,786.

The City has two outstanding notes payable with the Georgia Environmental Facilities Authority for water system improvements and for sewer plants improvements. The balance of these notes at June 30, 2017 was $3,056,286.

The City has entered into an intergovernmental agreement with the Elberton Downtown Development Authority (DDA) to finance renovations and improvements at the Samuel Elbert Hotel. A Revenue Note was issued by the DDA for this purpose, and due to the contractual obligation of the City to make these note payments, the note payable is recognized by the City in its Elbert Hotel Enterprise Fund. The balance of this note payable at June 30, 2017 was $4,809,227.

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

Additional information on the City's long-term debt can be found in Note 10 on pages 52-57 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The local economy remained stable in fiscal year 2017 with little to no growth over the prior year. However, sales taxes for fiscal year 2017 decreased approximately 5% below fiscal year 2016. The local unemployment rate decreased to 6.2% in 2017 from 6.7% in 2016.

During 2017 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 no or 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 eight fiscal periods including fiscal year 2017 and the new fiscal year 2018.

The overall City budget for fiscal year 2018 increased by 1.1% over fiscal year 2017. There were no fee changes in the general fund and no rate changes for City utilities and services for fiscal year 2018.

Other than certain capital grant revenues and expenditures, 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

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.

BASIC FINANCIAL STATEMENTS

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash	$ 1,065,507	$ 952,532	$ 2,018,039	$ 58,271
Certificates of deposit	0	40,000	40,000	0
Investments	0	8,407,525	8,407,525	0
Restricted assets				
Cash	25	719,265	719,290	0
Investments	0	3,806,785	3,806,785	0
Receivables (net)				
Accounts	3,901	2,421,114	2,425,015	39
Taxes	69,054	0	69,054	0
Intergovernmental	93,324	0	93,324	0
Interest	0	84	84	0
Notes	76,770	0	76,770	0
Prepaid items	140,451	4,335	144,786	0
Inventories	24,797	730,176	754,973	0
Internal balances	325,862	(325,862)	0	0
Other current assets	0	17,334	17,334	0
Total current assets	1,799,691	16,773,288	18,572,979	58,310
Noncurrent assets				
Notes receivable	351,172	0	351,172	0
Net pension asset	330,091	310,384	640,475	0
Capital assets				
Non-depreciable	1,119,954	1,576,738	2,696,692	20,000
Depreciable (net)	3,670,807	33,318,321	36,989,128	423,993
Total noncurrent assets	5,472,024	35,205,443	40,677,467	443,993
Total assets	7,271,715	51,978,731	59,250,446	502,303
DEFERRED OUTFLOWS OF RESOURCES				
Pension experience differences	40,426	35,450	75,876	0
Pension investment return differences	360,262	317,581	677,843	0
Pension contributions subsequent to measurement date	144,861	129,351	274,212	0
Total deferred outflows of resources	545,549	482,382	1,027,931	0
LIABILITIES				
Current liabilities				
Payables				
Accounts	60,142	1,451,382	1,511,524	1,600
Intergovernmental	0	29,644	29,644	0
Retainages	0	85,938	85,938	0
Sales tax	0	58,064	58,064	0
Interest	0	9,532	9,532	0
Accrued salaries and expenses	114,041	87,042	201,083	0
Compensated absences	118,029	114,490	232,519	0
Customer deposits payable	0	15,572	15,572	1,950
Other current liabilities	12,751	41,693	54,444	0
Notes payable	0	356,333	356,333	84,173
Capital lease payable	60,846	270,876	331,722	0
Liabilities payable from restricted assets				
Customer deposits payable	0	746,737	746,737	0
Interest payable	0	63,432	63,432	0
Bonds payable	0	835,000	835,000	0
Total current liabilities	365,809	4,165,735	4,531,544	87,723

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
June 30, 2017

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	$ 50,584	$ 49,067	$ 99,651	$ 0
Contractual liability	231,053	0	231,053	0
Notes payable	0	7,509,180	7,509,180	437,257
Capital lease payable	273,250	1,342,814	1,616,064	0
Bonds payable	0	3,560,000	3,560,000	0
Total noncurrent liabilities	554,887	12,461,061	13,015,948	437,257
Total liabilities	920,696	16,626,796	17,547,492	524,980
DEFERRED INFLOWS OF RESOURCES				
Pension experience differences	199,659	180,835	380,494	0
Pension assumption changes	113,711	98,160	211,871	0
Pension investment return differences	375,823	339,957	715,780	0
Total deferred inflows of resources	689,193	618,952	1,308,145	0
NET POSITION				
Net investment in capital assets	4,456,665	21,118,188	25,574,853	(77,437)
Restricted for:				
MEAG Generation Trust	0	3,060,048	3,060,048	0
Public Safety	25	0	25	0
Housing and development	493,784	0	493,784	0
Capital projects	462,510	0	462,510	0
Debt service	0	419,584	419,584	0
Unrestricted	794,391	10,617,545	11,411,936	54,760
Total net position	$ 6,207,375	$ 35,215,365	$ 41,422,740	$ (22,677)

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2017

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	$ 733,183	$ (486,383)	$ 42,005	$ 0	$ 0	$ (204,795)
Judicial	72,632	0	0	0	0	(72,632)
Public Safety	2,490,299	0	127,646	350	0	(2,362,303)
Public Works	963,917	(133,313)	86,279	0	656,122	(88,203)
Health and Welfare	61,968	0	0	0	0	(61,968)
Culture and Recreation	262,259	0	0	0	0	(262,259)
Housing and Development	288,416	0	15,090	0	0	(273,326)
Interest on long-term debt	7,660	0	0	0	0	(7,660)
Total governmental activities	4,880,334	(619,696)	271,020	350	656,122	(3,333,146)
Business-type activities						
Combined Public Utilities						
Electric	13,546,027	220,189	15,252,364	701,292	0	2,187,440
Water and Sewer	2,801,783	109,210	3,230,494	0	80,948	400,449
Natural Gas	2,026,826	109,377	3,363,427	0	0	1,227,224
ElbertonNET Technology Services	3,741,769	128,687	4,540,110	0	0	669,654
Solid Waste	884,266	52,233	912,359	0	0	(24,140)
Elbert Theatre	80,539	0	99,349	0	0	18,810
Elbert Hotel	584,389	0	88,221	0	0	(496,168)
Total business-type activities	23,665,599	619,696	27,486,324	701,292	80,948	3,983,269
Total primary government	28,545,933	0	27,757,344	701,642	737,070	650,123
Component Unit						
Downtown Development Authority	76,839	0	28,755	0	0	(48,084)

	Governmental Activities	Business-Type Activities	Total	Component Unit
Change in net position				
Net (expense) revenue	$ (3,333,146)	$ 3,983,269	$ 650,123	$ (48,084)
General revenues				
Taxes				
Title ad valorem	70,116	0	70,116	0
Sales	549,707	0	549,707	0
Franchise	91,906	0	91,906	0
Occupational	122,502	0	122,502	0
Insurance premium	285,732	0	285,732	0
Alcoholic beverage	133,842	0	133,842	0
Hotel/Motel	59,668	0	59,668	0
Other	4,541	0	4,541	0
Interest and investment earnings	3,374	207,233	210,607	0
Net increase (decrease) in the fair value of investments	0	(131,856)	(131,856)	0
Payments from City of Elberton	0	0	0	24,000
Gain (loss) on sale of assets	60,618	14,230	74,848	(20,000)
Miscellaneous	7,936	9,144	17,080	17,750
Transfers	2,463,000	(2,463,000)	0	0
Total general revenues and transfers	3,852,942	(2,364,249)	1,488,693	21,750
Change in net position	519,796	1,619,020	2,138,816	(26,334)
Net position - beginning	5,687,579	33,596,345	39,283,924	3,657
Net position - ending	$ 6,207,375	$ 35,215,365	$ 41,422,740	$ (22,677)

See accompanying notes to the financial statements.

Exhibit A-2

CITY OF ELBERTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2017

	General	Nonmajor Governmental Funds	Totals
ASSETS			
Cash	$ 537,356	$ 528,151	$ 1,065,507
Restricted assets			
Cash	25	0	25
Receivables (net)			
Accounts	3,901	0	3,901
Taxes	64,139	4,915	69,054
Intergovernmental	0	93,324	93,324
Notes	48,692	379,250	427,942
Prepaid items	140,451	0	140,451
Inventories	24,797	0	24,797
Due from other funds	483,952	8,869	492,821
Total assets	$ 1,303,313	$ 1,014,509	$ 2,317,822
LIABILITIES			
Accounts payable	$ 53,177	$ 6,965	$ 60,142
Accrued salaries and payroll liabilities	114,041	0	114,041
Due to other funds	62,000	104,959	166,959
Other liabilities	12,751	0	12,751
Total liabilities	241,969	111,924	353,893
FUND BALANCES			
Nonspendable:			
Inventory	24,797	0	24,797
Prepaid items	140,451	0	140,451
Restricted for:			
Public Safety	25	0	25
Housing and Development	0	493,784	493,784
Capital projects	0	462,510	462,510
Unassigned	896,071	(53,709)	842,362
Total fund balances	1,061,344	902,585	1,963,929
Total liabilities and fund balances	$ 1,303,313	$ 1,014,509	$ 2,317,822

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, 2017

Total fund balance - total governmental funds			$ 1,963,929
Some assets are not financial resources and, therefore, are not reported in the funds.			
These are:			
Capital assets, net of accumulated depreciation			4,790,761
Net pension asset			330,091
Long-term liabilities are not due and payable in the current period and are not reported in the funds.			
These are:			
Compensated absences	$ (168,613)		
Capital leases payable	(334,096)		
Contractual liability	(231,053)		(733,762)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds. These are:			
Deferred outflows of resources:			
Pension contributions subsequent to measurement date	144,861		
Pension experience differences	40,426		
Pension investment return differences	360,262		
Deferred inflows of resources:			
Pension experience differences	(199,659)		
Pension assumption changes	(113,711)		
Pension investment return differences	(375,823)		(143,644)
Net position of governmental activities			$ 6,207,375

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, 2017

	General	Nonmajor Governmental Funds	Totals
REVENUES			
Taxes	$ 1,258,347	$ 59,669	$ 1,318,016
Licenses and permits	57,785	0	57,785
Fines, fees and forfeitures	112,020	0	112,020
Charges for services	720,912	0	720,912
Intergovernmental	0	656,054	656,054
Interest	3,374	68	3,442
Contributions	350	0	350
Other	7,941	0	7,941
Total revenues	2,160,729	715,791	2,876,520
EXPENDITURES			
Current			
General Government	754,976	0	754,976
Judicial	76,613	0	76,613
Public Safety	2,442,340	0	2,442,340
Public Works	857,529	0	857,529
Health and Welfare	61,968	0	61,968
Culture and Recreation	162,355	0	162,355
Housing and Development	284,300	18,992	303,292
Capital outlay	0	190,930	190,930
Debt service	0	67,247	67,247
Total expenditures	4,640,081	277,169	4,917,250
Excess (deficiency) of revenues over (under) expenditures	(2,479,352)	438,622	(2,040,730)
Other financing sources (uses)			
Transfers in	2,534,585	20,000	2,554,585
Transfers out	(62,000)	(29,585)	(91,585)
Sale of capital assets	60,618	0	60,618
Total other financing sources (uses)	2,533,203	(9,585)	2,523,618
Net change in fund balance	53,851	429,037	482,888
Fund balances, July 1	1,007,493	473,548	1,481,041
Fund balances, June 30	$ 1,061,344	$ 902,585	$ 1,963,929

See accompanying notes to the financial statements.

Exhibit A-5

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, 2017

Net change in fund balances - total governmental funds			$ 482,888
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	$ 76,203		
Depreciation	(378,243)		(302,040)
Governmental funds report pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.			
Pension contributions	$ 190,503		
Cost of benefits earned net of employee contributions	81,531		272,034
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	59,588		59,588
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			8,651
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			(1,325)
Change in net position of governmental activities			$ 519,796

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, 2017

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 1,287,000	$ 1,287,000	$ 1,258,347	$ (28,653)
Licenses and permits	60,000	60,000	57,785	(2,215)
Fines, fees and forfeitures	124,800	124,800	112,020	(12,780)
Charges for services	719,196	719,196	720,912	1,716
Interest	2,500	2,500	3,374	874
Contributions	0	0	350	350
Other	12,100	12,100	7,941	(4,159)
Total revenues	2,205,596	2,205,596	2,160,729	(44,867)
EXPENDITURES				
Current				
General Government				
Mayor and Council	150,870	151,770	151,739	31
City Manager's Office	149,130	149,130	149,021	109
Finance	207,105	210,205	210,199	6
Human Resources	58,211	61,881	61,841	40
City Clerk	97,395	100,495	100,471	24
Elections	400	400	340	60
City Attorney	20,000	49,000	48,691	309
City Hall Maintenance	41,895	41,895	32,674	9,221
Judicial				
Municipal Court	76,049	76,649	76,613	36
Public Safety				
Police - Administration	339,082	341,082	341,054	28
Police - Uniform Division	970,263	879,793	877,756	2,037
Police - Criminal Investigations	150,118	151,618	151,564	54
Police - Community Relations	60,342	61,042	61,013	29
Police - Detention	26,500	14,000	13,370	630
Fire	936,902	945,702	945,619	83
Animal Control	54,028	54,028	51,964	2,064
Public Works				
Administrative	118,943	118,943	113,149	5,794
Infrastructure Maintenance	401,904	376,904	366,823	10,081
Parks and Rights-of-Way	57,700	57,800	57,782	18
Motor Pool	177,751	177,751	173,313	4,438
Street Lighting	29,000	16,000	15,028	972
Cemetery	112,277	131,777	131,434	343
Health and Welfare				
Agency allocations	62,500	62,500	61,968	532
Culture and Recreation				
Elbert Theatre	93,253	93,253	88,855	4,398
Agency allocations	73,500	73,500	73,500	0
Housing and Development				
Zoning/Special Projects	67,549	67,549	67,448	101
Code Enforcement	141,871	141,871	135,818	6,053
Economic Development	75,210	81,210	81,034	176
Total expenditures	4,749,748	4,687,748	4,640,081	47,667

See accompanying notes to the financial statements.

Exhibit A-7, continued

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, 2017

	Budget			Variance with Final
	Original	Final	Actual	Budget
Excess (deficiency) of revenues over (under) expenditures	$ (2,544,152)	$ (2,482,152)	$ (2,479,352)	$ 2,800
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,530,000	2,530,000	2,534,585	4,585
Transfers out	0	(62,000)	(62,000)	0
Sales of capital assets	15,000	15,000	60,618	45,618
Contingency	(848)	(848)	0	848
Total other financing sources (uses)	2,544,152	2,482,152	2,533,203	51,051
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	53,851	53,851
Fund balances, July 1	0	0	1,007,493	1,007,493
Fund balances, June 30	$ 0	$ 0	$ 1,061,344	$ 1,061,344

See accompanying notes to the financial statements.

Exhibit A-7, continued

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Combined Public Utilities	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
ASSETS					
Current assets					
Cash	$ 900,819	$ 0	$ 9,430	$ 42,283	$ 952,532
Certificates of deposit	40,000	0	0	0	40,000
Investments	8,407,525	0	0	0	8,407,525
Restricted assets					
Cash	719,265	0	0	0	719,265
Investments	3,806,785	0	0	0	3,806,785
Receivables (net)					
Accounts	1,967,469	380,473	0	73,172	2,421,114
Interest	84	0	0	0	84
Inventories	618,178	106,287	4,735	976	730,176
Prepaids	0	0	4,335	0	4,335
Due from other funds	508,279	0	0	66,053	574,332
Other current assets	17,334	0	0	0	17,334
Total current assets	16,985,738	486,760	18,500	182,484	17,673,482
Noncurrent assets					
Other assets					
Net pension asset	222,023	42,034	0	46,327	310,384
Advances to other funds	4,239,629	0	0	0	4,239,629
Capital assets					
Non-depreciable	1,119,834	325,504	107,500	23,900	1,576,738
Depreciable (net)	21,942,048	5,827,389	5,252,883	296,001	33,318,321
Total noncurrent assets	27,523,534	6,194,927	5,360,383	366,228	39,445,072
Total assets	44,509,272	6,681,687	5,378,883	548,712	57,118,554
DEFERRED OUTFLOWS OF RESOURCES					
Pension experience differences	26,818	3,344	0	5,288	35,450
Pension investment return differences	239,236	30,973	0	47,372	317,581
Pension contributions subsequent to measurement date	96,437	13,617	0	19,297	129,351
Total deferred outflows of resources	362,491	47,934	0	71,957	482,382
LIABILITIES					
Current liabilities					
Payables					
Accounts	1,193,893	219,860	7,512	30,117	1,451,382
Intergovernmental	0	29,644	0	0	29,644
Retainages	85,938	0	0	0	85,938
Sales tax	54,415	0	3,649	0	58,064
Interest	0	0	9,388	144	9,532
Accrued salaries	53,626	12,890	7,192	13,334	87,042
Compensated absences	84,444	15,199	2,132	12,715	114,490
Customer deposits payable	0	3,198	12,374	0	15,572
Other current liabilities	41,693	0	0	0	41,693
Due to other funds	342,354	0	351,631	206,209	900,194
Capital leases payable	230,814	0	0	40,062	270,876
Note payable	138,305	0	218,028	0	356,333
Liabilities payable from restricted assets:					
Customer deposits payable	746,737	0	0	0	746,737
Interest payable	63,432	0	0	0	63,432
Bonds payable	835,000	0	0	0	835,000
Total current liabilities	3,870,651	280,791	611,906	302,581	5,065,929

See accompanying notes to the financial statements.

Exhibit A-8, continued

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2017

	Combined Public Utilities	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
Noncurrent liabilities					
Compensated absences	$ 36,190	$ 6,514	$ 914	$ 5,449	$ 49,067
Advances from other funds	0	4,239,629	0	0	4,239,629
Notes payable	2,917,981	0	4,591,199	0	7,509,180
Bonds payable	3,560,000	0	0	0	3,560,000
Capital lease payable	1,185,092	0	0	157,722	1,342,814
Total noncurrent liabilities	7,699,263	4,246,143	4,592,113	163,171	16,700,690
Total liabilities	11,569,914	4,526,934	5,204,019	465,752	21,766,619
DEFERRED INFLOWS OF RESOURCES					
Pension experience differences	133,289	20,565	0	26,981	180,835
Pension assumption changes	75,209	8,312	0	14,639	98,160
Pension investment return differences	250,830	38,405	0	50,722	339,957
Total deferred inflows of resources	459,328	67,282	0	92,342	618,952
NET POSITION					
Net investment in capital assets	14,292,022	6,152,893	551,156	122,117	21,118,188
Restricted for:					
Debt service	419,584	0	0	0	419,584
MEAG Generation Trust	3,060,048	0	0	0	3,060,048
Unrestricted	15,070,867	(4,017,488)	(376,292)	(59,542)	10,617,545
Total net position	$ 32,842,521	$ 2,135,405	$ 174,864	$ 62,575	$ 35,215,365

See accompanying notes to the financial statements.

