PEACHTREE CITY
PLAN TO STAY™



Photo by Dan Nelson,
Peachtree City resident

PEACHTREE CITY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2012

PEACHTREE CITY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Prepared by:
Paul J. Salvatore
Financial Services Director

Submitted by:
James L. Pennington
City Manager

PEACHTREE CITY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

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PEACHTREE CITY
PLAN TO STAY™

March 21, 2013

Honorable Donnie O. Haddix, Mayor,
Members of the City Council,
and Citizens of Peachtree City, Georgia

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of Peachtree City, Georgia, for the fiscal year ended September 30, 2012, is hereby submitted as mandated by both local ordinance and state statutes. These ordinances and statutes require that Peachtree City issue an annual report on its financial position and activity and that this report be audited by an independent firm of certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe that the data presented is accurate in all material respects and it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable interested citizens to gain a reasonable understanding of the City's financial activities have been included.

The City's management is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. We believe the City's internal accounting controls adequately safeguard assets and provide reasonable assurance that all financial information has been recorded accurately.

Mauldin & Jenkins, LLC, Certified Public Accountants, have issued an unqualified ("clean") opinion on Peachtree City's financial statements for the year ended September 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

As a recipient of federal and state financial assistance, Peachtree City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by the management of Peachtree City. If required, information related to a Single Audit, including a schedule of expenditures of federal awards, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report. For fiscal year 2012 the City was not required to have a Single Audit conducted.

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

PROFILE OF PEACHTREE CITY

Peachtree City, established in 1959, is 53 years old and is a body corporate and politic organized and existing under the Constitution and laws of the State of Georgia. Peachtree City is a planned community situated in the western part of Fayette County and is known as a "family oriented" community. The City features three privately owned golf courses, two large lakes, an amphitheater with a maximum seating capacity of 2,510, an award winning tennis center, an indoor swimming complex, and numerous other recreational facilities. For Peachtree City residents, multi-use pathways line the City, going under and over major thoroughfares. The City has approximately 90 miles of these paved multi-use paths providing alternate transportation (golf carts, bicycles, pedestrians, etc.) that connect neighborhoods, retail centers, churches, schools, and recreational areas in the five separate villages that make up Peachtree City.

Peachtree City provides a full range of services to its estimated 34,456 citizens. These services include police and fire protection; emergency medical services; air transport facilities; public works; court system; library services; the construction and maintenance of recreational pathways, streets, and infrastructure; planning and zoning; building inspections; recreational activities and cultural events; stormwater management; and inherent administrative and support activities.

Encompassing 16,339 acres, or approximately 25.5 square miles, Peachtree City is geographically located in northwestern Georgia and is found in Fayette County, which is bordered on the north by Fulton County, on the east by Clayton County, on the south by Spalding County, and on the west, by Coweta County. It is situated about 15 miles south of the City limits of Atlanta and is considered an integral part of the Metro Atlanta area, often referred to as part of the Southern Crescent. Incorporated communities located near Peachtree City include Fayetteville, Brooks, Tyrone, and Woolsey in Fayette County, and Sharpsburg, Senoia, and Newnan in Coweta County. From a long-range planning and services coordination standpoint, the City is a member of the Atlanta Regional Commission.

Peachtree City exhibits excellent physical characteristics. Average rainfall is 48.6 inches a year and temperatures range from an average high of 87 degrees in the summer to an average low of 34 degrees in the winter. With year-round average temperatures of 61 degrees, the climate is very favorable, consisting of warm summers and moderate winters. Between these seasons, the Peachtree City area is decorated with dogwoods and azaleas blooming in the spring and a colorful change of leaves in the fall. The general terrain of the area is characteristic of the Piedmont region of Georgia, with hills with broad ridges, sloping uplands, and relatively narrow valleys. Land elevations within the City range from 740 to 961 feet above sea level.

Another important attribute of Peachtree City is its location in relation to major transportation modes. Peachtree City residents enjoy ready access to several methods of conveyance. If one wishes to use their vehicle to get around, the City is strategically located in proximity to two interstate highway systems, Interstate-75 and Interstate-85. In addition, two principal arterial roadways, State Highways 54 and 74, pass through Peachtree City. Citizens also have fairly easy access to the public transportation system, which serves the immediate Atlanta area. From terminals in south Fulton County, one can take advantage of the trains and buses operated by the Metropolitan Atlanta Rapid Transit Authority (MARTA). In addition, Amtrak has passenger trains that pass through nearby Atlanta. The City also has convenient access to Hartsfield-Jackson International Airport.

Other transportation needs can also be easily accommodated. For any business that might have to move freight, there is a direct railway service provided by CSX (Chessie Seaboard Railroad), which serves as a link to the Southeast. For international shipping, Savannah, Georgia, and Jacksonville, Florida, serve as major deep-water seaports that can be reached by interstate highway in a matter of hours. The Atlanta Regional Airport – Falcon Field, located on the western fringes of the City, makes it possible for executive aircraft to taxi virtually to the office

door. The 5,770 foot lighted runway can accommodate aircraft up to 60,000 pounds and is capable of handling large corporate and military jet aircraft.

The financial reporting entity (the government) includes all the funds of the primary government (i.e., Peachtree City, Georgia, as legally defined), including the Stormwater Utility Fund created in fiscal year 2006 and the Amphitheater Fund created in fiscal year 2009, as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Blended component units (although legally separate entities) are, in substance, part of the primary government's operations and are included as part of the primary government. The City reported three blended component units as of September 30, 2012 – the Peachtree City Governmental Finance Corporation, Inc. that is used as a mechanism to finance the purchase of machinery and equipment for City operations, the City of Peachtree City Public Facilities Authority that is used as a mechanism to finance capital additions and improvements to City facilities and Keep Peachtree City Beautiful which provides the City with litter prevention, waste reduction and beautification services. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the primary government and to differentiate their financial position and results of operations from those of the primary government. The Peachtree City Water and Sewerage Authority, the Development Authority of Peachtree City, the Peachtree City Airport Authority, and the Peachtree City Convention and Visitors Bureau, Inc., are reported as discretely presented component units at September 30, 2012.

The governing authority of Peachtree City is the City Council, consisting of five elected members. The Mayor is elected to a term of four years to serve on a part-time basis. The remaining four Council Members also serve on a part-time basis and are elected to staggered terms of four years. While all five Council Members are elected at large, all must reside within Peachtree City. The Mayor and each Council member have one equal vote, and the Mayor votes on all issues. At their first meeting each calendar year, the Mayor Pro-Tem is selected by the City Council. In their policy-making capacity, the City Council is authorized to perform the following functions:

- Allocate taxes levied by Fayette County.
- Establish millage rate for Peachtree City.
- Direct and control all property located within Peachtree City.
- Establish, alter, or abolish Peachtree City roads and bridges.
- Fill vacancies in the Peachtree City offices unless others are empowered to do so.
- Examine, settle, and allow claims against Peachtree City.
- Examine and audit the accounts of all officers having the care, management, keeping, collection, or disbursement of money belonging to Peachtree City.
- Establish the costs of licenses.
- Make such rules and regulations as necessary for the protection and preservation of health, safety, welfare, and morals.

The Chief Administrative and Operational Officer of the City is the City Manager, who is appointed by the Peachtree City Council to: implement Council policies; oversee the daily activities of the City; and supervise departments within the City.

An organizational chart depicting the current structure associated with the management of the City of Peachtree City is included in this introductory section.

Peachtree City maintains budgetary controls to ensure compliance with the legal provision of the annual appropriations budget approved by the City Council. Peachtree City ordinances require that the City operate under an annual balanced budget. The City Manager, assisted by the Financial Services Director, is responsible for preparing the annual budget, which is then submitted to the City Council for discussion and approval. Activities of the General Fund, Special Revenue Funds, the Debt Service Fund, the Stormwater Utility Fund (a business-type activity),

and the Amphitheater Fund (a business-type activity) are included in the annual appropriations budget. Project-length budgets are adopted for the Capital Projects Funds.

The applicable City ordinances require that Peachtree City not exceed its budget at the fund level. The legal level at which Peachtree City budget expenditures may not exceed the adopted annual operating budget is at the department level. The transfer of appropriations among accounts within a department's budget can be authorized by the Financial Services Director. All other transfers or supplemental appropriations must be approved by the City Council. Peachtree City's budget procedures are more fully explained in the accompanying Notes to Financial Statements.

Peachtree City maintains an encumbrance accounting system as another means of accomplishing budgetary control. As purchase orders are issued, the balance of the unexpended and unencumbered appropriations is reduced by a corresponding amount. As demonstrated by the statements and schedules included in the financial section of this report, the government continues to meet its responsibility for sound financial management.

INFORMATION USEFUL IN ASSESSING THE CITY'S ECONOMIC CONDITION

Peachtree City is one of the most affluent communities in Georgia and continues to benefit economically by being an integral part of Metropolitan Atlanta. The Metro Atlanta region represents one of the southeast's primary transportation, distribution, financial, and consumer centers. Economists project that the Atlanta area will continue to expand, with the metropolitan area possibly extending as far north as Chattanooga, Tennessee, and as far south as Macon, Georgia, in the coming years. The City is well positioned geographically within this growth area and, although the municipality's residential growth is nearing completion, will continue to benefit through growth in the commercial and industrial sectors. Peachtree City's industrial park is situated along the City's western boundaries. Of the nearly 2,013 acres set aside for industrial uses, approximately 80 acres are still available for future industrial growth.

Peachtree City currently boasts around 7,902 jobs in 551 different industry operations; many of these are international, calling nearly 30 different countries home. From Japan, we have corporations such as Rinnai, Shinsei, TDK, Panasonic, and Hoshizaki. Gerresheimer and Hella hail from Germany, while Amcor is proudly Canadian and Sigvaris is from Switzerland. The Chinese SANY Corporation houses their North American headquarters in Peachtree City, as does the Dutch Innovative Packaging Network. Additionally, the Peachtree City workforce is strengthened by nearly 8,000 positions in banking, finance, retail, real estate, professional & technical services and health care. Overall, this strong foundation in a variety of industries makes Peachtree City a great place to call home.

Peachtree City has been designated a Foreign Trade Zone by the U.S. Customs Service. This is a site in or near a U.S. Customs port of entry (in this case Hartsfield-Jackson International Airport), designated free of customs entry procedures.

A Freeport Exemption has been instituted by the voters of Fayette County. This exemption allows 100 percent of the following types of commercial and industrial inventory for taxes: 1) raw material and goods in process of manufacture, 2) finished goods produced in Georgia within the last 12 months, and 3) finished goods stored in Georgia within the last 12 months and destined for shipment out-of-state.

The elements making Peachtree City a standout community include the low student/teacher ratio in the Fayette County school system and Peachtree City's exceptionally low crime rate. Peachtree City has been recognized as one of the top places to locate by CNN/Money and *Money Magazine* in 2005, 2007, 2009 and 2011. In 2009, *Business Week* listed Peachtree City as one of Georgia's best affordable suburbs and *News Max Magazine* noted that the City was

one of the ten greatest places for "Boomers." Other accolades include Georgia's best place to raise kids - 2013 *Business Week,* top 6 most patriotic cities – *Rand McNally/USA Today* and most interesting parade by *Readers Digest in 2012.*

Planning for the Future

In planning for the future, Peachtree City will pursue three major areas of focus in the coming year. The first concern continues to be the transportation system serving Peachtree City. With the 2012 failure of the Regional Transportation Special Purpose Local Option Sales Tax (T-SPLOST), other avenues of funding are necessary. Peachtree City is working with the other municipalities in Fayette County, the Fayette County Board of Commissioners, as well as adjacent Coweta and South Fulton Counties and the State of Georgia to maximize the area's access to Interstate 85. Peachtree City must also focus on funding the maintenance of the local street and path systems following the expenditure of the remaining Fayette County T-SPLOST in FY 2013.

The second concern involves the City's options for enhancing its Storm Water Management Program. Phase II of the Environmental Protection Agency's (EPA) National Pollutant Discharge Elimination System (NPDES) requires cities to develop, implement, monitor, and enforce a Storm Water Management Program. In fiscal year 2006, the City established the Stormwater Utility Fund to generate funds to fulfill Phase II objectives of the NPDES. Program elements include education, public involvement, illicit discharge detection and elimination, construction site controls, post-construction controls, and pollution prevention. Peachtree City will pursue a second bond issue to fund critical capital projects for the utility in the coming years.