Exhibit A-8, continued

CITY OF ELBERTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Combined Public Utilities	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
OPERATING REVENUES					
Charges for sales and services	$ 21,846,285	$ 4,540,110	$ 88,221	$ 1,011,708	$ 27,486,324
Miscellaneous revenues	9,144	0	0	0	9,144
Total operating revenues	21,855,429	4,540,110	88,221	1,011,708	27,495,468
OPERATING EXPENSES					
Costs of sales and services	15,066,508	3,122,253	179,166	484,534	18,852,461
Personal services	2,214,056	396,973	92,887	464,412	3,168,328
Depreciation	1,274,783	319,340	103,692	63,651	1,761,466
Other	51,280	30,680	0	0	81,960
Total operating expenses	18,606,627	3,869,246	375,745	1,012,597	23,864,215
Operating income (loss)	3,248,802	670,864	(287,524)	(889)	3,631,253
Non-operating revenues (expenses)					
Interest revenue	207,189	0	44	0	207,233
Intergovernmental revenue	701,292	0	0	0	701,292
Net increase (decrease) in the fair value of investments	(131,856)	0	0	0	(131,856)
Interest expense	(203,285)	(1,210)	(208,644)	(4,441)	(417,580)
Gain on sale of capital asset	14,230	0	0	0	14,230
Debt issue costs	(3,500)	0	0	0	(3,500)
Total non-operating revenues (expenses)	584,070	(1,210)	(208,600)	(4,441)	369,819
Net income (loss) before capital contributions and transfers	3,832,872	669,654	(496,124)	(5,330)	4,001,072
Capital contributions					
Intergovernmental	80,948	0	0	0	80,948
Net income (loss) before transfers	3,913,820	669,654	(496,124)	(5,330)	4,082,020
Transfers in (out)					
Transfers in	0	0	456,000	62,000	518,000
Transfers out	(2,981,000)	0	0	0	(2,981,000)
Total transfers	(2,981,000)	0	456,000	62,000	(2,463,000)
Change in net position	932,820	669,654	(40,124)	56,670	1,619,020
Net position, July 1	31,909,701	1,465,751	214,988	5,905	33,596,345
Net position, June 30	$ 32,842,521	$ 2,135,405	$ 174,864	$ 62,575	$ 35,215,365

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Combined Public Utilities	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
Cash flows from operating activities:					
Receipts from customers	$ 22,044,119	$ 4,517,367	$ 94,343	$ 1,009,478	$ 27,665,307
Payments to suppliers	(15,324,419)	(3,111,613)	(177,075)	(461,049)	(19,074,156)
Payments to employees	(2,398,445)	(424,713)	(82,649)	(497,328)	(3,403,135)
Other receipts	9,144	0	6,252	0	15,396
Other payments	(51,280)	(30,680)	0	0	(81,960)
Net cash provided (used) by operating activities	4,279,119	950,361	(159,129)	51,101	5,121,452
Cash flows from non-capital financing activities:					
Receipts from other funds	701,292	49,307	156,583	62,000	969,182
Receipts from other government	156,577	0	0	0	156,577
Payments to other funds	(3,049,178)	0	0	(49,595)	(3,098,773)
Net cash provided (used) by non-capital financing activities	(2,191,309)	49,307	156,583	12,405	(1,973,014)
Cash flows from capital and related financing activities:					
Receipts from other governments	80,948	0	0	0	80,948
Receipts from other funds	0	0	389,669	0	389,669
Proceeds from the sale of capital assets	14,230	3,745	0	0	17,975
Payment of capital related accounts payable	(479,969)	0	(709,678)	0	(1,189,647)
Acquisition of capital assets	(1,396,718)	(403,552)	(1,229,492)	0	(3,029,762)
Debt issue costs	(3,500)	0	0	0	(3,500)
Interest paid	(213,696)	(1,691)	(231,392)	(4,469)	(451,248)
Issuance of notes payable	323,796	0	1,661,575	0	1,985,371
Principal payments - bonds	(815,000)	0	0	0	(815,000)
Principal payments - notes payable	(63,715)	0	(90,773)	0	(154,488)
Principal payments - capital leases	(226,112)	(598,170)	0	(39,254)	(863,536)
Net cash provided (used) by capital and related financing activities	(2,779,736)	(999,668)	(210,091)	(43,723)	(4,033,218)
Cash flows from investing activities:					
Interest received	207,322	0	44	0	207,366
Proceeds from sale of investments	80,000	0	0	0	80,000
Purchase of investments	(1,036,133)	0	0	0	(1,036,133)
Net cash provided (used) by investing activities	(748,811)	0	44	0	(748,767)
Net increase (decrease) in cash	(1,440,737)	0	(212,593)	19,783	(1,633,547)
Cash, July 1	3,060,821	0	222,023	22,500	3,305,344
Cash, June 30	$ 1,620,084	$ 0	$ 9,430	$ 42,283	$ 1,671,797

See accompanying notes to the financial statements.

Exhibit A-10, continued

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Combined Public Utilities	ElbertonNET Technology Services	Elbert Hotel	Nonmajor Proprietary Funds	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	$ 3,248,802	$ 667,119	$ (287,524)	$ (889)	$ 3,627,508
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,274,783	319,340	103,692	63,651	1,761,466
(Increase) decrease in accounts receivable	186,785	(19,598)	0	(2,230)	164,957
(Increase) decrease in prepaids	0	0	(4,335)	0	(4,335)
(Increase) decrease in inventories	(118,989)	(54,874)	(4,735)	570	(178,028)
(Increase) decrease in other current assets	1,824	0	0	0	1,824
(Increase) decrease in net pension asset/liability	(385,039)	(64,697)	0	(78,883)	(528,619)
(Increase) decrease in pension contributions made after measurement date	(7,239)	(1,216)	0	(1,483)	(9,938)
Increase (decrease) in accounts payable	(140,746)	63,708	7,512	22,915	(46,611)
Increase (decrease) in intergovernmental payable	0	1,806	0	0	1,806
Increase (decrease) in sales tax payable	6,919	0	3,649	0	10,568
Increase (decrease) in other current liabilities	(5,093)	0	0	0	(5,093)
Increase (decrease) in accrued salaries	5,982	1,883	7,192	2,688	17,745
Increase (decrease) in pension experience differences	83,406	22,694	0	17,087	123,187
Increase (decrease) in pension assumption differences	(73,914)	826	0	(15,142)	(88,230)
Increase (decrease) in pension investment return differences	200,648	11,790	0	41,106	253,544
Increase (decrease) in compensated absences payable	(8,233)	980	3,046	1,711	(2,496)
Increase (decrease) in customer deposits payable	9,223	600	12,374	0	22,197
Total adjustments	1,030,317	283,242	128,395	51,990	1,493,944
Net cash provided (used) by operating activities	$ 4,279,119	$ 950,361	$ (159,129)	$ 51,101	$ 5,121,452
Cash reconciliation:					
Cash	$ 900,819	$ 0	$ 9,430	$ 42,283	$ 952,532
Restricted assets					
Cash	719,265	0	0	0	719,265
Total cash	$ 1,620,084	$ 0	$ 9,430	$ 42,283	$ 1,671,797

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled $131,856.

Acquistion of capital assets through accounts payable totaled $138,917.

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2017

	Municipal Court Agency Fund
ASSETS	
Cash and cash equivalents	$ 16,365
LIABILITIES	
Due to other agencies	$ 16,365

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 City has assumed the obligation of providing the necessary contributions to fund any deficits from the operation of the Downtown Development Authority.

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 I). 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

Elbert Hotel Enterprise Fund - This fund is used to account for the activities connected with the construction and operations of the Samuel Elbert Hotel located in downtown Elberton.

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.

2. Summary of Significant Accounting Policies (continued)

D. Basis of Presentation – Fund Financial Statements, continued

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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).

2. Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting, continued

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

The City reports investments using net asset value (NAV) when NAV is calculated in a manner consistent with fair value measurement guidelines, fair value is not readily determinable, and it is not probable for the investment to be sold at an amount other than NAV.

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 2017.

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.

2. Summary of Significant Accounting Policies (continued)

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, 2017, 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

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 acquisition cost on the date donated.

2. Summary of Significant Accounting Policies (continued)

M. Capital Assets, continued

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.

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. The City reports deferred out flows of resources related to their defined benefit pension plans.

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. The City reports deferred inflows of resources related to their defined benefit pension plans.

2. Summary of Significant Accounting Policies (continued)

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.

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.

2. Summary of Significant Accounting Policies (continued)

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.

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.

2. Summary of Significant Accounting Policies (continued)

R. Fund Balances – Governmental Funds, continued

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.

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.

2. Summary of Significant Accounting Policies (continued)

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 2016 amounts have been reclassified to conform with the 2017 presentation.

W. Pension Plans

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

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.

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.

3. Deposit and Investment Risk (continued)

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.

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.

3. Deposit and Investment Risk (continued)

Georgia Fund 1 is rated AAAf by Standard & Poor's. The weighted average maturity at June 30, 2017 was 26 days. At June 30, 2017, the City's balance in Georgia Fund 1 was $968,562.

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, 2017, the average weighted maturity of the Intermediate, Intermediate Extended Maturity, and Short-term Portfolios were 10.21, 57.23, and 6.0 months, respectively. The investments in each of the funds consist primarily of debt securities such as U.S. Treasuries, U.S Agency obligations, municipal bonds, and time deposits with financial instutions. The funds in these accounts are invested in securities that are typically held to maturity. At June 30, 2017, the City's balances in the Voluntary Flexible perating Accounts were $9,154,262, and in the Generation Trust Accounts were $3,060,048. The City of Elberton has no unfunded commitments or restriction on its ability to sell the investments in the Municipal Competitive Trust accounts.

Investments measured at net asset value at June 30, 2017 consist of the following:

Investment Type	Fair Value
Municipal Competitive Trust	
Short-term Portfolio	$ 1,071,419
Intermediate Portfolio	2,920,137
Intermediate Extended Portfolio	8,222,754
Total Investments	$ 12,214,310

4. Accounts Receivable

Net accounts receivable at June 30, 2017 consist of the following:

Major Funds		
General	$ 7,273	
Less: Allowance for Uncollectibles	(3,372)	$ 3,901
Enterprise funds		
Combined Public Utilities	2,330,909	
Less: Allowance for Uncollectibles	(363,440)	
ElbertonNET Technology Services	572,603	
Less: Allowance for Uncollectibles	(192,130)	2,347,942
Nonmajor Funds		
Solid Waste	94,532	
Less: Allowance for Uncollectibles	(21,360)	73,172
Total primary government		$ 2,425,015

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2017 consist of the following:

Nonmajor Funds	
2011 SPLOST Capital Projects	
Elbert County	$ 93,324

6. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2017 is as follows:

Receivable Fund	Payable Fund	Amount
General	Combined Public Utilities	$ 329,432
	Elbert Hotel	49,561
	Nonmajor Governmental	104,959
Combined Public Utilities	Elbert Hotel	302,070
	Nonmajor Proprietary	206,209
Nonmajor Governmental	Combined Public Utilities	8,869
Nonmajor Proprietary	Combined Public Utilities	4,053
	General	62,000
Subtotal		$ 1,067,153

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”.

6. Interfund Receivables, Payables, and Transfers, continued

A summary of interfund transfers is as follows:

Transfer out Fund	Transfer in Fund	Amount
General	Nonmajor Proprietary	$ 62,000
Combined Public Utilities	General	2,505,000
	Nonmajor Governmental	20,000
	Elbert Hotel	456,000
Nonmajor Governmental	General	29,585
		$ 3,072,585

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 $58,147, $10,369, and $517,010 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 $69,927 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, 2017 was as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Governmental activities				
Non-depreciable assets				
Land	$ 728,851	$ 8,156	$ 0	$ 737,007
Construction in progress	382,947	0	0	382,947
Total non-depreciable assets	1,111,798	8,156	0	1,119,954
Depreciable assets				
Buildings	2,114,741	0	0	2,114,741
Land improvements	1,175,351	0	0	1,175,351
Vehicles and equipment	2,985,974	68,047	(152,727)	2,901,294
Infrastructure	2,750,477	0	0	2,750,477
Total depreciable assets	9,026,543	68,047	(152,727)	8,941,863
Accumulated depreciation				
Buildings	(1,078,090)	(73,376)	0	(1,151,466)
Land improvements	(860,845)	(42,283)	0	(903,128)
Vehicles and equipment	(1,942,990)	(185,578)	152,727	(1,975,841)
Infrastructure	(1,163,615)	(77,006)	0	(1,240,621)
Total accumulated depreciation	(5,045,540)	(378,243)	152,727	(5,271,056)
Total depreciable assets, net	3,981,003	(310,196)	0	3,670,807
Governmental activities capital assets, net	$ 5,092,801	$ (302,040)	$ 0	$ 4,790,761
Business-type activities				
Non-depreciable assets				
Land	$ 385,335	$ 0	$ 0	$ 385,335
Construction in progress	5,750,644	813,713	(5,750,646)	813,711
Intangible assets	377,692	0	0	377,692
Total non-depreciable assets	6,513,671	813,713	(5,750,646)	1,576,738
Depreciable assets				
Buildings	1,196,040	4,252,725	0	5,448,765
Land improvements	67,032	43,700	0	110,732
Distribution system	47,993,412	2,689,687	(104,915)	50,578,184
Vehicles and equipment	3,212,347	1,119,500	(254,102)	4,077,745
Total depreciable assets	52,468,831	8,105,612	(359,017)	60,215,426
Accumulated depreciation				
Buildings	(666,725)	(103,752)	0	(770,477)
Land improvements	(48,226)	(4,174)	0	(52,400)
Distribution system	(22,002,406)	(1,371,760)	104,915	(23,269,251)
Vehicles and equipment	(2,777,299)	(281,780)	254,102	(2,804,977)
Total accumulated depreciation	(25,494,656)	(1,761,466)	359,017	(26,897,105)
Total depreciable assets, net	26,974,175	6,344,146	0	33,318,321
Business-type activities capital assets, net	$ 33,487,846	$ 7,157,859	$ (5,750,646)	$ 34,895,059

8. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the fiscal year ended June 30, 2017 was as follows:

	Balance June 30, 2016	Increases	Decreases	Balance June 30, 2017
Downtown Development Authority Component Unit				
Non-depreciable assets				
Land	$ 40,000	$ 0	$ (20,000)	$ 20,000
Depreciable assets				
Buildings	784,693	0	0	784,693
Less accumulated depreciation				
Buildings	(322,421)	(38,279)	0	(360,700)
Total depreciable assets, net	462,272	(38,279)	0	423,993
Downtown Development Authority Component Unit capital assets, net	$ 502,272	$ (38,279)	$ (20,000)	$ 443,993

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 17,078
Public Safety	127,640
Public Works	124,872
Culture and Recreation	102,265
Housing and Development	6,388
Total depreciation expense for governmental activities	$ 378,243
Business-type activities	
Combined Public Utilities	
Electric Department	$ 289,971
Water and Sewer Department	805,710
Natural Gas Department	179,102
ElbertonNet Technology Services	319,340
Solid Waste	63,651
Elbert Hotel	103,692
Total depreciation expense for business-type activities	$ 1,761,466
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 the replacement of aged natural gas lines 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, 2017 are $334,096 and $1,613,690 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, 2017:

Year Ending June 30,	Governmental Activities	Business-type Activities
2018	$ 67,248	$ 301,535
2019	67,248	301,535
2020	67,248	301,535
2021	67,248	301,535
2022	67,248	290,604
2023	16,811	214,841
Total minimum lease payments	353,051	1,711,585
Less amounts representing interest	(18,955)	(97,895)
Present value of minimum lease payments	$ 334,096	$ 1,613,690

9. Capital and Operating Leases Agreements (continued)

Total assets leased under capital leases are $569,774 and $3,818,828 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities		Business-type Activities	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Distribution system	$ 0	$ 0	$ 3,134,833	$ 223,407
Construction in progress	0	0	399,001	0
Vehicles and equipment	569,774	158,271	284,994	88,212
Total assets under capital leases	$ 569,774	$ 158,271	$ 3,818,828	$ 311,619

Amortization of leased equipment under capital assets is included in 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, 2017:

$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% ($4,395,000 outstanding).

10. Long-Term Debt (continued)

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

Year Ending June 30,	Principal	Interest	Total
2018	$ 835,000	$ 119,764	$ 954,764
2019	855,000	97,010	952,010
2020	875,000	73,711	948,711
2021	900,000	49,867	949,867
2022	930,000	25,343	955,343
Totals	$ 4,395,000	$ 365,695	$ 4,760,695

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 $2,500,000 on this agreement and recognized $500,000 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 began on November 1, 2016 ($1,940,236 outstanding).

The City entered into a second agreement the Georgia Environmental Finance Authority (GEFA) in the amount of $1,400,000 for improvements to the City's sewage system. GEFA agrees to forgive $280,000 of the loan if all funds are drawn. The City has drawn $1,400,000 on this agreement and recognized $280,000 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 239 months; interest at 1.63%. Monthly installments began on June 1, 2017 ($1,116,050 outstanding).

10. Long-Term Debt (continued)

Notes Payable, continued

The City entered into an agreement with Northeast Georgia Bank in the amount of $4,900,000 for the City of Elberton Facility Redevelopment Project. The proceeds will be used by the City for the acquisition, installation, refurbishment, redevelopment and equipping of the hotel located at 4 South Public Square, Elberton, Georgia. The City has drawn $4,900,000 on this agreement. Quarterly installments of interest began on April 15, 2016 and continue through December 2016. Monthly installments of principal and interest are due beginning on the 15th day of the calendar month following January 1, 2017 through December 2032 with interest at 4.75% through December 2020. Beginning January 1, 2021, the interest on the note will be the Prime Rate plus 1.5% through December 2025. On January 1, 2026, the interest will be the Prime Rate plus 1.5% through the termination date of the note. Total principal outstanding at June 30, 2017 is $4,809,227.

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2018	$ 356,333	$ 262,725	$ 619,058
2019	368,712	250,346	619,058
2020	381,630	237,428	619,058
2021	395,110	223,947	619,057
2022	409,181	209,876	619,057
2023-2027	2,279,633	815,655	3,095,288
2028-2032	2,737,529	357,758	3,095,287
2033-2037	937,385	25,784	963,169
Totals	$ 7,865,513	$ 2,383,519	$ 10,249,032

10. Long-Term Debt (continued)

Notes Payable, continued

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, 2017, the balance of this note is $48,000. Monthly installments of $138 interest are due through May 31, 2017, unpaid principal and interest are due June 30, 2017; interest at 3.00%.

The Elberton Downtown Development Authority has entered into a lending agreement with the City of Elberton to help finance the planning of the renovation of the upstairs of the William O. Jones building in downtown Elberton, GA, in the original amount of $51,250. At June 30, 2017, the balance of this note is $51,250. Monthly installments of $449 principal and interest are due June 30, 2017; interest at 1.00%.

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, 2017, the balance of this note is $94,180. 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%.

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, 2017, the balance of this note is $328,000. Monthly installments of $2,000 are due through February 28, 2031; interest at 0.00%.

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
2018	$ 84,173	$ 1,793	$ 85,966
2019	41,316	2,037	43,353
2020	98,535	901	99,436
2021	28,996	391	29,387
2022	29,047	341	29,388
2023-2027	146,004	934	146,938
2028-2031	93,359	29	93,388
Totals	$ 521,430	$ 6,426	$ 527,856

Total interest incurred and expensed in the governmental activities and the business-type activities for the fiscal ended June 30, 2017 was $7,660 and $417,580, 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, 2017:

	Balance 6/30/2016	Additions	Deductions	Balance 6/30/2017	Due Within One Year
Governmental Activities					
Contractual liability	$ 239,704	$ 0	$ (8,651)	$ 231,053	$ 0
Capital lease obligations	393,684	0	(59,588)	334,096	60,846
Compensated absences	167,288	118,425	(117,100)	168,613	118,029
Total Governmental Activities	$ 800,676	$ 118,425	$ (185,339)	$ 733,762	$ 178,875
Business-type Activities					
Revenue bonds	$ 5,210,000	$ 0	$ (815,000)	$ 4,395,000	$ 835,000
Notes payable	6,034,630	1,985,371	(154,488)	7,865,513	356,333
Capital lease obligations	2,477,226	0	(863,536)	1,613,690	270,876
Compensated absences	166,053	113,740	(116,236)	163,557	114,490
Total Business-type Activities	$ 13,887,909	$ 2,099,111	$ (1,949,260)	$ 14,037,760	$ 1,576,699
Downtown Development Authority Component Unit					
Notes payable	$ 509,691	$ 51,250	$ (39,511)	$ 521,430	$ 84,173

Revenue bond 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. Deficit Equity Balances

At June 30, 2017, the 2017 Special Purpose Local Option Sales Tax Capital Projects Fund had a deficit fund balance of $53,709. This is due to timing differences between cash receipts and accruals of revenues and expenditures. The City plans to liquidate the deficit fund equity with future sales tax revenues.