The third area of focus and concern is possibly the most important and is certainly the most far-reaching. Peachtree City has developed over the last 55 years as a master-planned city. With the majority of development complete, Peachtree City is now looking to develop a strategic plan that will carry the community's success through the next 50 years.

Impact of Financial Policies on Financial Statements

Even during the economic downturn, the City continues to hold to the Budget Policy that strives to maintain operating reserves equal to twenty percent (20%) of the "Total Use of Funds" amount appropriated in the General Fund budget. Such reserves are intended to 1) maintain sufficient cash on hand to satisfy cash flow needs of the City, 2) provide resources to cover unanticipated revenue shortfalls due to economic conditions, 3) pay for expenses that were not originally appropriated in the annual operating budget, and 4) provide funding for unanticipated costs associated with the repair and/or replacement of City property unexpectedly damaged or destroyed and for other claims against the City in excess of amounts recovered through insurance carriers. In late fiscal year 2010, the City adopted GASB Statement No. 54 – The New Fund Balance. With this action the City is reporting Fund Balance Committed for Property Tax Rate Stabilization in the General Fund that consists of those funds in excess of the 20% reserves and those funds classified as non-spendable.

In January 2013, Moody's Investors Service, Inc. reassigned Peachtree City's credit rating to **"Aa1"** on the City's $3.5 million of general obligation bonds and $4.7 million of bonds issued through the Public Facilities Authority, which are ultimately supported by the City's absolute and unconditional obligation. Also, in January 2013, Standard and Poor's reassigned Peachtree City's credit rating to **"AAA"** and affirmed its AAA long-term rating and underlying rating, with a stable outlook, on the City's general obligation parity debt. These ratings place Peachtree City in the highest-grade credit category with only a few municipalities in the State of Georgia.

AWARDS AND ACKNOWLEDGEMENTS

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Peachtree City, Georgia for its Comprehensive Annual Financial Report (CAFR) for the year ended September 30, 2010. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR with contents that conform to program standards. Such reports must also satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report again meets the requirements of this program, and we are submitting it to GFOA to determine its eligibility for certification again.

In addition, the City received the GFOA Award for Distinguished Budget Presentation for the annual budgets for fiscal years 2004 - 2010.

Acknowledgements

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the administrative staff of the various Peachtree City departments and officials and, in particular, the City's finance staff and the auditors for the City. Our sincere appreciation is extended to each individual for the contributions made in the preparation of this report.

We would also like to thank the Mayor and the members of the City Council for their interest and support in planning and conducting the financial operations of the Peachtree City in a responsible and progressive manner, and through whose efforts we have made substantial progress in responding to the extraordinary demands placed upon our community. The quality and quantity of services provided by the Peachtree City to its residents is second to none. We believe that the accomplishments identified in this transmittal letter clearly indicate that the City Council has effectively and efficiently planned and managed the resources that were entrusted to them by the citizens of Peachtree City.

As Peachtree City continues its evolution as a suburban Atlanta community, the progress that has been made in recent years will, in our opinion, provide a sound foundation for the identification, development, and implementation of future programs and policies, and we are optimistic that our community's leadership will continue to do an excellent job of addressing the complex issues facing our community. We thank you for the opportunity to assist you in your efforts.

Respectfully submitted,

James L. Pennington, EdD
City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Peachtree City Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

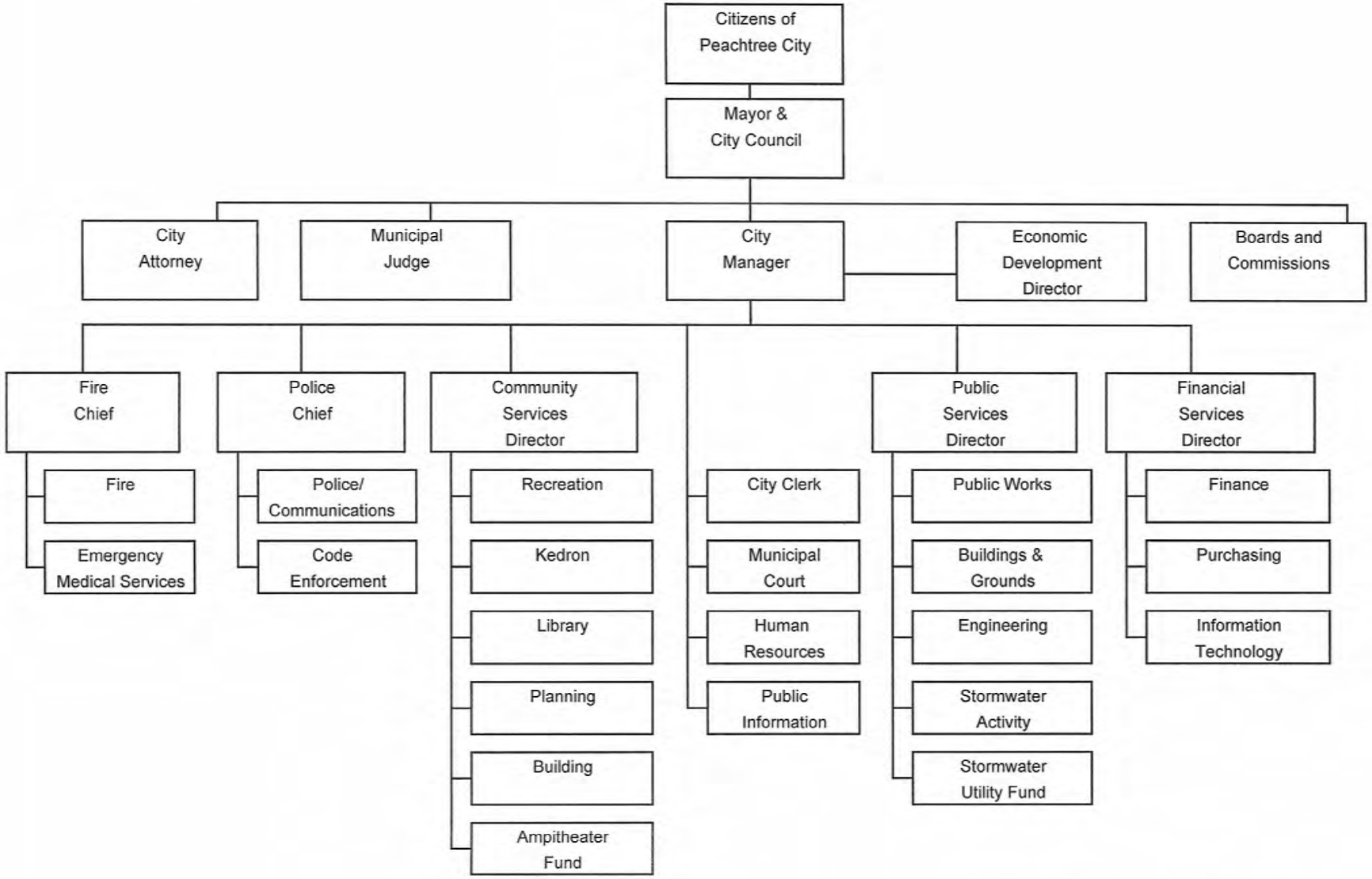
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P Morrill
President

Jeffrey L. Esser
Executive Director

PEACHTREE CITY ORGANIZATIONAL CHART



Effective September 30, 2012

PEACHTREE CITY, GEORGIA

Listing of Principal Officials
at September 30, 2012

Mayor
Donnie O. Haddix

City Council Members
Eric Imker
George Deinhart
Kim Learnard
Vanessa Fleisch

City Manager
James L. Pennington, EdD

Financial Services Director
Paul J. Salvatore, CPFO

Public Services Director
Mark J. Caspar

Community Services Director
Jon Rorie

Police Chief
H.C. Clark, II

Fire Chief
Edwin Eiswerth

City Clerk
Ann E. Tyler

Municipal Court Judge
Stephen D. Ott

City Attorney
Theodore P. Meeker, III

City Auditors
Mauldin & Jenkins, LLC

PEACHTREE CITY, GEORGIA

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members of the City Council of Peachtree City, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Peachtree City, Georgia**, as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Peachtree City, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Peachtree City Airport Authority, which represents 35% and 30% of the assets and revenues, respectively, of Peachtree City, Georgia's aggregate discretely presented component units for the year ended September 30, 2012. Those financial statements were audited by another auditor whose report has been furnished to us, and our opinion on the basic financial statements, insofar as it relates to the amounts included for the Peachtree City Airport Authority in the component units' column, is based on the report of the other auditor.

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

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peachtree City, Georgia as of September 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 21, 2013, on our consideration of Peachtree City, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 3 through 14) and the Schedule of Funding Progress (on page 76) 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peachtree City, Georgia's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of special purpose local option sales tax proceeds is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

Mauldin & Jenkins, LLC

Macon, Georgia
March 21, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Peachtree City, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of Peachtree City for the fiscal year ended September 30, 2012. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-vi of this report.

FINANCIAL HIGHLIGHTS

- The assets of the Peachtree City exceeded its liabilities at the close of the most recent fiscal year by $83,210,290 (net assets). Of this amount $9,799,771 (unrestricted net assets) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets decreased by $1,587,822. This is a result of an increase in net assets in business-type activities of $122,532 and a decrease in net assets in governmental activities of $1,710,354. The increase in net assets in the business-type activities is primarily due to 1) revenues in the Stormwater Utility Fund exceeding expenses in the fiscal year and 2) depreciation of fixed assets in the Amphitheater Fund not off-set by a subsidy from the General Fund. The decrease in net assets in the governmental activities is primarily due to a decrease in transfers from other funds.
- At the close of the current fiscal year, Peachtree City's governmental funds reported combined ending fund balances of $14,224,994 a decrease of $366,742 in comparison with the prior year. This decrease is due 1) to an increase in the fund balance in the General Fund of $1,609,917 primarily due to an decrease in transfers to other funds, 2) a decrease of $2,128,413 in the SPLOST Capital Projects Fund due to the expiration of the sales tax funding for this fund and use of the available funds for projects, and 3) an increase in the Debt Service Fund and Non-Major Governmental Funds of $151,754 primarily due to unspent bond funds. Approximately 35.7 percent or $5,071,806 of the total fund balance is classified as Unassigned Fund Balance.
- At the end of the current fiscal year, the Unassigned Fund Balance for the General Fund was $5,417,575, or 20.0 percent of total General Fund expenditures and operating transfers out, as required by the City's budget policies. Another $5,210,174 of the fund balance of the General Fund is Committed for Property Tax Rate Stabilization.
- Peachtree City's total long-term debt had a net increase of $1,398,276 (7.36 percent) during the current fiscal year. The increase is the net of payment of debt service, retirement of the series 2004 general obligation bonds with the series 2011 general obligation refunding bonds and the issuance of the series 2011 public facilities authority revenue bonds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Peachtree City's basic financial statements. The City's basic financial statements comprise three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to Financial Statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide Financial Statements. The Government-wide Financial Statements are designed to provide readers with a broad overview of Peachtree City's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on of Peachtree City's assets and liabilities at September 30, 2012, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Peachtree City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year ended September 30, 2012. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the Government-wide Financial Statements present functions of Peachtree City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of Peachtree City include general government; public safety; public works; health and welfare; culture and recreation; and housing and development. The business-type activities of Peachtree City include a Stormwater Utility Fund, established in fiscal year 2006 and an Amphitheater Fund, established in fiscal year 2009.

The Government-wide Financial Statements include not only Peachtree City (known as the primary government), but also the following legally separate component units for which Peachtree City is financially accountable: Peachtree City Water and Sewerage Authority, Peachtree City Airport Authority, Peachtree City Development Authority and the Peachtree City Convention and Visitors Bureau, Inc. Financial information for these business-type component units is reported separately from the financial information presented for the primary government. The Government-wide Financial Statements also include the blended component units - the Peachtree City Governmental Finance Corporation, Inc., that is used as the financing arm of the City government for acquisition of land, buildings, machinery and equipment, the City of Peachtree City Public Facilities Authority that is used as a mechanism to finance capital additions and improvements to City facilities and Keep Peachtree City Beautiful which provides the City with litter prevention, waste reduction and beautification services.