12. Nonspendable, Restricted, Committed, and Assigned Fund Balances

The following is a summary of restricted, committed, and assigned fund balances of the governmental funds for fiscal year ended June 30, 2017:

	General	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:			
Prepaid items	$ 140,451	$ 0	$ 140,451
Inventory	24,797	0	24,797
	165,248	0	165,248
Restricted for:			
Public Safety			
Police facilities and equipment	25	0	25
Housing and Development			
Downtown development	0	480,000	480,000
Tourism and City promotion	0	13,784	13,784
Capital projects	0	462,510	462,510
	25	956,294	956,319

13. 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.

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 $231,053. 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.

14. 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.

14. Risk Management and Self-Insurance (continued)

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, 2017, the City has no losses that are probable or estimable and accordingly has not recognized any liability.

15. Pension Plan

Plan Description. The City is a participating member of the Georgia Municipal Employees Benefit System (GMEBS), a state-wide agent, multiple-employer retirement system, administered by the Georgia Municipal Association. This is a defined benefit pension plan, which provides retirement, disability and death benefits to plan members and beneficiaries. The City has established provisions, which assign the authority to the City Council members to establish and amend the benefit provisions of the plan.

Control over the operation and administration of the plan is vested with GMEBS along with custody of the plan assets. The plan provides that the City has no liability with respect to payments or benefits or otherwise under the plan except to pay over to GMEBS such actuarially determined contributions as are required to meet minimum funding standards of the Public Retirement Systems Standards Law and provide benefits thereunder. If terminated, the plan provides that if there are funds remaining after the satisfaction of all liabilities, such funds shall not revert to the City but shall be allocated to employees. All employees are eligible for immediate participation. Officials are covered under the plan and are eligible for immediate participation.

There are no loans to any of the City officials or other "party-in-interest," and there are no prohibited transactions. The plan assets do not include any securities or investments in the City of Elberton. The funds are managed by independent money managers.

The annual report and more detailed information regarding the plan can be obtained from the Plan Administrator, the Georgia Municipal Employees Benefit System.

15. Pension Plan (continued)

At January 1, 2017, the date of the most recent actuarial valuation, there were 225 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	87
Terminated vested participants entitled to but not yet receiving benefits	30
Active participants	108
Total number of participants	225

Benefits Provided. The plan provides retirement and death benefits. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 65 with no reduction in benefit. Members with thirty years of total service are eligible to retire at age 62 with no reduction in benefit. Officals are eligible to retire at age 65 with no reduction of benefits. Members are eligible for early retirement with reduced benefits based on the early retirement reduction table at age 55 after 10 years of service. The benefit formula is 1.25% - 1.75% with a ten year vesting schedule for terminations on or after January 1, 2001. The benefit formula is 1.00% - 1.75% with a ten year vesting schedule for terminations prior to January 1, 2001.

Contributions. Employees make no contributions to the plan. The City is required to contribute the remaining amounts necessary to fund the plan in compliance with the minimum funding standards of the Public Retirement Systems Standards Law. The City's actuarially determined contribution rate for the fiscal year ended June 30, 2017 was $337,948 or 8.05% of covered payroll. The City's covered payroll for employees participating in the Plan as of January 1, 2017, (the most recent actuarial valuation date) was $4,200,078 (based on covered earnings for the preceding year). The Council provides for the benefits and funding policy through City ordinance and maintains the authority to change the policy. The administrative expenses set by contract with GMEBS are in addition to the state-required annual funding requirement.This funding policy, as specified by ordinance, has been the same since the inception of the plan.

15. Pension Plan (continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. At June 30, 2017, the City reported a net pension asset of $640,475. The net pension asset was measured as of September 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. For the fiscal year ended June 30, 2017, the City recognized pension income of $156,474.

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 75,876	$ (380,494)
Changes of assumptions	0	(211,871)
Net difference between projected and actual earnings on pension plan investments	677,843	(715,780)
City contributions subsequent to the measurement date	274,212	0
Totals	$ 1,027,931	$ (1,308,145)

The $274,212 of deferred outflows of resources resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ending June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in pension expense as follows:

Year Ending June 30	
2018	$ (374,642)
2019	(73,095)
2020	11,161
2021	(117,850)
Totals	$ (554,426)

15. Pension Plan (continued)

Actuarial Assumptions. The total pension liability in the January 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.25%
Projected salary increases	3.25% plus service based merit increases
Cost of living adjustments	3.25%
Net investment rate of return	7.75%

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

The mortality and economic actuarial assumptions used in the January 1, 2017 valuation were based on the results of an actuarial experience study for the period of January 1, 2010 through June 30, 2014.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

15. Pension Plan (continued)

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2016 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	45%	6.75%
International equity	20%	7.45%
Real estate	10%	4.55%
Global fixed income	5%	3.30%
Domestic fixed income	20%	1.75%
Total	100%	

Discount Rate. The discount rate used to measure the total pension liability was 7.75 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employer will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

15. Pension Plan (continued)

Changes in Net Pension Liability (Asset)

	Total Pension Liability (Asset) (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balances at 9/30/15	$ 17,831,294	$ 17,368,075	$ 463,219
Changes for the year:			
Service cost	173,629	0	173,629
Interest	1,347,052	0	1,347,052
Differences between expected and actual experience	(387,757)	0	(387,757)
Contributions—employer	0	344,865	(344,865)
Net investment income	0	1,912,937	(1,912,937)
Benefit payments, including refunds of employee contributions	(899,965)	(899,965)	0
Administrative expense	0	(21,184)	21,184
Net changes	232,959	1,336,653	(1,103,694)
Balances at 9/30/16	$ 18,064,253	$ 18,704,728	$ (640,475)

Plan fiduciary net position as a percentage of the total pension liability	103.55%
Covered payroll	$ 4,200,878
Employer's net pension liability as percentage of covered payroll	(15.25%)

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate. The following presents what the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.75 percent) or one percentage-point higher (8.75 percent) than the current rate:

	Discount Rate	Net Pension Liabilty (Asset)
1% decrease	6.75%	$ 1,522,450
Current discount rate	7.75%	(640,475)
1% increase	8.75%	(2,440,577)

Plan Fiduciary Net Position. Detailed information about the Plan's fiduciary net position is available in the separately issued Georgia Municipal Employees Benefit System financial report

15. Pension Plan (continued)

Other Plans. In addition to the plan above, various City employees are covered under the Peace Officers' Annuity and Benefit Fund of Georgia. Further information regarding this plan can be obtained from the plan's annual report.

16. Deferred Compensation Plan

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

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

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

During the fiscal year, the City contributed $113,499 to the plan based on covered salaries of $3,325,594. Plan members made voluntary contributions of $171,130 to the plan. Total payroll was $5,060,144.

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.

17. 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.

18. 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, 2017, follows:

Lodging tax receipts	$ 59,669	
Disbursements to Chamber of Commerce, for Elbert Theatre, and for other tourism and visitor programs	$ 48,577	81.4% of tax receipts

19. 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 2017, the city paid $4,484 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.

19. 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 2017, the City contributed $0 in cash financing. A copy of the MANS unit financial statements can be obtained from Franklin County, Georgia, 141 Athens Street, Carnesville, Georgia 30521.

20. 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 no payments for services provided during fiscal year 2017.

21. 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 $11,289,873 from MEAG during the fiscal year ended June 30, 2017. 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.

21. 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, 2017, the balance in this account was $9,154,262. 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, 2017, the balance in this account was $3,060,048. 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, 2017, were $0 and $605,968 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, 2017. At year-end, the City's commitments with contractors are as follows:

Projects	Amount Expended To Date	Remaining Commitment
Bare steel gasline replacement project	$ 1,826,746	$ 250,902

21. 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, 2017, was $1,002,949, interest at 5.00% per annum. The Company was current on all lease payments at June 30, 2017, and the Authority was current on all bond payments at June 30, 2017. The City has a contingent liability at June 30, 2017, of $501,475. A contingent liability is a possible obligation that arises from past events, and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the City. The City does not recognize this potential obligation on its balance sheet because it is not probable that an outflow of resources will be required to settle the obligation.

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

Required Supplementary Information



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CITY OF ELBERTON, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
LAST TEN FISCAL YEARS
June 30, 2017
(Unaudited)

	Fiscal Year End		
	2017	**2016**	**2015**
Total pension liability			
Service cost	$ 173,629	$ 185,301	$ 200,459
Interest	1,347,052	1,299,615	1,345,099
Differences between expected and actual experience	(387,757)	0	(358,709)
Changes of assumptions	0	151,751	(847,478)
Changes of benefit terms	0	(117,838)	0
Benefit payments, including refunds of employee contributions	(899,965)	(913,514)	(939,024)
Net change in total pension liability	232,959	605,315	(599,653)
Total pension liability - beginning	17,831,294	17,225,979	17,825,632
Total pension liability - ending (a)	$ 18,064,253	$ 17,831,294	$ 17,225,979
Plan fiduciary net position			
Contributions - employer	$ 344,865	$ 358,930	$ 348,379
Contributions - employee	0	0	0
Net investment income	1,912,937	221,538	1,863,860
Benefit payments, including refunds of employee contributions	(899,965)	(913,514)	(939,024)
Administrative expense	(21,184)	(24,006)	(19,423)
Other	0	0	0
Net change in total pension liability	1,336,653	(357,052)	1,253,792
Plan fiduciary net position - beginning	17,368,075	17,725,127	16,471,335
Plan fiduciary net position - ending (b)	$ 18,704,728	$ 17,368,075	$ 17,725,127
Net pension liability (asset) - ending : (a) - (b)	$ (640,475)	$ 463,219	$ (499,148)
Plan's fiduciary net position as a percentage of the total pension liability	103.55%	97.40%	102.90%
Covered payroll	$ 4,200,078	$ 4,545,318	$ 4,106,595
Net pension liabilty as a percentage of covered payroll	-15.25%	10.19%	-12.15%

Note: Fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

See accompanying notes to the required supplementary information.

CITY OF ELBERTON, GEORGIA
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS
June 30, 2017
(Unaudited)

	Fiscal Year End		
	2017	**2016**	**2015**
Actuarially determined contribution	$ 337,948	$ 365,616	$ 365,924
Contributions in relation to the actuarially determined contribution	(337,948)	(365,616)	(365,924)
Contribution deficiency (excess)	$ 0	$ 0	$ 0
Covered payroll	$ 4,200,078	$ 4,545,318	$ 4,106,595
Contributions as a percentage of covered payroll	8.05%	8.04%	8.91%

Note: Fiscal year 2015 was the first year of implementation. Additional years' information will be displayed as it becomes available.

1. Valuation Date

The actuarially determined contribution rate was determined as of January 1, 2017, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2018.

2. Methods and Assumptions Used to Determine Contribution Rates

Actuarial cost method = Entry age

Amortization method = Closed level dollar for remaining unfunded liability

Remaining amortization period = N/A

Asset valuation method = Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.

Net investment rate of return = 7.75%

Projected salary increases = 3.25% plus service based merit increases

Cost of living adjustments = 3.25%

Retirement age for inactive vested participants = 65

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

3. Changes in Benefits

There were no changes in benefit provisions in the last two fiscal years.

4. Changes of Assumptions

As a result of the new administrative fee structure approved by the Board, the administrative expense assumption was updated for fiscal years beginning in 2016.

Supplementary Information

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COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

CITY OF ELBERTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2017

	Special Revenue		Capital Projects		Total
	Hotel/ Motel Tax	Revolving Loan	2017 SPLOST	2011 SPLOST	Nonmajor Funds
ASSETS					
Cash	$ 0	$ 152,000	$ 0	$ 376,151	$ 528,151
Receivables					
Taxes	4,915	0	0	0	4,915
Intergovernmental	0	0	0	93,324	93,324
Notes	0	379,250	0	0	379,250
Due from other funds	8,869	0	0	0	8,869
Total assets	$ 13,784	$ 531,250	$ 0	$ 469,475	$ 1,014,509
LIABILITIES AND FUND BALANCES					
Liabilities					
Payable					
Accounts	$ 0	$ 0	$ 0	$ 6,965	$ 6,965
Due to other funds	0	51,250	53,709	0	104,959
Total liabilities	0	51,250	53,709	6,965	111,924
Fund balances					
Restricted for:					
Housing and Development	13,784	480,000	0	0	493,784
Capital Projects	0	0	0	462,510	462,510
Unassigned	0	0	(53,709)	0	(53,709)
Total fund balances	13,784	480,000	(53,709)	462,510	902,585
Total liabilities and fund balances	$ 13,784	$ 531,250	$ 0	$ 469,475	$ 1,014,509

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2017

	Special Revenue		Capital Projects		Total
	Hotel/ Motel Tax	Revolving Loan	2017 SPLOST	2011 SPLOST	Nonmajor Funds
REVENUES					
Taxes	$ 59,669	$ 0	$ 0	$ 0	$ 59,669
Intergovernmental	0	0	0	656,054	656,054
Interest	0	0	0	68	68
Total revenues	59,669	0	0	656,122	715,791
EXPENDITURES					
Current					
Housing and Development	18,992	0	0	0	18,992
Capital outlay	0	0	53,709	137,221	190,930
Debt service	0	0	0	67,247	67,247
Total expenditures	18,992	0	53,709	204,468	277,169
Excess (deficiency) of revenues over (under) expenditures	40,677	0	(53,709)	451,654	438,622
Other financing sources (uses)					
Transfers in	0	0	0	20,000	20,000
Transfers out	(29,585)	0	0	0	(29,585)
Total other financing sources (uses)	(29,585)	0	0	20,000	(9,585)
Excess (deficiency) of revenues and other financing sources over (under) other financing sources over (under) expenditures and other financing uses	11,092	0	(53,709)	471,654	409,037
Fund balances, July 1	2,692	480,000	0	(9,144)	473,548
Fund balances, June 30	$ 13,784	$ 480,000	$ (53,709)	$ 462,510	$ 902,585

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2017

	Solid Waste	Elbert Theatre	Total Nonmajor Proprietary Funds
ASSETS			
Current assets			
Cash	$ 0	$ 42,283	$ 42,283
Receivables (net)			
Accounts	73,172	0	73,172
Inventories	0	976	976
Due from other funds	62,000	4,053	66,053
Total current assets	135,172	47,312	182,484
Noncurrent assets			
Capital assets			
Non-depreciable	23,900	0	23,900
Depreciable (net)	296,001	0	296,001
Other assets			
Net pension asset	46,327	0	46,327
Total noncurrent assets	366,228	0	366,228
Total assets	501,400	47,312	548,712
DEFERRED OUTFLOWS OF RESOURCES			
Pension experience differences	5,288	0	5,288
Pension investment return differences	47,372	0	47,372
Pension contributions subsequent to measurement date	19,297	0	19,297
Total deferred outflows of resources	71,957	0	71,957
LIABILITIES			
Current liabilities			
Payables			
Accounts	26,582	3,535	30,117
Interest	144	0	144
Accrued salaries	13,334	0	13,334
Compensated absences	12,715	0	12,715
Due to other funds	206,209	0	206,209
Capital leases payable	40,062	0	40,062
Total current liabilities	299,046	3,535	302,581

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS
June 30, 2017

	Solid Waste	Elbert Theatre	Total Nonmajor Proprietary Funds
Noncurrent liabilities			
Compensated absences	$ 5,449	$ 0	$ 5,449
Capital lease payable	157,722	0	157,722
Total noncurrent liabilities	163,171	0	163,171
Total liabilities	462,217	3,535	465,752
DEFERRED INFLOWS OF RESOURCES			
Pension experience differences	26,981	0	26,981
Pension assumption changes	14,639	0	14,639
Pension investment return differences	50,722	0	50,722
Total deferred inflows of resources	92,342	0	92,342
NET POSITION			
Net investment in capital assets	122,117	0	122,117
Unrestricted	(103,319)	43,777	(59,542)
Total net position	$ 18,798	$ 43,777	$ 62,575

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Solid Waste	Elbert Theatre	Total Nonmajor Proprietary Funds
OPERATING REVENUES			
Charges for sales and services	$ 912,359	$ 99,349	$ 1,011,708
OPERATING EXPENSES			
Costs of sales and services	423,354	61,180	484,534
Personal services	445,053	19,359	464,412
Depreciation	63,651	0	63,651
Total operating expenses	932,058	80,539	1,012,597
Operating income (loss)	(19,699)	18,810	(889)
Non-operating revenues (expenses)			
Interest expense	(4,441)	0	(4,441)
Net income (loss) before transfers	(24,140)	18,810	(5,330)
Transfers in (out)			
Transfers in	62,000	0	62,000
Change in net position	37,860	18,810	56,670
Net position, July 1	(19,062)	24,967	5,905
Net position, June 30	$ 18,798	$ 43,777	$ 62,575

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Solid Waste	Elbert Theatre	Total Nonmajor Proprietary Funds
Cash flows from operating activities:			
Receipts from customers	$ 910,129	$ 99,349	$ 1,009,478
Payments to suppliers	(401,616)	(59,433)	(461,049)
Payments to employees	(477,969)	(19,359)	(497,328)
Net cash provided (used) by operating activities	30,544	20,557	51,101
Cash flows from non-capital financing activities:			
Receipts from other funds	62,000	0	62,000
Payments to other funds	(48,821)	(774)	(49,595)
Net cash provided (used) by non-capital financing activities	13,179	(774)	12,405
Cash flows from capital and related financing activities:			
Interest paid	(4,469)	0	(4,469)
Principal payments - capital leases	(39,254)	0	(39,254)
Net cash provided (used) by capital and related financing activities	(43,723)	0	(43,723)
Net increase (decrease) in cash	0	19,783	19,783
Cash, July 1	0	22,500	22,500
Cash, June 30	$ 0	$ 42,283	$ 42,283

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
For the fiscal year ended June 30, 2017

	Solid Waste	Elbert Theatre	Total Nonmajor Proprietary Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (19,699)	$ 18,810	$ (889)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	63,651	0	63,651
(Increase) decrease in accounts receivable	(2,230)	0	(2,230)
(Increase) decrease in inventories	0	570	570
(Increase) decrease in net pension asset/liability	(78,883)	0	(78,883)
(Increase) decrease in pension contributions made after measurement date	(1,483)		(1,483)
Increase (decrease) in accounts payable	21,738	1,177	22,915
Increase (decrease) in accrued salaries	2,688	0	2,688
Increase (decrease) in pension experience differences	17,087	0	17,087
Increase (decrease) in pension assumption differences	(15,142)	0	(15,142)
Increase (decrease) in pension investment return differences	41,106	0	41,106
Increase (decrease) in compensated absences payable	1,711	0	1,711
Total adjustments	50,243	1,747	51,990
Net cash provided (used) by operating activities	$ 30,544	$ 20,557	$ 51,101

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, 2017 and 2016

	2017	2016
ASSETS		
Cash	$ 537,356	$ 742,605
Restricted assets		
Cash	25	25
Receivables (net)		
Accounts	3,901	3,725
Taxes	64,139	66,843
Notes	48,692	50,575
Prepaid items	140,451	131,372
Inventory, at cost	24,797	16,101
Due from other funds	483,952	184,222
Total assets	$ 1,303,313	$ 1,195,468
LIABILITIES		
Accounts payable	$ 53,177	$ 42,982
Accrued salaries and payroll liabilities	114,041	96,742
Due to other funds	62,000	35,000
Other liabilities	12,751	13,251
Total liabilities	241,969	187,975
FUND BALANCES		
Nonspendable:		
Inventory	24,797	16,101
Prepaid items	140,451	131,372
Restricted for public safety	25	25
Unassigned	896,071	859,995
Total fund balances	1,061,344	1,007,493
Total liabilities and fund balances	$ 1,303,313	$ 1,195,468

CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
REVENUES		
Taxes	$ 1,258,347	$ 1,280,471
Licenses and permits	57,785	58,890
Fines, fees and forfeitures	112,020	92,915
Charges for services	720,912	720,025
Interest	3,374	2,435
Contributions	350	1,625
Other	7,941	11,217
Total revenues	2,160,729	2,167,578
EXPENDITURES		
Current		
General Government	754,976	703,782
Judicial	76,613	70,554
Public Safety	2,442,340	2,339,551
Public Works	857,529	845,280
Health and Welfare	61,968	65,687
Culture and Recreation	162,355	163,982
Housing and Development	284,300	266,997
Total expenditures	4,640,081	4,455,833
Excess (deficiency) of revenues over (under) expenditures	(2,479,352)	(2,288,255)
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Fund	29,585	34,933
Combined Public Utility System Fund	2,505,000	2,402,500
Solid Waste Fund	(62,000)	(35,000)
Sale of capital assets	60,618	49,369
Total other financing sources (uses)	2,533,203	2,451,802
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	53,851	163,547
Fund balances, July 1	1,007,493	843,946
Fund balances, June 30	$ 1,061,344	$ 1,007,493

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
Intangibles tax	$ 5,500	$ 4,542	$ (958)	$ 4,465
Franchise tax	101,000	91,906	(9,094)	98,172
Occupational tax	115,500	122,502	7,002	119,704
Insurance premium tax	270,000	285,732	15,732	263,786
Title ad valorem tax	100,000	70,116	(29,884)	80,432
Liquor tax	20,000	21,690	1,690	22,441
Beer and wine tax	125,000	112,152	(12,848)	113,771
Local option sales tax	550,000	549,707	(293)	577,700
Total taxes	1,287,000	1,258,347	(28,653)	1,280,471
Licenses and permits				
Building permits	15,000	14,790	(210)	15,103
Alcoholic beverage licenses	40,000	39,500	(500)	38,250
Other permits	5,000	3,495	(1,505)	5,537
Total licenses and permits	60,000	57,785	(2,215)	58,890
Fines, fees and forfeitures				
Parking fines	200	815	615	110
Court and DUI fines	121,600	108,205	(13,395)	89,805
Probation fees	3,000	3,000	0	3,000
Total fines, fees, and forfeitures	124,800	112,020	(12,780)	92,915
Charges for services				
Reimbursement of joint expenses	619,696	619,696	0	622,936
Cemetery sales and services	74,000	85,289	11,289	82,173
Public safety	11,500	13,332	1,832	8,036
Other	14,000	2,595	(11,405)	6,880
Total charges for services	719,196	720,912	1,716	720,025
Interest	2,500	3,374	874	2,435
Contributions	0	350	350	1,625
Other				
Miscellaneous	12,100	7,941	(4,159)	11,217
Total revenues	$ 2,205,596	$ 2,160,729	$ (44,867)	$ 2,167,578

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 105,642	$ 106,899	$ (1,257)	$ 96,589
Contractual services	45,628	44,703	925	45,107
Materials and supplies	500	137	363	17
Total Mayor and Council	151,770	151,739	31	141,713
City Manager's Office				
Personal services	141,995	144,902	(2,907)	136,682
Contractual services	6,135	2,908	3,227	3,637
Materials and supplies	1,000	1,211	(211)	806
Total City Manager's Office	149,130	149,021	109	141,125
Finance				
Personal services	156,165	156,888	(723)	147,002
Contractual services	52,940	52,627	313	51,441
Materials and supplies	1,100	684	416	1,561
Total Finance	210,205	210,199	6	200,004
Human Resources				
Personal services	51,283	54,286	(3,003)	51,396
Contractual services	8,998	6,115	2,883	8,132
Materials and supplies	1,600	1,440	160	3,092
Total Human Resources	61,881	61,841	40	62,620
City Clerk				
Personal services	95,487	95,756	(269)	87,231
Contractual services	700	617	83	575
Materials and supplies	4,308	4,098	210	4,112
Total City Clerk	100,495	100,471	24	91,918
Elections				
Contractual services	400	340	60	146
Total Elections	400	340	60	146
City Attorney				
Contractual services	49,000	48,691	309	28,408
Total City Attorney	49,000	48,691	309	28,408

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
General Government - continued				
City Hall Maintenance				
Contractual services	$ 30,235	$ 23,588	$ 6,647	$ 29,179
Materials and supplies	11,660	9,086	2,574	8,669
Total City Hall Maintenance	41,895	32,674	9,221	37,848
Total General Government	764,776	754,976	9,800	703,782
Judicial				
Municipal Court				
Personal services	70,329	72,695	(2,366)	65,084
Contractual services	6,320	3,918	2,402	5,470
Total Judicial	76,649	76,613	36	70,554
Public Safety				
Police - Administration				
Personal services	161,020	162,221	(1,201)	143,793
Contractual services	156,585	157,428	(843)	145,520
Materials and supplies	23,477	21,405	2,072	22,750
Total Police - Administration	341,082	341,054	28	312,063
Police - Uniform Division				
Personal services	819,104	813,103	6,001	805,910
Contractual services	20,000	27,406	(7,406)	16,622
Materials and supplies	40,689	37,247	3,442	46,762
Total Police - Uniform Division	879,793	877,756	2,037	869,294
Police - Criminal Investigations				
Personal services	142,516	141,876	640	135,607
Contractual services	3,124	2,190	934	1,747
Materials and supplies	5,978	7,498	(1,520)	7,414
Total Police - Criminal Investigations	151,618	151,564	54	144,768
Police - Community Relations				
Personal services	58,097	59,640	(1,543)	53,094
Contractual services	250	0	250	0
Materials and supplies	2,695	1,373	1,322	2,245
Total Police - Community Relations	61,042	61,013	29	55,339

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Public Safety - continued				
Police - Detention				
Contractual services	$ 14,000	$ 13,370	$ 630	$ 27,045
Fire				
Personal services	885,282	883,842	1,440	843,431
Contractual services	29,155	28,521	634	23,779
Materials and supplies	31,265	33,256	(1,991)	17,541
Total Fire	945,702	945,619	83	884,751
Animal Control				
Personal services	44,293	43,631	662	38,978
Contractual services	5,535	4,881	654	4,103
Materials and supplies	4,200	3,452	748	3,210
Total Animal Control	54,028	51,964	2,064	46,291
Total Public Safety	2,447,265	2,442,340	4,925	2,339,551
Public Works				
Administrative				
Personal services	58,142	60,497	(2,355)	59,069
Contractual services	30,046	29,280	766	29,109
Materials and supplies	20,755	14,721	6,034	16,114
Payments to others	10,000	8,651	1,349	8,668
Total Administration	118,943	113,149	5,794	112,960
Infrastructure Maintenance				
Personal services	325,463	326,175	(712)	315,332
Contractual services	15,778	14,946	832	12,666
Materials and supplies	35,663	25,702	9,961	28,223
Capital outlay	0	0	0	17,857
Total Infrastructure Maintenance	376,904	366,823	10,081	374,078
Parks and Rights-of-Way				
Contractual services	52,200	51,214	986	49,061
Materials and supplies	5,600	6,568	(968)	5,071
Total Parks and Rights of Way	57,800	57,782	18	54,132

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Public Works - continued				
Motor Pool				
Personal services	$ 108,637	$ 110,744	$ (2,107)	$ 94,090
Contractual services	46,242	36,378	9,864	38,172
Materials and supplies	22,872	26,191	(3,319)	26,012
Capital outlay	0	0	0	10,802
Total Motor Pool	177,751	173,313	4,438	169,076
Street Lighting				
Contractual services	2,000	0	2,000	14,190
Materials and supplies	14,000	15,028	(1,028)	8,668
Total Street Lighting	16,000	15,028	972	22,858
Cemetery				
Personal services	39,550	43,425	(3,875)	57,380
Contractual services	86,067	82,434	3,633	49,612
Materials and supplies	6,160	5,575	585	5,184
Total Cemetery	131,777	131,434	343	112,176
Total Public Works	879,175	857,529	21,646	845,280
Health and Welfare				
Agency allocations				
Elbert County Hospital Authority	55,000	54,468	532	58,187
Community Partnership	1,500	1,500	0	1,500
Elbert County Aging Program	6,000	6,000	0	6,000
Total Health and Welfare	62,500	61,968	532	65,687
Culture and Recreation				
Elbert Theatre				
Personal services	59,904	59,670	234	56,650
Contract services	15,949	12,911	3,038	20,256
Materials and supplies	17,400	16,274	1,126	13,576
Total Elbert Theatre	93,253	88,855	4,398	90,482
Agency allocations				
Library	66,000	66,000	0	66,000
Sister City Program	7,500	7,500	0	7,500
Total agency allocations	73,500	73,500	0	73,500
Total Culture and Recreation	166,753	162,355	4,398	163,982

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
Housing and Development				
Zoning/City Marshal				
Personal services	$ 62,338	$ 63,162	$ (824)	$ 60,348
Contractual services	2,260	2,202	58	2,072
Materials and supplies	2,451	2,084	367	1,779
Payments to others	500	0	500	0
Total Zoning/Special Projects	67,549	67,448	101	64,199
Code Enforcement				
Personal services	52,857	52,281	576	48,196
Contractual services	87,664	74,027	13,637	61,461
Materials and supplies	1,350	1,354	(4)	689
Capital outlay	0	8,156	(8,156)	31,568
Total Code Enforcement	141,871	135,818	6,053	141,914
Economic Development				
Mainstreet Elberton	81,210	81,034	176	60,884
Total Housing and Development	290,630	284,300	6,330	266,997
Total expenditures	$ 4,687,748	$ 4,640,081	$ 47,667	$ 4,455,833

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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, 2017 and 2016

	2017	2016
ASSETS		
Taxes receivable	$ 4,915	$ 4,416
Due from other funds	8,869	0
Total assets	$ 13,784	$ 4,416
LIABILITIES		
Due to other funds	$ 0	$ 1,724
FUND BALANCES		
Restricted for Housing and Development	13,784	2,692
Total liabilities and fund balances	$ 13,784	$ 4,416

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, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 50,000	$ 59,669	$ 9,669	$ 55,837
EXPENDITURES				
Current				
Housing and Development				
Elbert Theatre				
Contract services	5,000	3,992	1,008	2,500
Chamber of Commerce				
Payments to other agencies	20,000	15,000	5,000	20,000
Total expenditures	25,000	18,992	6,008	22,500
Excess (deficiency) of revenues over (under) expenditures	25,000	40,677	15,677	33,337
Other financing sources (uses)				
Transfers in (out)				
General Fund	(25,000)	(29,585)	(4,585)	(34,933)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	11,092	11,092	(1,596)
Fund balances, July 1	0	2,692	2,692	4,288
Fund balances, June 30	$ 0	$ 13,784	$ 13,784	$ 2,692

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash	$ 152,000	$ 128,000
Notes receivable	379,250	352,000
Total assets	$ 531,250	$ 480,000
LIABILITIES		
Due to other funds	$ 51,250	$ 0
FUND BALANCES		
Restricted for Housing and Development	480,000	480,000
Total liabilities and fund balances	$ 531,250	$ 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, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Charges for services	$ 24,000	$ 0	$ (24,000)	$ 0
EXPENDITURES				
Current				
Housing and Development	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 FUND

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).

***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.*

***2017 Special Purpose Local Option Sales Tax Fund** - This fund is used to account for long-term projects financed by the passage of the 2017 special purpose local option sales tax.*

CITY OF ELBERTON, GEORGIA
2011 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2017 and 2016

	2017	2016
ASSETS		
Cash	$ 376,151	$ 30,205
Intergovernmental receivable	93,324	88,600
Prepaid items	0	40,000
Total assets	$ 469,475	$ 158,805
LIABILITIES		
Payables		
Accounts	$ 6,965	$ 149,918
Retainage	0	18,031
Total liabilities	6,965	167,949
FUND BALANCES		
Nonspendable:		
Prepaid items	0	40,000
Restricted for capital projects	462,510	0
Unassigned	0	(49,144)
Total fund balances	462,510	(9,144)
Total liabilities and fund balances	$ 469,475	$ 158,805

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, 2017 and 2016

	2017	2016
REVENUES		
Intergovernmental	$ 656,054	$ 672,241
Interest	68	115
Total revenues	656,122	672,356
EXPENDITURES		
Capital outlay		
Public Safety	87,399	126,434
Public Works	47,292	577,064
Culture and Recreation	2,530	44,044
Debt service		
Public Safety	67,247	67,248
Total expenditures	204,468	814,790
Excess (deficiency) of revenues over (under) expenditures	451,654	(142,434)
Other financing sources (uses)		
Transfers in (out)		
Combined Utilities Fund	20,000	(212,238)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	471,654	(354,672)
Fund balances, July 1	(9,144)	345,528
Fund balances, June 30	$ 462,510	$ (9,144)

CITY OF ELBERTON, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
BALANCE SHEET
June 30, 2017

ASSETS	
Total assets	$ 0
LIABILITIES	
Due to other funds	$ 53,709
FUND BALANCES	
Unassigned	(53,709)
Total liabilities and fund balances	$ 0

CITY OF ELBERTON, GEORGIA
2017 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGE IN FUND BALANCE
For the fiscal year ended June 30, 2017

REVENUES	
Intergovernmental	$ 0
Total revenues	0
EXPENDITURES	
Capital outlay	
Public Safety	19,405
Culture and Recreation	34,304
Total expenditures	53,709
Excess (deficiency) of revenues over (under) expenditures	(53,709)
Fund balances, July 1	0
Fund balances, June 30	$ (53,709)

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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** - This 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.*

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

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

***Elbert Theatre Fund** - This fund is used to account for the operation of the City's historic theatre.*

***Elbert Hotel Fund** – This fund is used to account for the construction and operation of the City's historic Samuel Elbert Hotel located in downtown Elberton.*

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

ASSETS	**2017**	**2016**
Current assets		
Cash	$ 900,819	$ 1,628,128
Certificates of deposit	40,000	120,000
Investments	8,407,525	7,696,869
Receivables		
Accounts (net)	1,967,469	2,154,254
Interest	84	216
Inventories	618,178	499,189
Due from other funds	508,279	491,133
Other current assets	17,334	19,158
Total current assets	12,459,688	12,608,947
Restricted assets		
MEAG Generation Trust		
Investments	3,060,048	2,875,650
Construction Fund		
Cash	236,249	946,715
Bond Redemption		
Cash	483,016	485,978
Customer Deposits		
Investments	746,737	737,514
Total restricted assets	4,526,050	5,045,857
Capital assets		
Land	247,035	247,035
Intangible assets	377,692	377,692
Buildings	503,721	503,721
Distribution system	42,159,271	39,490,651
Vehicles and equipment	1,939,034	1,991,608
Construction in progress	495,107	1,687,340
Accumulated depreciation	(22,659,978)	(21,497,017)
Total capital assets (net of accumulated depreciation)	23,061,882	22,801,030
Other assets		
Net pension asset	222,023	0
Advances to other funds	4,239,629	4,190,322
Total other assets	4,461,652	4,190,322
Total assets	44,509,272	44,646,156
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	26,818	40,053
Pension investment return differences	239,236	318,061
Pension contributions subsequent to measurement date	96,437	89,198
Total deferred outflows of resources	362,491	447,312

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

LIABILITIES	**2017**	**2016**
Current liabilities		
Payables		
Accounts	$ 1,193,893	$ 1,550,182
Retainages	85,938	211,447
Sales tax	54,415	47,496
Accrued salaries	53,626	47,644
Compensated absences	84,444	90,207
Other current liabilities	41,693	46,786
Due to other funds	342,354	187,501
Note payable	138,305	0
Capital lease payable	230,814	226,112
Total current liabilities	2,225,482	2,407,375
Current liabilities payable from restricted assets		
Customer deposits payable	746,737	737,514
Interest payable	63,432	73,843
Bonds payable	835,000	815,000
Total liabilities payable from restricted assets	1,645,169	1,626,357
Noncurrent liabilities		
Compensated absences	36,190	38,660
Net pension liability	0	163,016
Capital lease payable	1,185,092	1,415,906
Notes payable	2,917,981	2,796,205
Bonds payable	3,560,000	4,395,000
Total noncurrent liabilities	7,699,263	8,808,787
Total liabilities	11,569,914	12,842,519
DEFERRED INFLOWS OF RESOURCES		
Pension experience differences	133,289	63,118
Pension assumption changes	75,209	149,123
Pension investment return differences	250,830	129,007
Total deferred inflows of resources	459,328	341,248
NET POSITION		
Net investment in capital assets	14,292,022	13,408,106
Restricted for:		
Debt service	419,584	412,135
MEAG Generation Trust	3,060,048	2,875,650
Unrestricted	15,070,867	15,213,810
Total net position	$ 32,842,521	$ 31,909,701

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, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Charges for sales and services	$ 21,846,285	$ 21,579,385
Miscellaneous revenues	9,144	12,283
Total operating revenues	21,855,429	21,591,668
OPERATING EXPENSES		
Costs of sales and services	15,066,508	15,140,398
Personal services	2,214,056	2,095,485
Depreciation	1,274,783	1,218,770
Miscellaneous expenses	51,280	29,780
Total operating expenses	18,606,627	18,484,433
Operating income (loss)	3,248,802	3,107,235
Non-operating revenues (expenses)		
Intergovernmental revenue	701,292	933,762
Interest revenue	207,189	152,794
Net increase (decrease) in the fair value of investments	(131,856)	177,697
Interest expense	(203,285)	(214,265)
Gain on sale of capital assets	14,230	0
Debt issue costs	(3,500)	(10,500)
Total non-operating revenues (expenses)	584,070	1,039,488
Net income (loss) before capital contributions and transfers	3,832,872	4,146,723
Capital contributions		
Intergovernmental	80,948	306,822
Net income (loss) before transfers	3,913,820	4,453,545
Transfers in (out)		
General Fund	(2,505,000)	(2,402,500)
Elbert Hotel Fund	(456,000)	0
2011 SPLOST Fund	(20,000)	212,238
Total transfers	(2,981,000)	(2,190,262)
Change in net position	932,820	2,263,283
Net position, July 1	31,909,701	29,646,418
Net position, June 30	$ 32,842,521	$ 31,909,701

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, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Charges for sales and services	$ 15,252,364	$ 15,081,243
Miscellaneous revenues	5,944	5,856
Total operating revenues	15,258,308	15,087,099
OPERATING EXPENSES		
Costs of sales and services	12,288,841	12,482,821
Personal services	1,146,724	1,035,398
Depreciation	289,971	281,793
Miscellaneous expenses	40,680	22,950
Total operating expenses	13,766,216	13,822,962
Operating income (loss)	1,492,092	1,264,137
Non-operating revenues (expenses)		
Intergovernmental revenue	701,292	933,762
Interest revenue	204,118	151,645
Gain on sale of capital assets	14,230	0
Net increase (decrease) in the fair value of investments	(131,856)	177,697
Total non-operating revenues (expenses)	787,784	1,263,104
Net income (loss) before transfers	2,279,876	2,527,241
Transfers in (out)		
Elbert Hotel Fund	(456,000)	0
General Fund	(1,685,000)	(1,625,000)
Total transfers	(2,141,000)	(1,625,000)
Change in net position	$ 138,876	$ 902,241

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, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Charges for sales and services	$ 3,230,494	$ 3,162,388
Miscellaneous revenues	179	154
Total operating revenues	3,230,673	3,162,542
OPERATING EXPENSES		
Costs of sales and services	1,077,002	1,056,044
Personal services	815,026	798,088
Depreciation	805,710	784,529
Miscellaneous expenses	6,470	3,830
Total operating expenses	2,704,208	2,642,491
Operating income (loss)	526,465	520,051
Non-operating revenues (expenses)		
Interest revenue	3,071	1,149
Interest expense	(203,285)	(214,265)
Debt issue costs	(3,500)	(10,500)
Total non-operating revenues (expenses)	(203,714)	(223,616)
Net income (loss) before capital contributions and transfers	322,751	296,435
Capital contributions		
Intergovernmental	80,948	306,822
Net income (loss) before transfers	403,699	603,257
Transfers in (out)		
General Fund	(20,000)	(17,500)
2011 SPLOST Fund	(20,000)	212,238
Total transfers	(40,000)	194,738
Change in net position	$ 363,699	$ 797,995

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, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Charges for sales and services	$ 3,363,427	$ 3,335,754
Miscellaneous revenues	3,021	6,273
Total operating revenues	3,366,448	3,342,027
OPERATING EXPENSES		
Costs of sales and services	1,700,665	1,601,533
Personal services	252,306	261,999
Depreciation	179,102	152,448
Miscellaneous expenses	4,130	3,000
Total operating expenses	2,136,203	2,018,980
Operating income (loss)	1,230,245	1,323,047
Transfers in (out)		
General Fund	(800,000)	(760,000)
Change in net position	$ 430,245	$ 563,047