The Government-wide Financial Statements can be found on pages 15-17 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Peachtree City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of Peachtree City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as the City's governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, Governmental Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the Government-wide Financial Statements, it is useful to compare the information presented for the City's governmental funds with similar information presented for the City's governmental activities in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. The Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Peachtree City maintains numerous individual governmental funds that are combined into seventeen (17) funds for reporting purposes. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance for the General Fund, the 2005 SPLOST Fund and the Debt Service Fund, all of which are considered to be major funds. Data from the other fourteen (14) governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Annual operating budgets are adopted each fiscal year by Peachtree City through passage of an annual budget resolution and amended as required for the General Fund, Special Revenue Funds, and the Debt Service Fund. Project-length budgets are adopted for the Capital Projects Funds.

The basic governmental fund financial statements can be found on pages 18-22 of this report.

Proprietary Funds. As of September 30, 2012, Peachtree City maintains two proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. Peachtree City uses enterprise funds to account for its Stormwater Utility Fund, established in April 2006, and its Amphitheater Fund, established in November 2009, and adopts budgets annually for these proprietary funds.

Proprietary funds provide the same type of information as the Government-wide Financial Statements. The proprietary fund financial statements provide separate information for the Stormwater Utility Fund and Amphitheater Fund.

The basic proprietary fund financial statements can be found on pages 23-26 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the Government-wide Financial Statement because the resources of those funds are not available to support the programs of Peachtree City.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to Financial Statements. The notes provide additional information that is essential to the full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to Financial Statements can be found on pages 29-74 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the Notes to Financial Statements. Combining and individual funds statements and schedules can be found on pages 80-86 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Peachtree City, assets exceed liabilities by $83,210,290 at the close of the most recent fiscal year.

By far the largest portion of Peachtree City's net assets (83.0 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. Peachtree City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although Peachtree 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.

PEACHTREE CITY
NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current and other assets	$ 28,809,961	$ 27,462,521	$ 2,656,299	$ 2,853,027	$ 31,466,260	$ 30,315,548
Capital assets, net of depreciation	76,130,426	76,066,133	10,585,716	10,458,911	86,716,142	86,525,044
Total assets	104,940,387	103,528,654	13,242,015	13,311,938	118,182,402	116,840,592
Current liabilities	14,202,809	12,626,780	367,306	411,979	14,570,115	13,038,759
Long-term liabilities	17,309,093	15,763,035	3,092,904	3,240,686	20,401,997	19,003,721
Total liabilities	31,511,902	28,389,815	3,460,210	3,652,665	34,972,112	32,042,480
Net assets:						
Invested in capital assets, net of related debt	60,413,875	61,998,476	8,321,162	8,240,465	68,735,037	70,238,941
Restricted	3,646,069	4,790,861	1,029,413	983,089	4,675,482	5,773,950
Unrestricted	9,368,541	8,349,502	431,230	435,719	9,799,771	8,785,221
Total net assets	$ 73,428,485	$ 75,138,839	$ 9,781,805	$ 9,659,273	$ 83,210,290	$ 84,798,112

An additional portion of Peachtree City's net assets (5.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($9,799,771) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Peachtree City is able to report positive balances in net assets for governmental activities and business-type activities. The same situation held true for the prior fiscal year for both governmental activities and business-type activities.

PEACHTREE CITY
CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues:						
Program revenues:						
Charges for services	$ 3,871,823	$ 3,776,729	$ 2,089,335	$ 2,025,850	$ 5,961,158	$ 5,802,579
Operating grants and contributions	1,067,361	438,137	-	-	1,067,361	438,137
Capital grants and contributions	53,543	150,278	-	-	53,543	150,278
General revenues:						
Property taxes	12,341,764	12,447,006	-	-	12,341,764	12,447,006
Sales taxes	6,693,327	6,406,065	-	-	6,693,327	6,406,065
Hotel/motel taxes	885,033	853,800	-	-	885,033	853,800
Other taxes	5,549,418	5,324,203	-	-	5,549,418	5,324,203
Other revenues	54,401	70,031	1,911	15,210	56,312	85,241
Total revenues	30,516,670	29,466,249	2,091,246	2,041,060	32,607,916	31,507,309
Current expenses:						
General government	5,088,017	3,411,337	-	-	5,088,017	3,411,337
Health and welfare	120,583	142,459	-	-	120,583	142,459
Public safety	14,529,593	14,052,861	-	-	14,529,593	14,052,861
Public works	6,389,913	4,497,982	-	-	6,389,913	4,497,982
Culture and recreation	4,525,381	5,181,626	-	-	4,525,381	5,181,626
Housing and development	985,435	936,926	-	-	985,435	936,926
Interest on long-term debt	588,102	595,204	-	-	588,102	595,204
Stormwater	-	-	1,192,888	1,225,099	1,192,888	1,225,099
Amphitheater	-	-	775,826	776,295	775,826	776,295
Total expenses	32,227,024	28,818,395	1,968,714	2,001,394	34,195,738	30,819,789
Increase (decrease) in net assets, before transfers	(1,710,354)	647,854	122,532	39,666	(1,587,822)	687,520
Transfers	-	(36,786)	-	36,786	-	-
Increase (decrease), in net assets	(1,710,354)	611,068	122,532	76,452	(1,587,822)	687,520
Net assets, beginning of year	75,138,839	74,527,771	9,659,273	9,582,821	84,798,112	84,110,592
Net assets, end of year	$ 73,428,485	$ 75,138,839	$ 9,781,805	$ 9,659,273	$ 83,210,290	$ 84,798,112