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Receipts from customers	$ 22,044,119	$ 21,418,201
Payments to suppliers	(15,324,419)	(15,176,704)
Payments to employees	(2,398,445)	(2,248,068)
Other receipts	9,144	12,283
Other payments	(51,280)	(29,780)
Net cash provided (used) by operating activities	4,279,119	3,975,932
Cash flows from non-capital financing activities:		
Receipts from other governments	701,292	933,762
Receipts from other funds	156,577	253,540
Payments to other funds	(3,049,178)	(2,402,500)
Net cash provided (used) from non-capital financing activities	(2,191,309)	(1,215,198)
Cash flows from capital and related financing activities:		
Receipts from other governments	80,948	306,822
Receipts from other funds	0	212,238
Proceeds from sale of capital assets	14,230	0
Payment of capital related accounts payable	(479,969)	(145,217)
Acquisition of capital assets	(1,396,718)	(2,434,410)
Debt issue costs	(3,500)	(10,500)
Interest paid	(213,696)	(223,796)
Issuance of notes payable	323,796	1,227,214
Principal payments - leases	(226,112)	(221,506)
Principal payments - notes payable	(63,715)	0
Principal payments - bonds	(815,000)	(785,000)
Net cash provided (used) by capital and related financing activities	(2,779,736)	(2,074,155)
Cash flows from investing activities:		
Interest received	207,322	152,794
Proceeds from sale of investments	80,000	120,000
Purchase of investments	(1,036,133)	(1,619,615)
Net cash provided (used) by investing activities	(748,811)	(1,346,821)
Net increase (decrease) in cash	(1,440,737)	(660,242)
Cash, July 1	3,060,821	3,721,063
Cash, June 30	$ 1,620,084	$ 3,060,821

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 3,248,802	$ 3,107,235
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,274,783	1,218,770
(Increase) decrease in accounts receivable	186,785	(197,431)
(Increase) decrease in inventories	(118,989)	(19,518)
(Increase) decrease in other current assets	1,824	2,756
(Increase) decrease in net pension asset/liability	(385,039)	337,860
(Increase) decrease in pension contributions made after measurement date	(7,239)	6,935
Increase (decrease) in accounts payable	(140,746)	(19,543)
Increase (decrease) in sales tax payable	6,919	(10,669)
Increase (decrease) in accrued salaries	5,982	12,285
Increase (decrease) in compensated absences payable	(8,233)	(4,704)
Increase (decrease) in pension experience differences	83,406	(71,173)
Increase (decrease) in pension assumption differences	(73,914)	(391,582)
Increase (decrease) in pension investment return differences	200,648	(42,205)
Increase (decrease) in deposits payable	9,223	29,911
Increase (decrease) in other current liabilities	(5,093)	17,005
Total adjustments	1,030,317	868,697
Net cash provided (used) by operating activities	$ 4,279,119	$ 3,975,932
Cash reconciliation:		
Cash	$ 900,819	$ 1,628,128
Construction Fund Cash	236,249	946,715
Bond Redemption Cash	483,016	485,978
Total cash	$ 1,620,084	$ 3,060,821

Noncash investing, capital, and financing activities:

The net increase (decrease) in the fair value of investments totaled $131,856 and $177,697 for the fiscal years ended June 30, 2017 and 2016, respectively.

Acquistion of capital assets through accounts payable totaled $138,917 and $479,969 for the fiscal years ended June 30, 2017 and 2016, respectively.

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

ASSETS	2017	2016
Current assets		
Accounts receivable (net)	$ 73,172	$ 70,942
Due from other funds	62,000	35,000
Total current assets	135,172	105,942
Capital assets		
Land	23,900	23,900
Land improvements	67,031	67,031
Buildings	86,886	86,886
Vehicles and equipment	632,002	634,200
Accumulated depreciation	(489,918)	(428,465)
Total capital assets (net of accumulated depreciation)	319,901	383,552
Other assets		
Net pension asset	46,327	0
Total assets	501,400	489,494
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	5,288	7,999
Pension investment return differences	47,372	63,520
Pension contributions subsequent to measurement date	19,297	17,814
Total deferred outflows of resources	71,957	89,333
LIABILITIES		
Current liabilities		
Accounts payable	26,582	4,844
Accrued salaries	13,334	10,646
Compensated absences	12,715	11,517
Capital leases payable	40,062	39,254
Interest payable	144	172
Due to other funds	206,209	228,030
Total current liabilities	299,046	294,463
Noncurrent liabilities		
Compensated absences	5,449	4,936
Net pension liability	0	32,556
Capital leases payable	157,722	197,784
Total noncurrent liabilities	163,171	235,276
Total liabilities	462,217	529,739
DEFERRED INFLOWS OF RESOURCES		
Pension experience differences	26,981	12,605
Pension assumption changes	14,639	29,781
Pension investment return differences	50,722	25,764
Total deferred inflows of resources	92,342	68,150
NET POSITION		
Net investment in capital assets	122,117	146,514
Unrestricted	(103,319)	(165,576)
Total net position	$ 18,798	$ (19,062)

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, 2017 and 2016

OPERATING REVENUES	**2017**	**2016**
Charges for sales and services		
Residential service	$ 475,280	$ 459,345
Commercial service	326,195	317,726
Sale of recyclables	95,825	61,494
Garbage container sales	15,059	14,790
Total operating revenues	912,359	853,355
OPERATING EXPENSES		
Costs of sales and services	423,354	363,152
Personal services	445,053	425,337
Depreciation	63,651	63,409
Total operating expenses	932,058	851,898
Operating income (loss)	(19,699)	1,457
Non-operating revenues (expenses)		
Interest expense	(4,441)	(5,557)
Net income (loss) before transfers	(24,140)	(4,100)
Transfers in (out)		
General Fund	62,000	35,000
Change in net position	37,860	30,900
Net position, July 1	(19,062)	(49,962)
Net position, June 30	$ 18,798	$ (19,062)

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Receipts from customers	$ 910,129	$ 871,346
Payments to suppliers	(401,616)	(381,989)
Payments to employees	(477,969)	(452,401)
Net cash provided (used) by operating activities	30,544	36,956
Cash flows from non-capital financing activities:		
Payments to other funds	(48,821)	0
Receipts from other funds	62,000	62,997
Net cash provided (used) from non-capital financing activities	13,179	62,997
Cash flows from capital and related financing activities:		
Acquisition of capital assets	0	(29,295)
Interest paid	(4,469)	(5,585)
Principal payments - capital leases	(39,254)	(65,073)
Net cash provided (used) by capital and related financing activities	(43,723)	(99,953)
Net increase (decrease) in cash	0	0
Cash, July 1	0	0
Cash, June 30	$ 0	$ 0

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (19,699)	$ 1,457
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	63,651	63,409
(Increase) decrease in accounts receivable	(2,230)	17,991
(Increase) decrease in net pension asset/liability	(78,883)	69,786
(Increase) decrease in pension contributions made after measurement date	(1,483)	9,497
Increase (decrease) in accounts payable	21,738	(18,837)
Increase (decrease) in pension experience differences	17,087	(15,461)
Increase (decrease) in pension assumption differences	(15,142)	(17,627)
Increase (decrease) in pension investment return differences	41,106	(74,212)
Increase (decrease) in accrued salaries	2,688	1,281
Increase (decrease) in compensated absences payable	1,711	(328)
Total adjustments	50,243	35,499
Net cash provided (used) by operating activities	$ 30,544	$ 36,956

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

ASSETS	2017	2016
Current assets		
Accounts receivable (net)	$ 380,473	$ 360,875
Inventories	106,287	51,413
Total current assets	486,760	412,288
Capital assets		
Land	6,900	6,900
Buildings	519,065	513,385
Vehicles and equipment	504,658	586,539
Construction in progress	318,604	0
Distribution system	8,418,913	8,502,759
Accumulated depreciation	(3,615,247)	(3,540,902)
Total capital assets (net of accumulated depreciation)	6,152,893	6,068,681
Other assets		
Net pension asset	42,034	0
Total assets	6,681,687	6,480,969
DEFERRED OUTFLOWS OF RESOURCES		
Pension experience differences	3,344	5,568
Pension investment return differences	30,973	44,218
Pension contributions subsequent to measurement date	13,617	12,401
Total deferred outflows of resources	47,934	62,187
LIABILITIES		
Current liabilities		
Payables		
Accounts	219,860	156,152
Intergovernmental	29,644	27,838
Interest	0	481
Accrued salaries	12,890	11,007
Compensated absences	15,199	14,513
Customer deposits	3,198	2,598
Capital lease payable	0	221,128
Total current liabilities	280,791	433,717
Noncurrent liabilities		
Compensated absences	6,514	6,220
Net pension liability	0	22,663
Advances from other funds	4,239,629	4,190,322
Capital lease payable	0	377,042
Total noncurrent liabilities	4,246,143	4,596,247
Total liabilities	4,526,934	5,029,964

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2017 and 2016

	2017	2016
DEFERRED INFLOWS OF RESOURCES		
Pension experience differences	$ 20,565	$ 17,935
Pension assumption changes	8,312	20,731
Pension investment return differences	38,405	8,775
Total deferred inflows of resources	67,282	47,441
NET POSITION		
Net investment in capital assets	6,152,893	5,470,511
Unrestricted	(4,017,488)	(4,004,760)
Total net position	$ 2,135,405	$ 1,465,751

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, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Charges for sales and services	$ 4,540,110	$ 4,231,947
Total operating revenues	4,540,110	4,231,947
OPERATING EXPENSES		
Costs of sales and services	3,122,253	2,961,089
Personal services	396,973	378,376
Depreciation	319,340	305,110
Miscellaneous expenses	30,680	20,060
Total operating expenses	3,869,246	3,664,635
Operating income (loss)	670,864	567,312
Non-operating revenues (expenses)		
Interest expense	(1,210)	(17,573)
Change in net position	669,654	549,739
Net position, July 1	1,465,751	916,012
Net position, June 30	$ 2,135,405	$ 1,465,751

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Receipts from customers	$ 4,517,367	$ 4,239,771
Payments to suppliers	(3,111,613)	(2,948,929)
Payments to employees	(424,713)	(392,423)
Other payments	(30,680)	(20,060)
Net cash provided (used) by operating activities	950,361	878,359
Cash flows from non-capital financing activities:		
Payments to other funds	0	(460,116)
Receipts from other funds	49,307	0
Net cash provided (used) by non-capital financing activities	49,307	(460,116)
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(403,552)	(123,193)
Proceeds from the sale of capital assets	3,745	0
Interest paid	(1,691)	(17,794)
Principal payments - capital lease obligations	(598,170)	(277,256)
Net cash provided (used) by capital and related financing activities	(999,668)	(418,243)
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)	$ 667,119	$ 567,312
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	319,340	305,110
(Increase) decrease in accounts receivable	(19,598)	7,159
(Increase) decrease in inventories	(54,874)	20,567
(Increase) decrease in net pension asset/liability	(64,697)	46,991
(Increase) decrease in pension contributions made after measurement date	(1,216)	975
Increase (decrease) in accounts payable	63,708	(10,648)
Increase (decrease) in intergovernmental payable	1,806	2,241
Increase (decrease) in customer deposits	600	665
Increase (decrease) in accrued salaries	1,883	4,343
Increase (decrease) in pension experience differences	22,694	(747)
Increase (decrease) in pension assumption differences	826	(10,247)
Increase (decrease) in pension investment return differences	11,790	(59,265)
Increase (decrease) in compensated absences payable	980	3,903
Total adjustments	283,242	311,047
Net cash provided (used) by operating activities	$ 950,361	$ 878,359

CITY OF ELBERTON, GEORGIA
ELBERT THEATRE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the fiscal years ended June 30, 2017 and 2016

ASSETS	**2017**	**2016**
Current assets		
Cash	$ 42,283	$ 22,500
Due from other fund	4,053	3,279
Inventories	976	1,546
Total current assets	47,312	27,325
LIABILITIES		
Current liabilities		
Accounts payable	3,535	2,358
NET POSITION		
Unrestricted	$ 43,777	$ 24,967

CITY OF ELBERTON, GEORGIA
ELBERT THEATRE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2017 and 2016

OPERATING REVENUES	**2017**	**2016**
Charges for sales and services	$ 99,349	$ 94,232
Total operating revenues	99,349	94,232
OPERATING EXPENSES		
Costs of sales and services	61,180	57,978
Personal services	19,359	19,343
Total operating expenses	80,539	77,321
Change in net position	18,810	16,911
Net position, July 1	24,967	8,056
Net position, June 30	$ 43,777	$ 24,967

CITY OF ELBERTON, GEORGIA
ELBERT THEATRE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Receipts from customers	$ 99,349	$ 94,232
Payments to suppliers	(59,433)	(58,451)
Payments to employees	(19,359)	(19,343)
Net cash provided (used) by operating activities	20,557	16,438
Cash flows from non-capital financing activities:		
Payments to other funds	(774)	(1,771)
Net increase (decrease) in cash	19,783	14,667
Cash, July 1	22,500	7,833
Cash, June 30	$ 42,283	$ 22,500
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 18,810	$ 16,911
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
(Increase) decrease in inventories	570	(735)
Increase (decrease) in accounts payable	1,177	262
Total adjustments	1,747	(473)
Net cash provided (used) by operating activities	$ 20,557	$ 16,438

CITY OF ELBERTON, GEORGIA
ELBERT HOTEL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET POSITION
For the fiscal years ended June 30, 2017 and 2016

ASSETS	**2017**	**2016**
Current assets		
Cash	$ 9,430	$ 0
Prepaid items	4,335	0
Inventories	4,735	0
Total current assets	18,500	0
Restricted current assets		
Cash for construction	0	222,023
Capital assets		
Land	107,500	107,500
Land improvements	43,700	0
Building	4,339,093	92,048
Machinery and equipment	1,002,051	0
Construction in progress	0	4,063,304
Accumulated depreciation	(131,961)	(28,269)
Total capital assets (net of accumulated depreciation)	5,360,383	4,234,583
Total assets	5,378,883	4,456,606
LIABILITIES		
Current liabilities		
Payables		
Accounts	7,512	392,468
Retainage	0	317,210
Interest	9,388	32,136
Sales tax	3,649	0
Customer deposits	12,374	0
Accrued salaries	7,192	0
Compensated absences	2,132	0
Notes payable	218,028	74,769
Due to other funds	351,631	261,379
Total current liabilities	611,906	1,077,962
Noncurrent liabilities		
Compensated absences	914	0
Notes payable	4,591,199	3,163,656
Total noncurrent liabilities	4,592,113	3,163,656
Total liabilities	5,204,019	4,241,618
NET POSITION		
Net investment in capital assets	551,156	508,503
Unrestricted	(376,292)	(293,515)
Total net position	$ 174,864	$ 214,988

CITY OF ELBERTON, GEORGIA
ELBERT HOTEL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
OPERATING REVENUES		
Charges for sales and services	$ 81,969	$ 0
Rent	6,252	0
Total operating revenues	88,221	0
OPERATING EXPENSES		
Costs of sales and services	179,166	0
Personal services	92,887	0
Depreciation	103,692	0
Total operating expenses	375,745	0
Operating income (loss)	(287,524)	0
Non-operating revenues (expenses)		
Interest revenue	44	108
Interest expense	(208,644)	(45,358)
Debt issue costs	0	(91,744)
Total non-operating expenses	(208,600)	(136,994)
Net income (loss) before capital contributions and transfers	(496,124)	(136,994)
Capital contribution	0	351,982
Net income (loss) before transfers	(496,124)	214,988
Transfers in (out)		
Combined Public Utility System Fund	456,000	0
Change in net position	(40,124)	214,988
Net position, July 1	214,988	0
Net position, June 30	$ 174,864	$ 214,988

CITY OF ELBERTON, GEORGIA
ELBERT HOTEL ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2017 and 2016

	2017	2016
Cash flows from operating activities:		
Receipts from customers	$ 94,343	$ 0
Payments to suppliers	(177,075)	0
Payments to employees	(82,649)	0
Other receipts	6,252	0
Net cash provided (used) by operating activities	(159,129)	0
Cash flows from non-capital financing activities:		
Receipts from other funds	156,583	0
Cash flows from capital and related financing activities:		
Acquisition of capital assets	$ (1,229,492)	$ (3,172,923)
Receipts from other funds	389,669	261,379
Payment of capital related accounts payable	(709,678)	0
Interest paid	(231,392)	(13,223)
Issuance of note payable	1,661,575	3,238,426
Debt issue costs	(90,773)	(91,744)
Net cash provided (used) by capital and related financing activities	(210,091)	221,915
Cash flows from investing activities:		
Interest received	44	108
Net increase (decrease) in cash	(212,593)	222,023
Cash, July 1	222,023	0
Cash, June 30	$ 9,430	$ 222,023
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (287,524)	$ 0
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	103,692	0
(Increase) decrease in prepaids	(4,335)	0
(Increase) decrease in inventories	(4,735)	0
Increase (decrease) in accounts payable	7,512	0
Increase (decrease) in sales tax payable	3,649	0
Increase (decrease) in accrued salaries	7,192	0
Increase (decrease) in compensated absences payable	3,046	0
Increase (decrease) in customer deposits	12,374	0
Total adjustments	128,395	0
Net cash provided (used) by operating activities	$ (159,129)	$ 0

Noncash investing, capital, and financing activities:

Acquisition of capital assets through accounts payable totaled $0 and $709,678 for the fiscal years ended June 30, 2017 and 2016, respectively.

Contributions of capital assets from the governmental activities totaled $0 and $351,982 for the fiscal years ended June 30, 2017 and 2016, respectively.