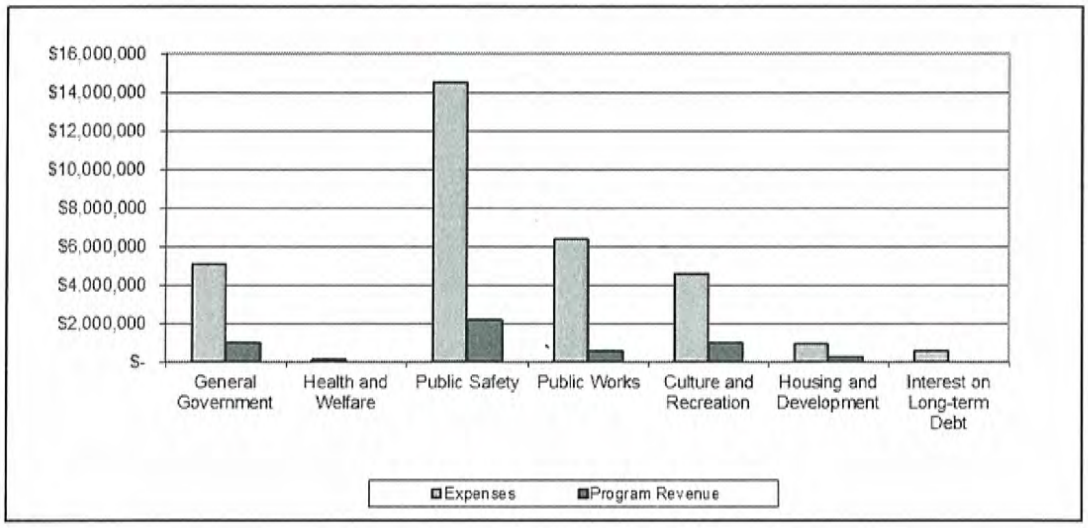
Governmental Activities:

- Property taxes decreased by $105,242 during the year. This is a very small decrease primarily due to a stabilizing economy.
- Sales taxes increased by $287,262 during the year, due primarily to improved economic conditions.
- Hotel/motel taxes increased by $31,233 during the year, due to improved economic conditions.
- Other taxes that include franchise taxes and insurance premium taxes increased during the year by $225,215. This is primarily due to an increase in franchise taxes due to growth of several industries.
- Capital grants and contributions decreased by $96,735, primarily due to the fact that the SPLOST ended and fewer capital projects were completed.
- Charges for services increased by $95,094. The primary reasons for the increase were increases in building permits and building plan review fees.
- General Government expenses increased by $1,676,680. This is primarily due to an increase in cost for technical services associated with IT and creation of the building and grounds department to be part of General Government.
- Public Safety expenses increased by $476,732. The major cause for this is an increase in pension costs because fiscal year 2011 pension costs were expensed in fiscal year 2010.
- Public Works expenses increased by $1,891,931, primarily due to street resurfacing in fiscal year 2012.
- Culture and Recreation expenses decreased by $656,245. This is primarily due to fewer capital projects in this department.

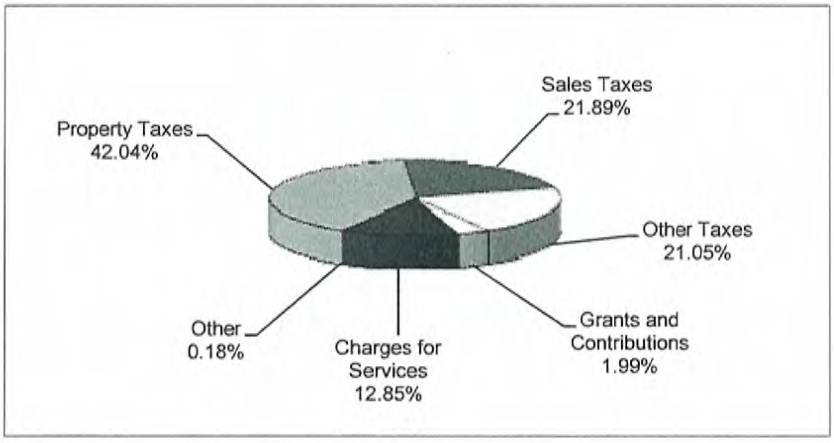
Business-type Activities:

- The increase in Charges for Services in Business-type Activities of $63,485 is primarily due to an increase in sponsorships of $25,290 and an increase in concert revenue of $21,613.
- The decrease in Stormwater Expenses of $32,211 is primarily due to a decrease in costs of services..
- The Amphitheater Expenses were virtually unchanged, decreasing by $469.

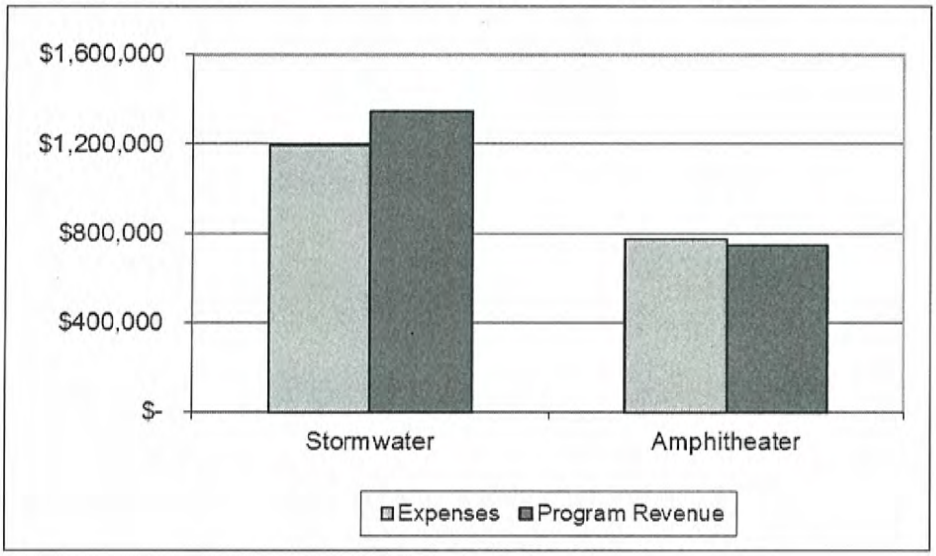
PEACHTREE CITY
EXPENSES AND PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES