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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, 2017 and 2016

	2017	2016
ASSETS		
Cash	$ 16,365	$ 8,005
LIABILITIES		
Due to other agencies	$ 16,365	$ 8,005

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2017

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Cash	$ 8,005	$ 152,039	(143,679)	$ 16,365
LIABILITIES				
Due to other agencies	$ 8,005	$ 152,039	(143,679)	$ 16,365

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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, 2017 and 2016

	2017	2016
ASSETS		
Cash	$ 58,271	$ 12,226
Accounts receivable	39	0
Total assets	$ 58,310	$ 12,226
LIABILITIES		
Accounts payable	$ 1,600	$ 1,150
Deposits payable	1,950	0
Total liabilities	3,550	1,150
FUND BALANCES		
Assigned for Housing and Development	54,760	11,076
Total liabilities and fund balances	$ 58,310	$ 12,226

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, 2017
(With comparative actual amounts for the fiscal year ended June 30, 2016)

	2017			2016
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 0	$ 24,000	$ 24,000	$ 60,796
Charges for service	0	1,639	1,639	0
Rents	28,000	17,750	(10,250)	18,415
Event revenue	15,000	27,117	12,117	17,273
Contributions	0	0	0	1,449
Total revenues	43,000	70,506	27,506	97,933
EXPENDITURES				
Current				
Economic Development				
Personnel services	0	0	0	29,630
Contract services	22,000	33,190	(11,190)	22,743
Materials and supplies	3,000	2,358	642	6,061
Debt service	18,000	42,524	(24,524)	39,483
Total expenditures	43,000	78,072	(35,072)	97,917
Excess (deficiency) of revenues over (under) expenditures	0	(7,566)	(7,566)	16
Other financing sources (uses)				
Proceeds from note payable	0	51,250	51,250	0
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	43,684	43,684	16
Fund balances, July 1	0	11,076	11,076	11,060
Fund balances, June 30	$ 0	$ 54,760	$ 54,760	$ 11,076

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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.	**124-138**
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.	**139-142**
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.	**143-149**
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.	**150-151**
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.	**152-157**
Other Information	**158-159**

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		
	2017	2016	2015
Governmental Activities			
Net investment in capital assets	$ 4,456,665	$ 4,699,117	$ 4,794,106
Restricted	956,319	480,025	825,553
Unrestricted	794,391	508,437	108,315
Total Governmental Activities Net Position	6,207,375	5,687,579	5,727,974
Business-type Activities			
Net investment in capital assets	21,118,188	19,533,634	18,676,675
Restricted	3,479,632	3,287,785	2,957,667
Unrestricted	10,617,545	10,774,926	8,886,182
Total Business-Type Activities Net Position	35,215,365	33,596,345	30,520,524
Primary Government			
Net investment in capital assets	25,574,853	24,232,751	23,470,781
Restricted	4,435,951	3,767,810	3,783,220
Unrestricted	11,411,936	11,283,363	8,994,497
Total Primary Government Net Position	$ 41,422,740	$ 39,283,924	$ 36,248,498

FISCAL YEAR							
2014	2013	2012	2011	2010	2009	2008
$ 4,230,037	$ 4,289,328	$ 4,474,881	$ 4,138,536	$ 3,924,223	$ 3,935,047	$ 3,624,359
1,067,009	882,783	940,916	1,214,456	851,529	730,810	419,048
469,531	412,159	374,476	483,631	517,319	447,389	224,861
5,766,577	5,584,270	5,790,273	5,836,623	5,293,071	5,113,246	4,268,268
17,877,860	17,350,028	16,525,113	15,555,835	15,262,590	14,315,837	13,384,786
2,702,871	2,317,674	2,020,369	1,383,145	504,668	305,477	289,907
8,281,490	6,518,491	6,170,317	6,516,711	6,280,127	4,288,720	4,077,359
28,862,221	26,186,193	24,715,799	23,455,691	22,047,385	18,910,034	17,752,052
22,107,897	21,639,356	20,999,994	19,694,371	19,186,813	18,250,884	17,009,145
3,769,880	3,200,457	2,961,285	2,597,601	1,356,197	1,036,287	708,955
8,751,021	6,930,650	6,544,793	7,000,342	6,797,446	4,736,109	4,302,220
$ 34,628,798	$ 31,770,463	$ 30,506,072	$ 29,292,314	$ 27,340,456	$ 24,023,280	$ 22,020,320

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
Expenses	**2017**	**2016**	**2015**
Governmental Activities:			
General Government	$ 733,183	$ 696,460	$ 661,068
Judicial	72,632	67,311	63,335
Public Safety	2,490,299	2,355,893	2,439,366
Public Works	963,917	1,067,173	966,313
Health and Welfare	61,968	65,687	60,275
Culture and Recreation	262,259	269,221	221,761
Housing and Development	288,416	253,670	251,937
Interest on Long-term Debt	7,660	8,891	10,097
Total Governmental Activities	4,880,334	4,784,306	4,674,152
Business-type Activities:			
Combined Public Utilities			
Electric	13,546,027	13,592,179	14,279,534
Water and Sewer	2,801,783	2,759,461	2,721,254
Natural Gas	2,026,826	1,903,129	2,414,678
ElbertonNET Technology Services	3,741,769	3,566,175	3,362,855
Industrial Park	0	0	0
Solid Waste	884,266	804,982	816,844
Elbert Theatre	80,539	77,321	44,895
Elbert Hotel	584,389	137,102	0
Total Business-type Activities	23,665,599	22,840,349	23,640,060
Total Primary Government Expenses	28,545,933	27,624,655	28,314,212
Indirect Costs			
Governmental Activities:			
General Government	(486,383)	(493,185)	(473,292)
Public Works	(133,313)	(129,750)	(119,422)
Total Governmental Activities Indirect Cost	(619,696)	(622,935)	(592,714)
Business-type Activities:			
Combined Public Utilities			
Electric	220,189	230,783	221,039
Water and Sewer	109,210	107,795	119,743
Natural Gas	109,377	115,851	103,448
ElbertonNET Technology Services	128,687	116,033	81,986
Solid Waste	52,233	52,473	66,498
Total Business-type Activities Indirect Cost	619,696	622,935	592,714
Total Primary Government Indirect Cost	0	0	0
Program Revenues			
Governmental Activities:			
Charges for Services:			
General Government	42,005	43,360	41,775
Public Safety	127,646	102,197	124,749
Public Works	86,279	83,133	41,394
Housing and Development	15,090	15,703	15,428
Operating Grants and Contributions	350	1,620	420
Capital Grants and Contributions	656,122	672,356	715,225
Total Governmental Activities Program Revenues	927,492	918,369	938,991
Business-type Activities:			
Charges for Services:			
Electric	15,252,364	15,081,243	15,320,274
Water and Sewer	3,230,494	3,162,388	3,082,577
Natural Gas	3,363,427	3,335,754	4,063,544
ElbertonNET Technology Services	4,540,110	4,231,947	3,790,730
Solid Waste	912,359	853,355	853,822
Elbert Theatre	99,349	94,232	52,951
Elbert Hotel	88,221	0	0
Operating Grants and Contributions	701,292	933,762	1,170,756
Capital Grants and Contributions	80,948	306,822	254,181
Total Business-type Activities Program Revenues	28,268,564	27,999,503	28,588,835
Total Primary Government Program Revenues	29,196,056	28,917,872	29,527,826

Exhibit J-2, continued

FISCAL YEAR						
2014	2013	2012	2011	2010	2009	2008
$ 673,908	$ 657,516	$ 697,793	$ 782,934	$ 776,304	$ 758,352	$ 734,895
106,386	107,728	104,279	99,901	101,982	100,939	103,965
2,539,885	2,476,946	2,395,267	2,509,964	2,442,237	2,355,213	2,293,427
1,067,150	1,151,627	1,166,098	1,155,171	1,178,530	1,315,287	1,310,736
58,144	67,100	9,000	11,900	9,900	9,900	5,900
174,478	186,059	167,465	163,831	161,416	151,363	157,287
259,179	249,642	247,896	205,442	246,774	415,226	263,260
11,278	8,667	92	437	2,716	5,485	5,922
4,890,408	4,905,285	4,787,890	4,929,580	4,919,859	5,111,765	4,875,392
12,991,858	13,179,039	13,064,053	12,136,219	11,302,256	11,840,875	12,518,339
2,740,178	2,734,886	2,816,229	2,797,193	2,808,412	2,840,855	2,691,386
3,193,275	2,861,258	2,734,236	3,075,133	3,329,597	3,923,296	4,022,390
3,040,601	2,855,925	2,623,765	2,435,188	2,166,187	1,945,176	2,251,378
0	0	0	459,399	7,047	7,048	7,047
837,283	778,294	768,886	757,211	774,633	737,010	692,069
0	0	0	0	0	0	0
0	0	0	0	0	0	0
22,803,195	22,409,402	22,007,169	21,660,343	20,388,132	21,294,260	22,182,609
27,693,603	27,314,687	26,795,059	26,589,923	25,307,991	26,406,025	27,058,001
(477,578)	(451,965)	(464,060)	(546,280)	(456,853)	(450,154)	(431,896)
(141,520)	(227,844)	(204,846)	(202,378)	(225,423)	(221,872)	(217,936)
(619,098)	(679,809)	(668,906)	(748,658)	(682,276)	(672,026)	(649,832)
212,571	220,989	244,671	294,516	263,319	259,899	250,461
118,470	124,911	143,042	147,294	137,540	135,338	131,349
103,949	123,707	174,494	196,945	180,607	178,075	172,194
80,701	129,713	50,756	54,817	48,630	47,642	46,096
103,407	80,489	55,943	55,086	52,180	51,072	49,732
619,098	679,809	668,906	748,658	682,276	672,026	649,832
0	0	0	0	0	0	0
45,358	45,815	53,823	55,109	60,476	55,965	57,784
191,337	204,784	178,550	227,569	235,767	232,192	242,567
65,170	51,235	52,891	72,514	64,151	59,175	62,405
10,495	11,443	17,933	12,393	45,249	44,145	37,504
2,852	34,276	62,948	44,386	100,177	72,158	842
602,260	580,179	797,939	714,791	22,584	877,058	99,514
917,472	927,732	1,164,084	1,126,762	528,404	1,340,693	500,616
16,005,007	15,839,368	15,566,693	15,721,112	15,570,785	14,462,334	14,505,101
2,887,595	2,843,066	2,817,914	2,778,123	2,854,234	2,878,146	2,881,331
4,899,169	4,189,304	3,440,528	4,331,615	4,803,798	5,279,518	5,632,829
3,328,687	3,121,582	2,740,805	2,401,396	1,954,681	1,675,254	1,559,185
822,177	727,591	769,818	801,319	789,409	739,446	763,511
0	0	0	0	0	0	0
0	0	0	0	0	0	0
0	0	0	0	0	0	41,324
138,067	0	258,408	38,833	11,167	0	0
28,080,702	26,720,911	25,594,166	26,072,398	25,984,074	25,034,698	25,383,281
28,998,174	27,648,643	26,758,250	27,199,160	26,512,478	26,375,391	25,883,897

City of Elberton
Changes in Net Position
Last Ten Fiscal Years

	FISCAL YEAR		
	2017	2016	2015
Change in Net Position			
Net (expense) Revenue -			
Governmental Activities	$ (3,333,146)	$ (3,243,002)	$ (3,142,447)
Net (expense) Revenue -			
Business-type Activities	3,983,269	4,536,219	4,356,061
Total Primary Government			
Net (Expense) Revenue	650,123	1,293,217	1,213,614
General Revenues and			
Other Changes in Net Position			
Governmental Activities			
Taxes:			
Title ad valorem	70,116	80,432	102,458
Sales	549,707	577,700	529,378
Franchise	91,906	98,172	90,654
Occupational (1)	122,502	119,704	117,607
Insurance Premium	285,732	263,786	246,913
Alcoholic Beverages	133,842	136,212	151,413
Hotel/Motel	59,668	55,836	49,138
Other	4,541	4,465	3,739
Interest and Investment Earnings	3,374	2,435	2,095
Gain on Sale of Assets	60,618	49,369	38,113
Miscellaneous	7,936	11,216	9,374
Transfers	2,463,000	1,803,280	2,344,713
Total Government Activities	3,852,942	3,202,607	3,685,595
Business-type Activities			
Interest and Investment Earnings	207,233	152,902	119,388
Net increase (decrease) in the fair value of investments	(131,856)	177,697	6,185
Gain on Sale of Assets	14,230	0	27,284
Miscellaneous	9,144	12,283	9,745
Transfers	(2,463,000)	(1,803,280)	(2,344,713)
Total Business-type Activities	(2,364,249)	(1,460,398)	(2,182,111)
Total Primary Government General Revenues	1,488,693	1,742,209	1,503,484
Change in Net Position			
Governmental Activities	519,796	(40,395)	543,148
Business-type Activities	1,619,020	3,075,821	2,173,950
Total Primary Government			
Change in Net Position	2,138,816	3,035,426	2,717,098
Net Position - beginning (original)			
Governmental Activities	5,687,579	5,727,974	5,766,577
Business-type Activities	33,596,345	30,520,524	28,862,221
Total Primary Government			
Beginning Net Position (original)	39,283,924	36,248,498	34,628,798
Prior Period Adjustments			
Governmental Activities	0	0	(581,751)
Business-type Activities	0	0	(515,647)
Total Primary Government			
Prior Period Adjustments	0	0	(1,097,398)
Net Position - beginning (restated)			
Governmental Activities	5,687,579	5,727,974	5,184,826
Business-type Activities	33,596,345	30,520,524	28,346,574
Total Primary Government			
Beginning Net Position (restated)	39,283,924	36,248,498	33,531,400
Change in Net Position - ending			
Governmental Activities	6,207,375	5,687,579	5,727,974
Business-type Activities	35,215,365	33,596,345	30,520,524
Total Primary Government			
Ending Net Position	$ 41,422,740	$ 39,283,924	$ 36,248,498

FISCAL YEAR						
2014	2013	2012	2011	2010	2009	2008
$ (3,353,838)	$ (3,297,744)	$ (2,954,900)	$ (3,054,160)	$ (3,709,179)	$ (3,099,046)	$ (3,724,944)
4,658,409	3,631,700	2,918,091	3,663,397	4,913,666	3,068,412	2,550,840
1,304,571	333,956	(36,809)	609,237	1,204,487	(30,634)	(1,174,104)
105,085	31,875	0	0	0	0	0
550,972	577,225	592,734	633,998	1,345,161	1,182,430	1,399,514
89,389	91,243	90,041	84,338	86,620	88,790	87,815
125,781	110,828	74,804	73,352	79,349	85,706	85,683
240,020	231,813	218,245	255,324	262,968	265,457	259,247
142,639	149,169	153,664	143,118	141,394	158,225	158,789
46,283	51,865	45,344	58,650	72,661	66,655	69,510
4,096	7,061	5,294	3,160	3,829	5,888	8,847
2,117	2,317	2,646	2,500	4,092	3,172	51,770
0	0	0	10,123	1,800	0	26,355
23,773	19,415	9,288	17,953	17,034	49,716	38,341
2,205,490	1,818,930	1,716,490	2,315,196	1,874,096	2,037,985	1,929,355
3,535,645	3,091,741	2,908,550	3,597,712	3,889,004	3,944,024	4,115,226
135,465	86,101	38,738	33,603	66,891	91,420	133,186
73,896	(128,447)	0	0	0	0	0
0	17,213	2,404	1,220	5,225	2,510	15,916
13,748	16,140	17,365	25,282	25,665	33,625	229,633
(2,205,490)	(1,818,930)	(1,716,490)	(2,315,196)	(1,874,096)	(2,037,985)	(1,929,355)
(1,982,381)	(1,827,923)	(1,657,983)	(2,255,091)	(1,776,315)	(1,910,430)	(1,550,620)
1,553,264	1,263,818	1,250,567	1,342,621	2,112,689	2,033,594	2,564,606
181,807	(206,003)	(46,350)	543,552	179,825	844,978	390,282
2,676,028	1,803,777	1,260,108	1,408,306	3,137,351	1,157,982	1,000,220
2,857,835	1,597,774	1,213,758	1,951,858	3,317,176	2,002,960	1,390,502
5,584,270	5,790,273	5,836,623	5,293,071	5,113,246	4,268,268	3,877,986
26,186,193	24,715,799	23,455,691	22,047,385	18,910,034	17,752,052	16,751,832
31,770,463	30,506,072	29,292,314	27,340,456	24,023,280	22,020,320	20,629,818
0	0	0	0	0	0	0
0	(333,383)	0	0	0	0	0
0	(333,383)	0	0	0	0	0
5,584,270	5,790,273	5,836,623	5,293,071	5,113,246	4,268,268	3,877,986
26,186,193	24,382,416	23,455,691	22,047,385	18,910,034	17,752,052	16,751,832
31,770,463	30,172,689	29,292,314	27,340,456	24,023,280	22,020,320	20,629,818
5,766,077	5,584,270	5,790,273	5,836,623	5,293,071	5,113,246	4,268,268
28,862,221	26,186,193	24,715,799	23,455,691	22,047,385	18,910,034	17,752,052
$ 34,628,298	$ 31,770,463	$ 30,506,072	$ 29,292,314	$ 27,340,456	$ 24,023,280	$ 22,020,320

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

	FISCAL YEAR		
	2017	2016	2015
General Fund			
Reserved			
Unreserved			
Nonspendable (1)	$ 165,248	$ 147,473	$ 146,986
Restricted (1)	25	25	25
Unassigned (1)	896,071	859,995	696,935
Total General Fund	1,061,344	1,007,493	843,946
All Other Governmental Funds			
Unreserved, Reported in:			
Special Revenue Fund			
Capital Project Funds	(53,709)	(49,144)	
Nonspendable (1)		40,000	
Restricted (1)	956,294	480,000	825,528
Assigned (1)		2,692	4,288
Total All Other Governmental Funds	902,585	473,548	829,816
Total Governmental Fund Balances	$ 1,963,929	$ 1,481,041	$ 1,673,762

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

FISCAL YEAR						
2014	2013	2012	2011	2010	2009	2008
				$ 144,344	$ 393,228	$ 439,843
				865,048	569,642	307,883
$ 146,234	$ 190,731	$ 158,855	$ 170,860			
25	25	50	50			
706,758	645,418	663,004	801,597			
853,017	836,174	821,909	972,507	1,009,392	962,870	747,726
				485,210	485,210	6,885
				366,319	245,600	412,163
			448,000			
1,066,984	882,758	940,866	766,455			
12,869	4,407	3,061	4,068			
1,079,853	887,165	943,927	1,218,523	851,529	730,810	419,048
$ 1,932,870	$ 1,723,339	$ 1,765,836	$ 2,191,030	$ 1,860,921	$ 1,693,680	$ 1,166,774

City of Elberton

Changes in Fund Balances - Governmental Funds (1)

Last Ten Fiscal Years

	FISCAL YEAR		
	2017	2016	2015
Revenues			
Taxes	$ 1,318,016	$ 1,336,308	$ 1,291,300
Licenses and permits	57,785	58,890	57,350
Fines, fees and forfeitures	112,020	92,915	108,590
Charges for services	720,912	720,025	650,708
Intergovernmental	656,054	672,241	649,238
Interest	3,442	2,550	2,249
Contributions	350	1,625	420
Other	7,941	11,217	13,186
Total Revenues	2,876,520	2,895,771	2,773,041
Expenditures			
General Government	754,976	703,782	672,278
Judicial	76,613	70,554	66,599
Public Safety	2,442,340	2,339,551	2,437,382
Public Works	857,529	845,280	915,303
Health and Welfare	61,968	65,687	60,275
Culture and Recreation	162,355	163,982	154,024
Housing and Development	303,292	289,497	267,994
Debt Service - Principal	59,588	58,357	57,151
Debt Service - Interest	7,659	8,891	10,097
Capital Outlay	190,930	747,542	783,372
Total Expenditures	4,917,250	5,293,123	5,424,475
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,040,730)	(2,397,352)	(2,651,434)
Other Financing Sources (Uses)			
Transfers In	2,554,585	2,437,433	2,436,552
Transfers Out	(91,585)	(282,171)	(82,339)
Sale of Capital Assets	60,618	49,369	38,113
Issuance of Capital Leases	0	0	0
Total Other Financing Sources (Uses)	2,523,618	2,204,631	2,392,326
Net Change in Fund Balances	482,888	(192,721)	(259,108)
Fund Balances, July 1	1,481,041	1,673,762	1,932,870
Fund Balances, June 30	$ 1,963,929	$ 1,481,041	$ 1,673,762
Debt service as a percentage of noncapital expenditures	1.39%	1.43%	1.47%

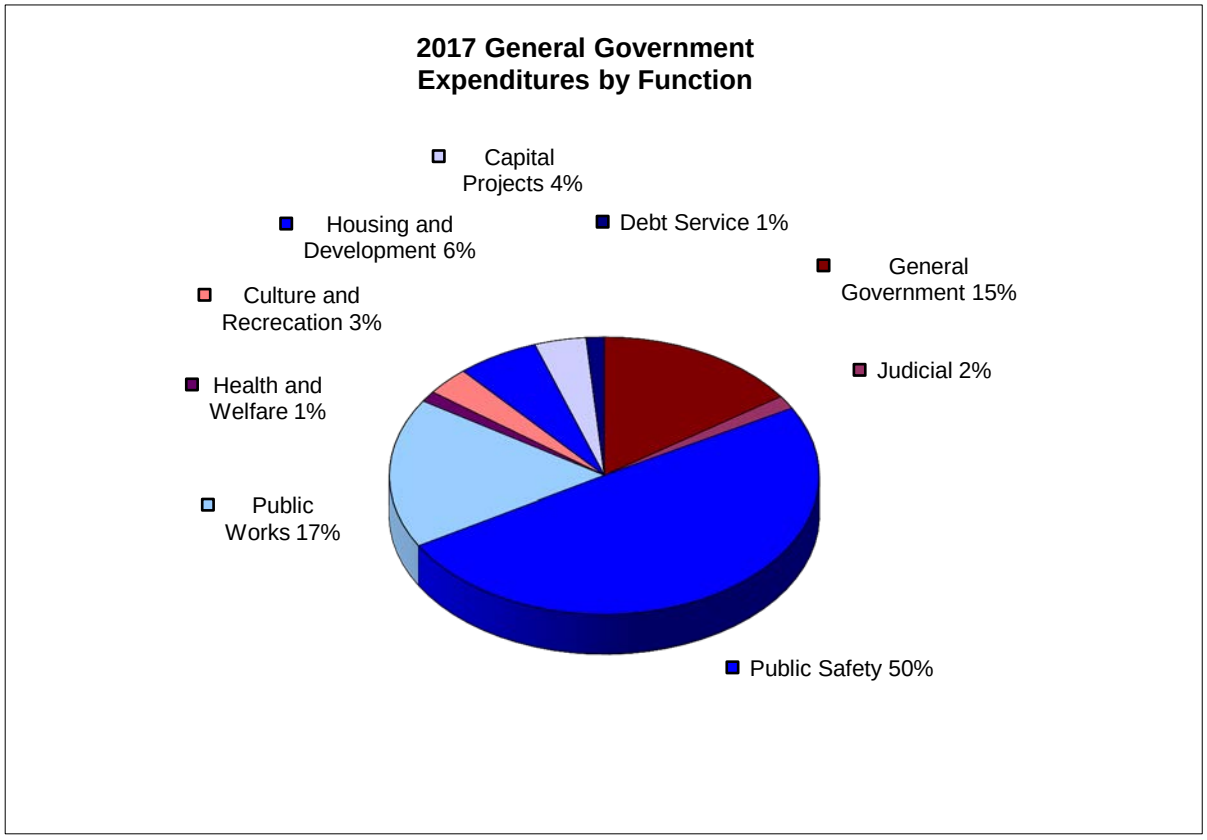
Note (1): Includes general, special revenue, and capital projects funds.