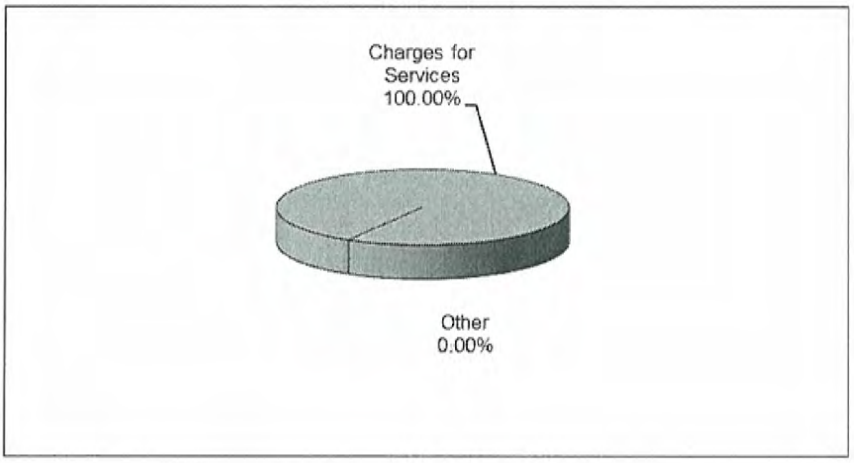
PEACHTREE CITY
REVENUES BY SOURCE
GOVERNMENTAL ACTIVITIES



PEACHTREE CITY
EXPENSES AND PROGRAM REVENUES
BUSINESS-TYPE ACTIVITIES



PEACHTREE CITY
REVENUE BY SOURCE
BUSINESS-TYPE ACTIVITIES



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

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

Governmental Funds. The focus of Peachtree City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing Peachtree City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. **It is, however, important to note that fund balance is not cash and must be analyzed carefully to determine spendable resources.**

As of the end of the current fiscal year, the Peachtree City's governmental funds reported combined ending fund balances of $14,224,994, a decrease of $366,742 in comparison with the prior year. Approximately 35.7 percent of this total fund balance amount ($5,071,806) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance is non-spendable for inventories and prepaid items ($296,945); restricted for various categories ($3,646,069) including debt service and capital projects; or committed for property tax rate stabilization ($5,210,174).

The General Fund is the chief operating fund of Peachtree City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $5,417,575 while total fund balance was $10,924,694. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

During the fiscal year, the fund balance of Peachtree City's General Fund increased by $1,609,917 primarily due to less dependence of other funds on the General Fund. The Special Purpose Local Option Sales Tax (SPLOST) Fund has an ending fund balance of $961,386. The net decrease of $2,128,413 is primarily due to the expiration of the SPLOST program as of March 31, 2010 and the spending down of the SPLOST funds for paving projects and multi-use path maintenance. The Debt Service Fund has an ending fund balance of $394,001. The decrease of $112,915 is primarily due to a $94,685 reduction in transfers from the General Fund. The ending fund balance in Nonmajor Governmental Funds that includes the Capital Projects Funds other than SPLOST and special revenue funds was $1,944,913, an increase of $264,669, primarily due to unspent bond proceeds in the Capital Projects Funds.

Proprietary Funds. Peachtree City's proprietary funds (Stormwater Utility Fund and Amphitheater Fund) provide the same type of information found in the government-wide financial statements.

As of September 30, 2012, unrestricted net assets of the Stormwater Utility Fund was $402,449, a decrease of $9,975. The Amphitheater Fund had unrestricted net assets as of September 30, 2012 of $28,781, an increase of $5,486.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the General Fund original budget and the final amended budget can be summarized as follows:

- Budgeted taxes were increased by $52,048, primarily due to a budgeted increase in franchise fees based on the actual amounts received in fiscal year 2012.
- Budgeted charges for services were decreased by $22,084 primarily due to an estimated decrease in ambulance fees.
- The increase in the General Government budgeted expenditures of $1,453,768 is primarily due to moving the building and grounds budgeted expenditures of $736,568 to general government, an increase of $344,390 for professional services in the information technology department and an increase of $628,205 in budgeted savings for fiscal year 2012.
- The increase in Health and Welfare budgeted expenditures of $85,139 is due to a $19,100 decrease in part-time employee salaries and an increase in contracted services of $136,500.
- The decrease in budgeted expenditures for the Public Safety activities is $403,224 and is primarily due to decreases of $87,340 in police salaries, $176,045 in computer supplies and $36,446 in professional services, coupled with other small increases.
- The decrease in budgeted expenditures in the Public Works activities is $596,317 and is primarily due to a decrease in salaries and personnel expenditures of $667,980 and an increase in contractual services of $118,281.
- The decrease in budgeted expenditures in Culture and Recreation activities is $338,811 and is primarily due to decreases of $97,118 in salaries, $23,391 in office supplies and $124,591 in expenses associated with recreation programs.
- The decrease in budgeted expenditures in Housing and Development activities is $80,586 and is primarily due to a decrease in salaries and personnel related expenses associated with a position that was budgeted for in fiscal year 2012 but unfilled.
- The decrease in Transfers Out is $535,316. This decrease is due to changes in the timing of principal and interest payments because of the series 2004 bond refunding and the issuance of series 2011 revenue bonds.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. Peachtree City's investment in capital assets for its governmental and business-type activities as of September 30, 2012, is $86,716,142 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, multi-use paths, and storm drainage systems. The net increase in Peachtree City's investment in capital assets for the current fiscal year was $191,098.

Major capital asset events during the current fiscal year included the following:

- The purchase of vehicles, machinery, and equipment.
- Depreciation

PEACHTREE CITY
CAPITAL ASSETS
(NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and improvements	$ 22,978,667	$ 23,112,249	$ 131,586	$ 141,131	$ 23,110,253	$ 23,253,380
Easements	82,402	82,402	-	-	82,402	82,402
Buildings and improvements	19,845,993	19,752,028	640,513	666,779	20,486,506	20,418,807
Machinery and equipment	4,714,627	4,411,025	177,692	237,489	4,892,319	4,648,514
Infrastructure	26,831,737	27,512,518	9,105,019	9,173,339	35,936,756	36,685,857
Construction in progress	1,677,000	1,195,911	530,906	240,173	2,207,906	1,436,084
Total	$ 76,130,426	$ 76,066,133	$ 10,585,716	$ 10,458,911	$ 86,716,142	$ 86,525,044

Additional information on Peachtree City's capital assets can be found in the Notes to Financial Statements on pages 48 and 49.

Long-term Debt. As of September 30, 2012, Peachtree City had total bonded debt outstanding of $12,390,000. Of this amount, $9,320,000 is backed by the full faith and credit of Peachtree City. The remainder of the Peachtree City's debt represents bonds secured solely by revenues of the Stormwater Utility Fund.