FISCAL YEAR						
2014	2013	2012	2011	2010	2009	2008
$ 1,304,264	$ 1,251,079	$ 1,180,126	$ 1,251,941	$ 1,317,624	$ 1,264,618	$ 1,375,542
54,238	57,725	70,936	67,553	103,994	100,084	94,654
169,016	191,822	161,225	195,234	202,828	203,387	223,968
708,204	743,539	739,942	853,456	781,097	760,032	731,470
604,528	613,827	860,372	747,837	796,805	1,406,679	794,204
2,349	2,660	2,996	3,695	4,092	3,172	51,770
352	285	0	0	0	0	0
13,968	6,203	9,453	28,097	17,348	49,786	38,357
2,856,919	2,867,140	3,025,050	3,147,813	3,223,788	3,787,758	3,309,965
651,547	633,371	688,978	872,270	795,652	739,722	717,350
105,292	106,007	104,845	100,857	102,716	100,616	103,447
2,364,581	2,354,039	2,285,569	2,390,993	2,309,661	2,234,428	2,171,102
982,393	1,016,610	1,083,913	1,091,821	1,117,742	1,281,083	1,208,520
58,144	67,100	9,000	11,900	9,900	9,900	5,900
123,278	146,973	143,053	139,290	146,215	142,491	186,597
244,853	243,343	239,926	195,955	242,834	412,796	234,047
55,970	4,612	7,300	10,650	86,590	45,538	58,298
11,278	8,667	92	437	2,716	5,485	5,922
265,348	730,831	604,058	152,138	118,417	457,778	380,548
4,862,684	5,311,553	5,166,734	4,966,311	4,932,443	5,429,837	5,071,731
(2,005,765)	(2,444,413)	(2,141,684)	(1,818,498)	(1,708,655)	(1,642,079)	(1,761,766)
2,408,989	2,303,819	2,168,581	2,289,493	2,304,843	2,344,502	2,259,913
(203,499)	(484,889)	(452,091)	(151,009)	(430,747)	(306,517)	(330,558)
9,806	13,212	0	10,123	1,800	131,000	26,355
0	569,774	0	0	0	0	41,460
2,215,296	2,401,916	1,716,490	2,148,607	1,875,896	2,168,985	1,997,170
209,531	(42,497)	(425,194)	330,109	167,241	526,906	235,404
1,723,339	1,765,836	2,191,030	1,860,921	1,693,680	1,166,774	931,370
$ 1,932,870	$ 1,723,339	$ 1,765,836	$ 2,191,030	$ 1,860,921	$ 1,693,680	$ 1,166,774
1.48%	0.29%	0.16%	0.24%	1.90%	1.06%	1.40%

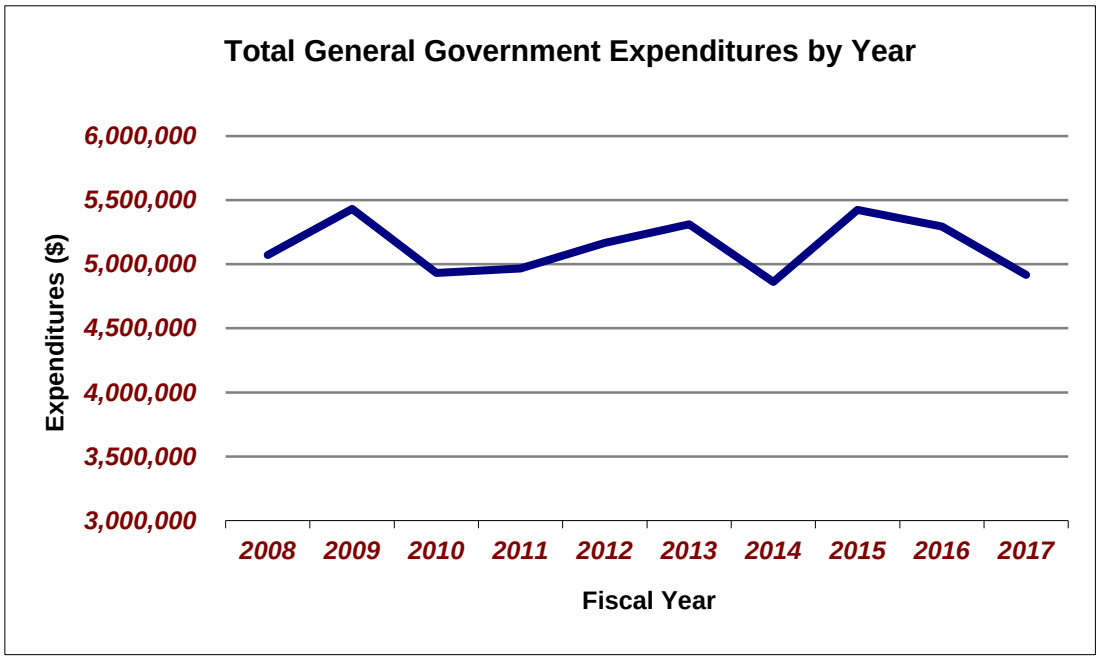
City of Elberton, Georgia
General Government Expenditures by Function (1)
Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health and Welfare
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
2015	672,278	66,599	2,437,382	915,303	60,275
2016	703,782	70,554	2,339,551	845,280	65,687
2017	754,976	76,613	2,442,340	857,529	61,968

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



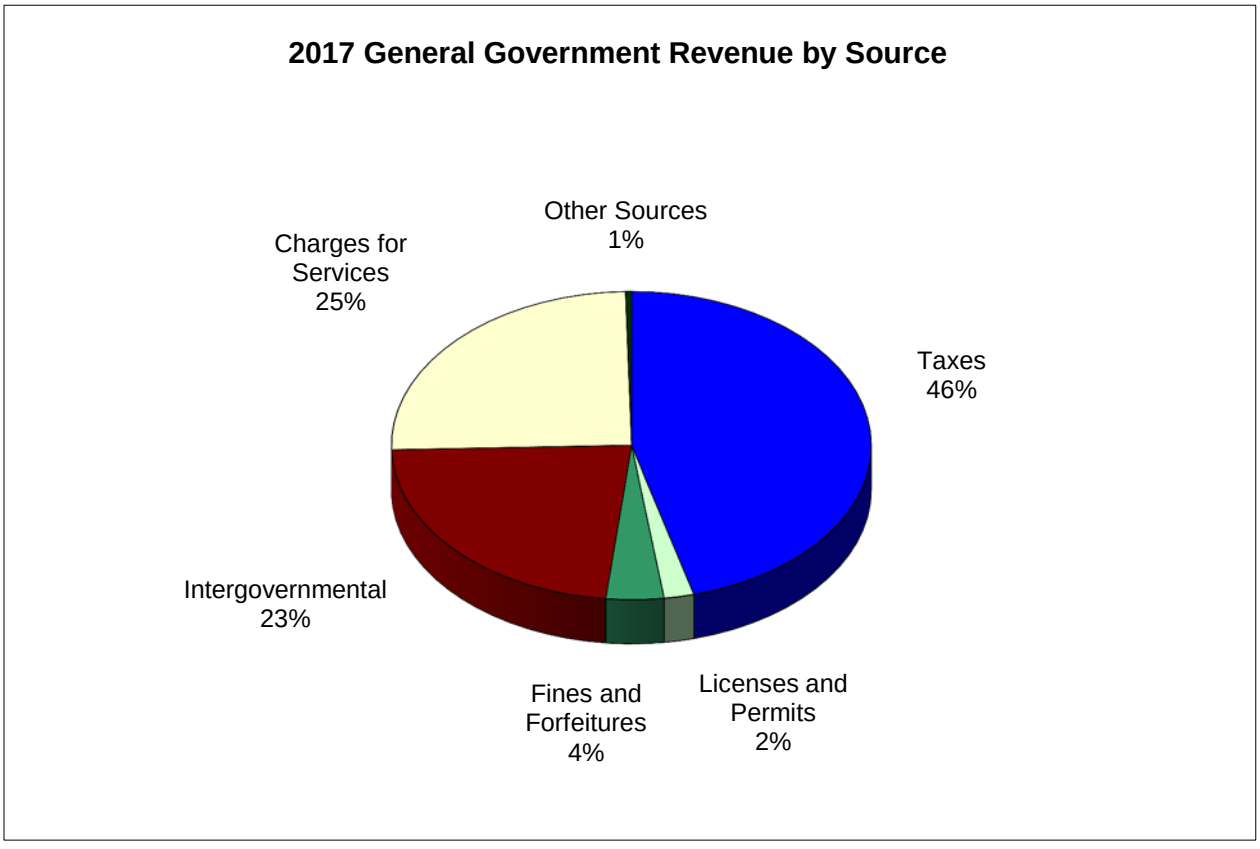
Culture and Recreation	Housing and Development	Capital Projects	Debt Service	Total
186,597	234,047	380,548	64,220	5,071,731
142,491	412,796	457,778	51,023	5,429,837
146,215	242,834	118,417	89,306	4,932,443
139,290	195,955	152,138	11,087	4,966,311
143,053	239,926	604,058	7,392	5,166,734
146,973	243,343	730,831	13,279	5,311,553
123,278	244,853	265,348	67,248	4,862,684
154,024	267,994	783,372	67,248	5,424,475
163,982	289,497	747,542	67,248	5,293,123
162,355	303,292	190,930	67,247	4,917,250



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
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
2015	1,291,300	57,350	108,590	649,238	650,708	15,855	2,773,041
2016	1,336,308	58,890	92,915	672,241	720,025	15,392	2,895,771
2017	1,318,016	57,785	112,020	656,054	720,912	11,733	2,876,520

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

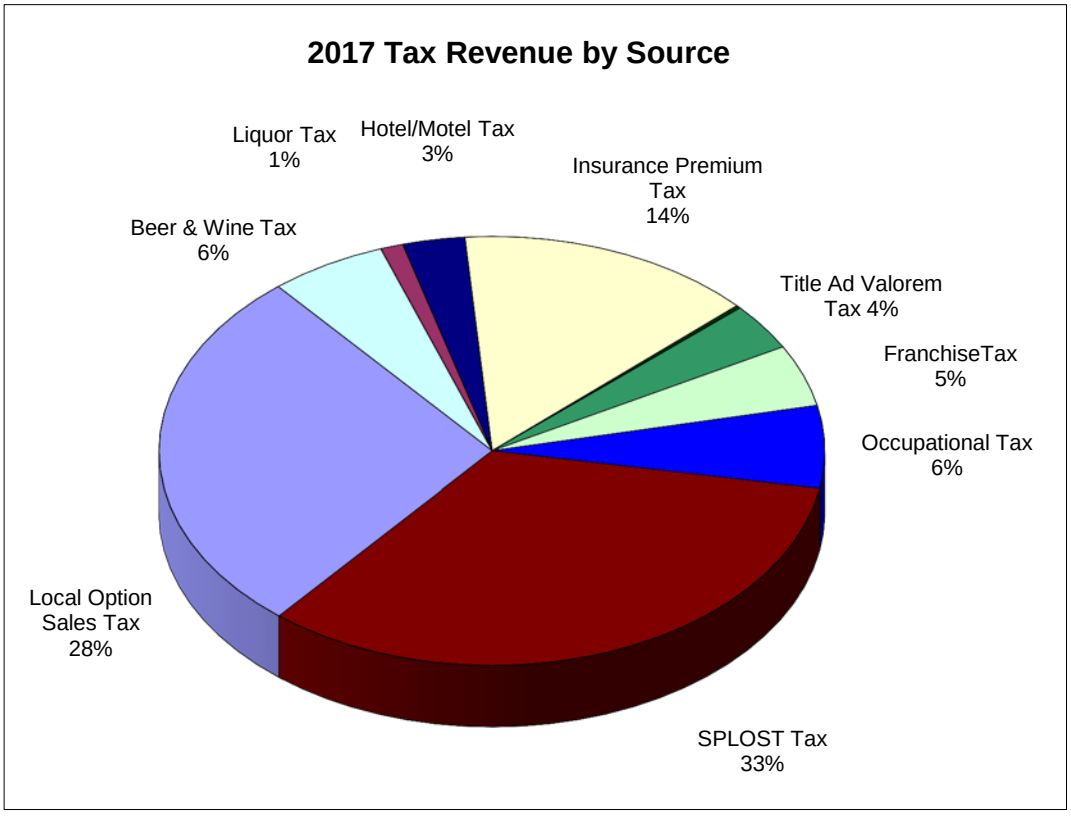


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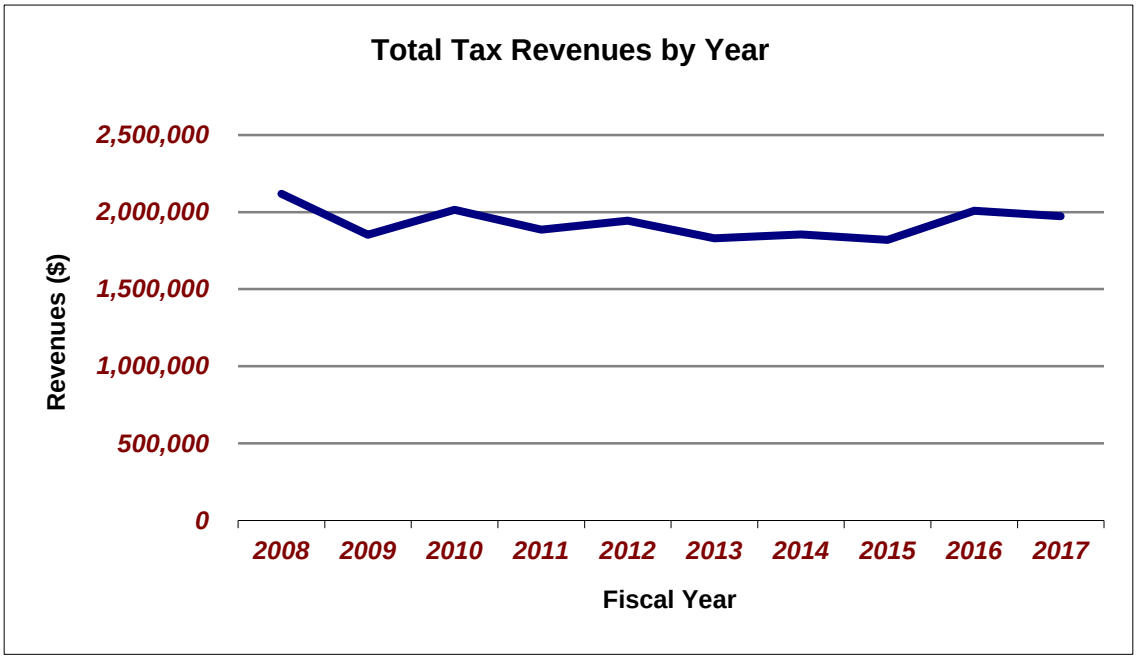
City of Elberton, Georgia
General Government Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Beer & Wine Tax	Liquor Tax	Hotel/Motel Tax (1)	Insurance Premium Tax	Intangible Tax
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
2015	132,047	19,366	49,138	246,913	3,739
2016	113,771	22,441	55,837	263,786	4,465
2017	112,152	21,690	59,669	285,732	4,542

Note (1): Reported in the Hotel/Motel Tax Special Revenue Fund.
Note (2): Reported as intergovernmental revenue in the SPLOST Capital Projects Funds.
Note (3): In fiscal year 2013, the title ad valorem tax on motor vehicles became effective March 2013.



Title Ad Valorem Tax (3)	Franchise Tax	Occupational Tax	SPLOST Tax (2)	Local Option Sales Tax	Total
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
102,458	90,654	117,607	529,253	529,378	1,820,553
80,432	98,172	119,704	672,241	577,700	2,008,549
70,116	91,906	122,502	656,054	549,707	1,974,070



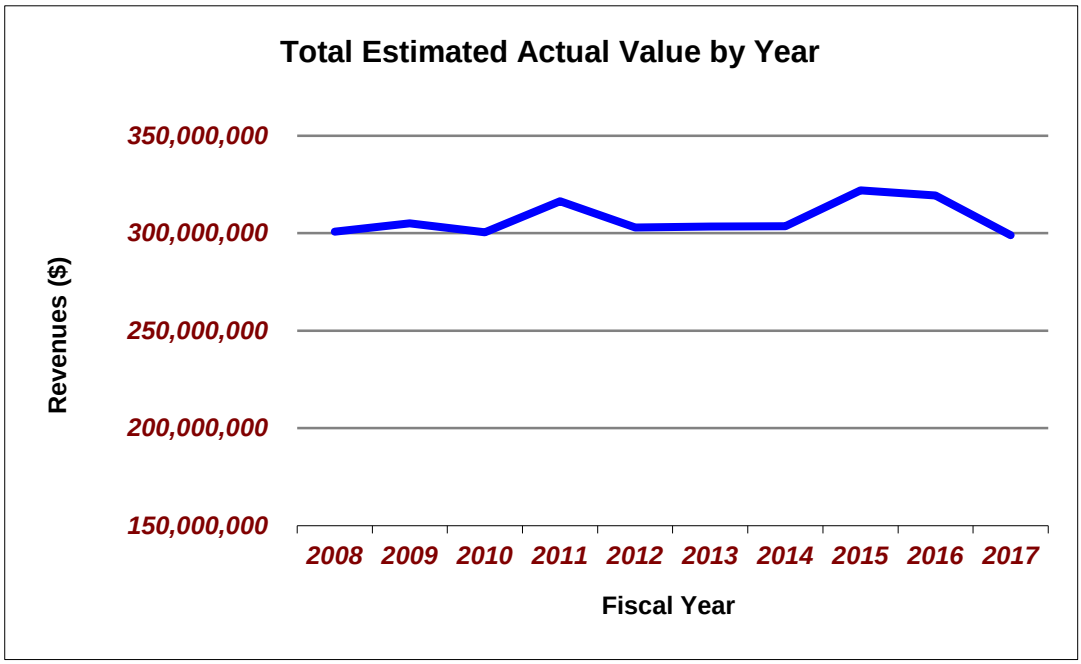
City of Elberton, Georgia

Assessed and Estimated Actual Value of Taxable Property

Digest Years 2008 - 2017

Calendar Year of Digest	Real Property	Motor Vehicles	Mobile Homes	Public Utilities
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
2015	117,102,330	5,114,940	174,615	6,390,465
2016	117,212,123	4,009,730	168,519	6,390,465
2017	112,263,431	3,046,050	132,474	4,185,489

Source: Elbert County Tax Digest



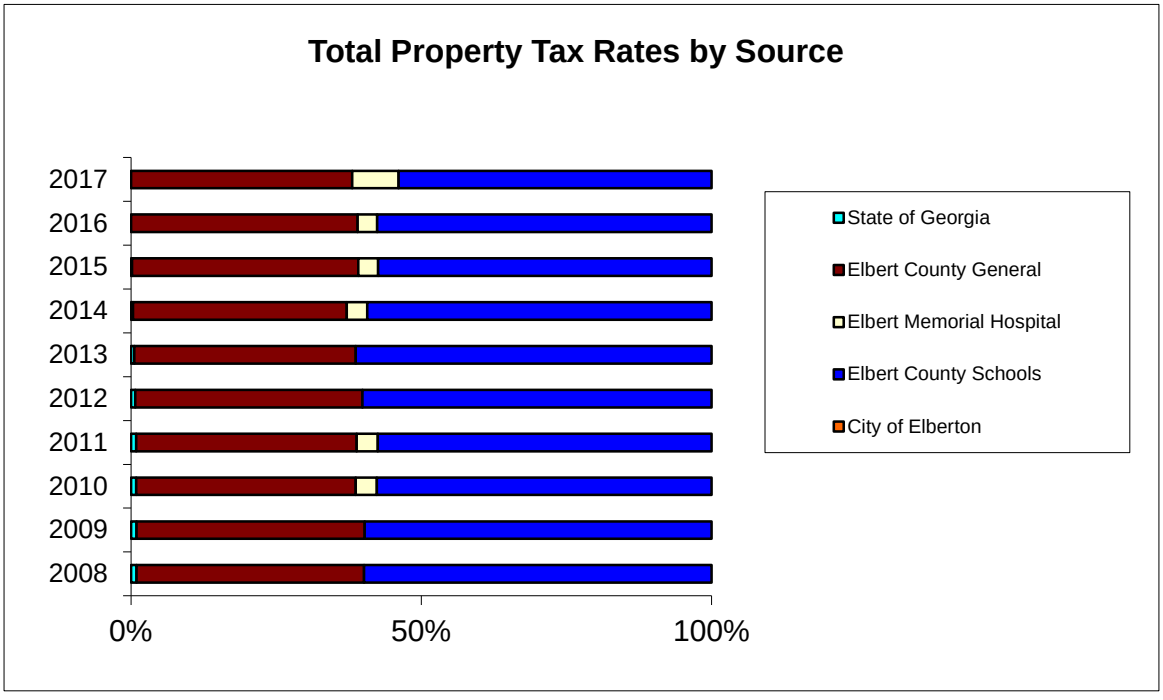
Total Property	Less: Exemptions	Total Taxable Property	Total Estimated Actual Value	Total Direct Tax Rate
120,333,554	(3,749,436)	116,584,118	300,833,885	0.00
122,016,538	(4,873,097)	117,143,441	305,041,345	0.00
120,214,661	(3,839,856)	116,374,805	300,536,653	0.00
126,549,038	(8,162,096)	118,386,942	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
128,782,350	(7,982,703)	120,799,647	321,955,875	0.00
127,780,837	(10,886,992)	116,893,845	319,452,093	0.00
119,627,444	(6,934,039)	112,693,405	299,068,610	0.00

City of Elberton, Georgia
Property Tax Rates
(per $1,000 of Assessed Value)
Digest Years 2008 - 2017

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
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
2015	0.05	11.44	1.00	12.44	16.86	0.00	29.35
2016	0.00	11.45	1.00	12.45	16.90	0.00	29.35
2017	0.00	11.98	2.50	14.48	16.94	0.00	31.42

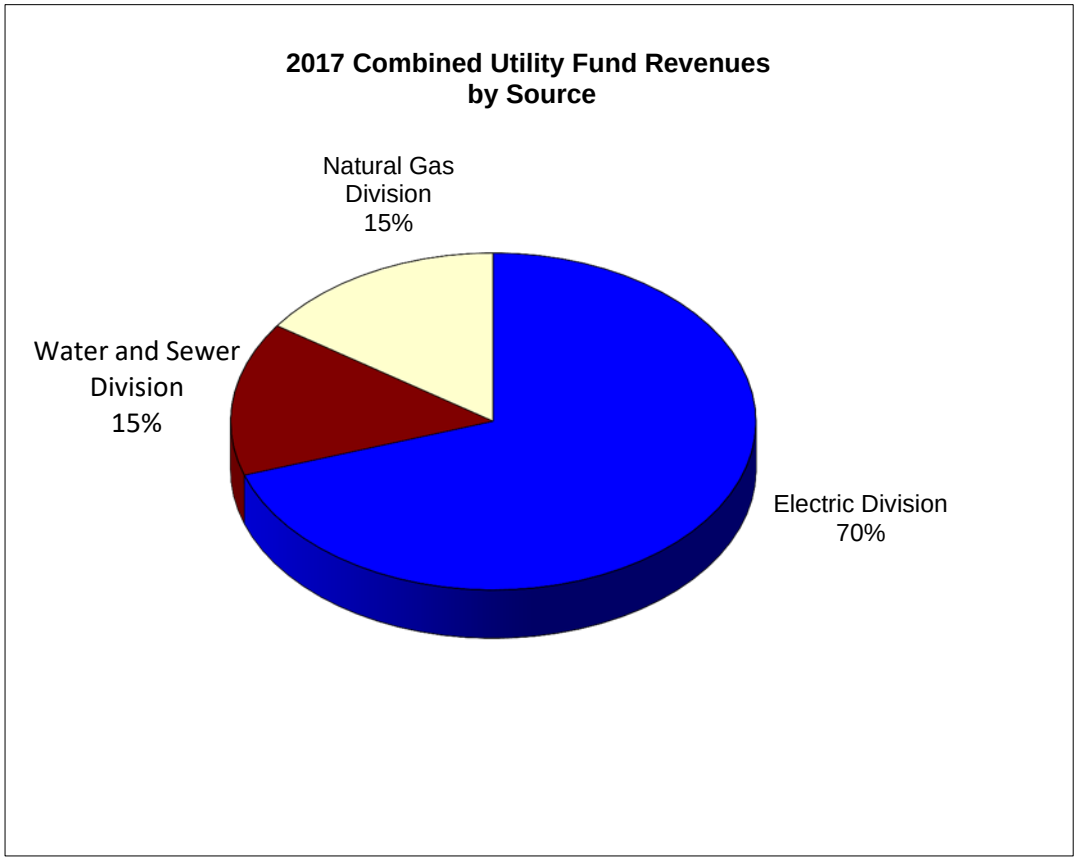
Source: Elbert County Tax Digest

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	Total
2008	14,542,456	2,899,814	5,637,193	23,079,463
2009	14,469,316	2,885,781	5,288,635	22,643,732
2010	15,577,263	2,861,000	4,806,629	23,244,892
2011	15,737,432	2,783,284	4,335,416	22,856,132
2012	15,573,869	2,823,743	3,444,888	21,842,500
2013	15,845,922	2,845,625	4,196,331	22,887,878
2014	16,011,682	2,888,320	4,904,861	23,804,863
2015	15,324,173	3,082,987	4,068,943	22,476,103
2016	15,087,099	3,162,542	3,342,027	21,591,668
2017	15,258,308	3,230,673	3,366,448	21,855,429



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]
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 [3]	7,500,000	0	1,917,369	9,982,531	1.68%	2,219
2014	509,192	6,760,000	507,499 [4]	1,562,987	9,339,678	1.51%	2,070
2015	452,041	5,995,000	1,568,991	3,041,061 [5]	11,057,093	1.81%	2,466
2016	393,684	5,210,000	6,034,630 [6]	2,477,256	14,115,570	N/A	3,170
2017	334,096	4,395,000	7,865,513	1,613,690	14,208,299	N/A	3,215

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 J-16 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 fire ladder truck for the fire department.

Note (4): Note payable through Georgia Environmental Finance Authority for improvements to water system.

Note (5): Capital lease to finance the replacement of natural gas bare steel lines.

Note (6): Note payable through Northeast Georgia Bank for the refurbishment of the Samuel Elbert Hotel and GEFA for sewer plant improvements.

City of Elberton, Georgia
Computation of Legal Debt Margin
June 30, 2017

Net assessed value	$	112,693,405
Debt limit - 10% of total assessed value		11,269,341
Total General Obligation bonds outstanding		0
Legal debt margin	$	11,269,341
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		4,395,000		994
Total General Obligation and Guaranteed Revenue Debt	$	4,395,000	$	994

City of Elberton
Legal Debt Margin Information
Last Ten Fiscal Years

	FISCAL YEAR		
	2017	2016	2015
Debt Limit	$ 11,269,341	$ 11,689,385	$ 12,079,965
Total Net Debt applicable to limit	0	0	0
Legal debt margin	11,269,341	11,689,385	12,079,965
Ratio of Legal Debt Margin to Debt Limit	100%	100%	100%

FISCAL YEAR						
2014	2013	2012	2011	2010	2009	2008
$ 11,514,814	$ 11,613,891	$ 11,684,410	$ 11,838,694	$ 11,637,481	$ 11,714,344	$ 11,658,412
0	0	0	0	0	0	0
11,514,814	11,613,891	11,684,410	11,838,694	11,637,481	11,714,344	11,658,412
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
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
2015	765,000	195,038	960,038	3,082,987	2,625,126	457,861	0.48
2016	785,000	214,265	999,265	3,162,542	2,642,491	520,051	0.52
2017	815,000	203,285	1,018,285	3,230,673	2,704,208	526,465	0.52

Combined Public Utility System Fund			
Gross Revenue	Operating Expense	Net Revenue	Debt Coverage
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
22,476,103	19,643,825	2,832,278	2.95
21,591,668	18,484,433	3,107,235	3.11
21,855,429	18,606,627	3,248,802	3.19

City of Elberton, Geogia
Direct and Overlapping Governmental Debt
As of June 30, 2017

Governmental Unit	Debt Outstanding	Estimated Percentage Available	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Elbert County Schools	$ -	0%	$ -
Elbert County	-	0%	$ -
Subtotal, overlapping debt			-
City of Elberton direct debt			334,096
Total direct and overlapping debt			$ 334,096

Source: Debt outstanding data provided by Elbert County Schools and Elbert County Finance Offices.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Elberton. The process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

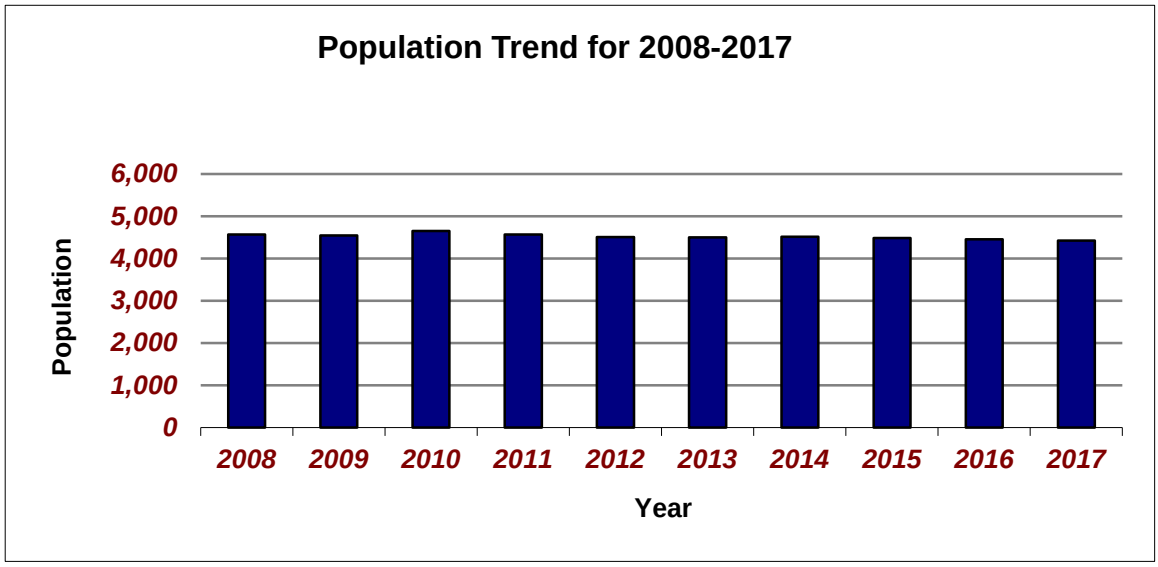
Note: The outstanding debt reported from overlapping authorities includes bonds, notes, and capital leases as reported on their Governmental Activities Sheet.

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)
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%	35,817	30,416	593,531	3,105
2014	4,512	9.2%	35,170	31,716	616,501	3,049
2015	4,484	8.2%	35,388	31,519	610,330	3,009
2016	4,453	6.7%	N/A	N/A	N/A	3,079
2017	4,420	6.2%	N/A	N/A	N/A	3,064

(1) U. S. Census Bureau
(2) Georgia Department of Labor, for entire Elbert County
(3) U. S. Census Bureau, for entire Elbert County
(4) U. S. Dept. of Commerce, Bureau of Economic Analysis
(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	2017 Number of Employees (1)	2017 Rank	2017 Percentage of Total for Principal Employers	2008 Number of Employees (2)	2008 Rank	2008 Percentage of Total for Principal Employers
Pilgrims Pride Corp	338	1	22.82%	660	1	35.37%
Star Granite Company	240	2	16.21%			
MollerTech South LLC	145	3	9.79%			
Bubba Foods	142	4	9.59%			
Eagle Granite Company	125	5	8.44%			
Elbert Memorial Hospital	122	6	8.24%	196	3	10.50%
Everlasting Granite	105	7	7.09%			
Pinnacle Bank	94	8	6.35%	110	4	5.89%
Keystone Memorials	92	9	6.21%			
Whitlow Electric	78	10	5.27%	60	10	3.22%
Honeywell				427	2	22.88%
SR Plastics, Inc				104	5	5.57%
Carlise Coating				70	7	3.75%
Turner Concrete				70	8	3.75%
Walmart				104	6	5.57%
Imex				65	9	3.48%
Total for Principal Employers	1,481		100%	1,866		100%

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

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City of Elberton
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30				
	2017	2016	2015	2014	2013
Function					
Primary government					
General Government	5	5	5	5	5
Judicial	1	1	1	1	1
Public Safety					
Animal Control	1	1	1	1	1
Police	22	22	22	22	22
Fire	16	16	16	16	16
Public Works	10	10	11	11	12
Culture and Recreation	1	1	1	1	1
Housing and Development	2	2	2	2	2
Combined Public Utilities	41	41	41	40	46
ElbertonNET Technology Services	7	7	6	6	6
Solid Waste	12	12	12	12	12
Total primary government	118	118	118	117	124
Component unit					
Downtown Development Authority	7	1	1	1	1
Total employees	125	119	119	118	125

Source: City of Elberton Annual Budget

Full-time Equivalent Employees as of June 30				
2012	**2011**	**2010**	**2009**	**2008**
5	6	7	8	8
1	1	1	1	1
1	1	1	1	1
22	22	23	22	22
16	16	19	19	19
14	14	14	15	16
1	1	1	1	1
2	2	2	2	2
47	48	48	48	48
6	6	6	7	7
11	11	11	11	11
126	128	133	135	136
1	1	1	1	1
127	129	134	136	137

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

Function	FISCAL YEAR 2017	2016	2015
Police			
Number of Citations	1,551	1,046	1,398
Number of Calls for Service	8,838	8,302	7,774
Fire			
Number of Calls Answered	244	255	244
Number of Inspections Conducted	390	390	514
Electrical Service:			
Number of customers	4,385	4,400	4,384
Kilowatt hours sold	131,665,366	129,984,996	135,569,236
Water & Sewer Service:			
Number of water customers	3,472	3,468	3,458
Gallons of water sold	468,472,317	453,497,843	439,992,472
Natural Gas Service:			
Number of customers	3,907	3,938	3,931
Cubic feet sold	318,836,967	354,308,102	395,448,001

Source: Various City Departments

FISCAL YEAR						
2014	2013	2012	2011	2010	2009	2008
1,599	2,660	2,081	2,529	2,095	2,203	2,510
6,323	6,750	7,535	8,542	4,852	5,218	4,125
263	238	204	295	299	255	307
418	465	212	288	316	534	407
4,372	4,432	4,477	4,484	4,508	4,554	4,571
142,837,883	150,210,061	150,187,217	149,315,808	149,630,117	151,699,419	155,845,065
3,444	3,464	3,508	3,524	3,521	3,553	3,553
418,102,962	440,791,336	460,021,368	451,648,930	469,613,481	478,893,842	503,882,368
3,928	3,973	4,045	4,036	4,069	4,091	4,133
439,296,494	394,789,619	331,140,000	374,576,000	428,663,000	397,483,000	408,918,410

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

	FISCAL YEAR		
	2017	2016	2015
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	53
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	164	164
Water and Sewerage System			
(MGD - Millions of Gallons per Day)			
Water System:			
Miles of water mains	124	124	124
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	69
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	195
Broadband System			
Miles of fiber optics	145	145	145
Miles of coaxial cable	188	188	188
Number of active nodes	33	33	33

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						
2014	2013 [3]	2012	2011 [2]	2010	2009	2008
1	1	1	1	1	1	1
1	1	1	1	1	1	1
53	53	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	4	4	4	3	3	3
3	3	3	3	3	3	3
12	12	12	12	12	12	11
164	163	163	163	163	163	162
124	124	121	121	107	107	107
1	1	1	1	1	1	1
3MGD	3MGD	3MGD	3MGD	3MGD	3MGD	3MGD
69	69	68	68	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
195	195	192	192	182	181	181
145	110	104	99	95	70	65
186	184	165	151	151	106	96
31	27	25	24	22	15	14

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

Fiscal Year	Number of Permits	Estimated Construction Costs
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
2015	108	1,633,134
2016	114	6,178,322
2017	111	1,219,316

Source: City of Elberton Building Inspection Office

City of Elberton, Georgia
Miscellaneous Statistics
June 30, 2017

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	54
Number of students	912
Middle schools (6 - 8)	1
Number of teachers	57
Number of students	871
High schools (9 - 12)	1
Number of teachers	56
Number of students	814
Schools of post-secondary education	1
Recreation and Culture:	
Libraries	1
Recreation centers	4
Municipal cemeteries	2
Total acreage	24.10
Number of employees:	
Full-time	125
Part-time	8

Source: Various city departments and local institutions

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Part IV

Other Reporting Section

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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 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, 2017, 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 2, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rushton & Company, LLC

Certified Public Accountants

Gainesville, Georgia
November 2, 2017

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, 2017

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2011 SPLOST					
Infrastructure Improvements	$ 358,000	$ 358,000	$ 27,207	$ 35,483	$ 62,690
Recreation Facilities and Equipment	595,000	595,000	815,033	0	815,033
Downtown Elberton Revitalization	300,000	300,000	204,548	0	204,548
Public Safety Equipment	750,000	750,000	569,542	134,646	704,188
Public Works Equipment	125,000	125,000	783,251	14,339	797,590
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	325,466	0	325,466
Total	$ 3,828,000	$ 3,828,000	$ 3,049,903	$ 184,468	$ 3,234,371
Current year expenditures				$ 184,468	
Expenditures financed through other revenues, financing sources, and transfers from other funds				20,000	
				$ 204,468	

* 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.

CITY OF ELBERTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2017

	Estimated Cost *		Expenditures		
			Prior	Current	
Project	Original	Current	Years	Year	Total
2017 SPLOST					
Sidewalk Improvements	$ 50,000	$ 50,000	$ 0	$ 0	$ 0
Cemetery Improvements	50,000	50,000	0	0	0
Street Improvements	250,000	250,000	0	0	0
Stormwater Improvements	150,000	150,000	0	0	0
Recreation Facilities and Equipment	120,000	120,000	0	0	0
Elbert Theater Equipment	100,000	100,000	0	34,304	34,304
Downtown Elberton Revitalization	200,000	200,000	0	0	0
Fire Buildings and Equipment	100,000	100,000	0	0	0
Street Lighting Improvements	150,000	150,000	0	0	0
Public Works Facility Improvements	100,000	100,000	0	0	0
Police Vehicles and Equipment	350,000	350,000	0	19,405	19,405
Water Vehicles and Equipment	75,200	75,200	0	0	0
Public Works Vehicles and Equipment	250,000	250,000	0	0	0
Broadband Distribution System Improvements	750,000	750,000	0	0	0
Water and Sewer Distribution System Improvements	750,000	750,000	0	0	0
Total	$ 3,445,200	$ 3,445,200	$ 0	$ 53,709	$ 53,709

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

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