PEACHTREE CITY
OUTSTANDING DEBT
GENERAL OBLIGATION AND REVENUE BONDS

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	$ 4,130,000	$ 4,830,000	$ -	$ -	$ 4,130,000	$ 4,830,000
Revenue bonds	5,190,000	-	3,070,000	3,215,000	8,260,000	3,215,000
Total	$ 9,320,000	$ 4,830,000	$ 3,070,000	$ 3,215,000	$ 12,390,000	$ 8,045,000

Peachtree City's general obligation debt decreased by $700,000 during the current fiscal year due to regular principal payments of the outstanding general obligation debt. The City's revenue bond debt increased by $4,345,000 due primarily to the issuance of series 2011 facilities authority revenue bonds netted against principal payments of the outstanding debt.

Additional information regarding Peachtree City's long-term debt can be found in the Notes to Financial Statements on pages 52-56.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Factors considered in preparing Peachtree City's budget for the 2013 fiscal year include the following:

- Net assessed values for real and personal property for the City's General Fund decreased from the 2010 tax year to the 2012 tax year (fiscal year 2013) by 5.1 percent. This is primarily due to the current economic conditions resulting in a lower fair market value of property in Peachtree City.
- The 2013 budget resulted in a net reduction of two full-time positions. The impacts of these changes are as follows: 1) decrease in one position in each of Public Information and information technology; 2) increase in one position in the Police Department; 3) decrease of two positions in the Community Services Division; 4) increase of one position at the Amphitheater.
- There is legislation being introduced to raise the Hotel/Motel percentage from 6% to 8%.
- Health insurance costs continue to rise. Fiscal year 2013 budgeted costs are 4.3 percent higher than budgeted for fiscal year 2012.
- Defined benefit pension costs for fiscal year 2013 were expected to increase 1.8 percent over fiscal year 2012.

The City did not appropriate any of the unrestricted fund balance in the fiscal year 2013 budget. The City continues to review revenues and expenditures as they begin the preparation of the 2014 City budget.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of Peachtree City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Financial Services Director, City of Peachtree City, 151 Willowbend Road, Peachtree City, Georgia, 30269. The notes to the financial statements (Section 1.A.) provide addresses where the separately issued statements of the City's component units are available.

PEACHTREE CITY, GEORGIA

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Cash and cash equivalents	$ 8,577,128	$ 1,347,651	$ 9,924,779	$ -
Restricted assets, cash	-	1,228,919	1,228,919	-
Investments	5,015,266	-	5,015,266	-
Taxes receivable	11,120,024	-	11,120,024	-
Accounts receivable, net of allowances	375,781	16,537	392,318	-
Interest receivable	23,079	-	23,079	-
Due from other governments	3,044,749	-	3,044,749	-
Due from component unit	36,309	5,619	41,928	-
Due from primary government	-	-	-	51,810
Inventories	47,880	2,750	50,630	-
Prepaid expenses	249,065	10,134	259,199	-
Other assets	-	-	-	13,520,350
Bond issuance costs, net of accumulated amortization	320,680	44,689	365,369	-
Capital assets:				
Non-depreciable	24,232,006	608,401	24,840,407	10,109,474
Depreciable, net of accumulated depreciation	51,898,420	9,977,315	61,875,735	41,635,165
Total assets	104,940,387	13,242,015	118,182,402	65,316,799
LIABILITIES				
Accounts payable	2,153,690	35,191	2,188,881	-
Retainage payable	951,937	-	951,937	-
Accrued liabilities	446,310	42,351	488,661	-
Unearned revenues	10,599,786	279,409	10,879,195	-
Due to component unit	51,086	724	51,810	-
Due to primary government	-	-	-	41,928
Other current liabilities	-	9,631	9,631	778,142
Compensated absences due within one year	1,047,207	19,683	1,066,890	-
Notes and capital leases due within one year	1,268,941	-	1,268,941	-
Bonds payable due within one year	1,120,000	150,000	1,270,000	-
Compensated absences due in more than one year	175,943	3,221	179,164	-
Notes and capital leases due in more than one year	4,751,336	-	4,751,336	-
Bonds payable due in more than one year	8,576,274	2,920,000	11,496,274	-
Other long-term liabilities:				
Due within one year	-	-	-	1,718,775
Due in more than one year	369,392	-	369,392	27,295,782
Total liabilities	31,511,902	3,460,210	34,972,112	29,834,627

Continued

PEACHTREE CITY, GEORGIA

STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET ASSETS				
Invested in capital assets, net of related debt	60,413,875	8,321,162	68,735,037	24,385,082
Restricted for:		-	-	-
Public safety	97,282	-	97,282	-
Public works	7,965	-	7,965	-
Culture and recreation	54,534	-	54,534	-
Capital projects	3,092,287	-	3,092,287	-
Debt service	394,001	281,531	675,532	1,142,528
Renewals and extensions	-	747,882	747,882	-
Other	-	-	-	163,015
Unrestricted	9,368,541	431,230	9,799,771	9,791,547
Total net assets	$ 73,428,485	$ 9,781,805	$ 83,210,290	$ 35,482,172

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

PEACHTREE CITY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government:								
Governmental activities								
General government	$ 5,088,017	$ 1,014,597	$ -	$ -	$ (4,073,420)	$ -	$ (4,073,420)	$ -
Health and welfare	120,583	-	-	-	(120,583)	-	(120,583)	-
Public safety	14,529,593	1,749,820	424,560	-	(12,355,213)	-	(12,355,213)	-
Public works	6,389,913	-	528,131	53,543	(5,808,239)	-	(5,808,239)	-
Culture and recreation	4,525,381	846,686	114,670	-	(3,564,025)	-	(3,564,025)	-
Housing and development	985,435	260,720	-	-	(724,715)	-	(724,715)	-
Interest on long-term debt	588,102	-	-	-	(588,102)	-	(588,102)	-
Total governmental activities	32,227,024	3,871,823	1,067,361	53,543	(27,234,297)	-	(27,234,297)	-
Business-type activities								
Stormwater	1,192,888	1,345,335	-	-	-	152,447	152,447	-
Amphitheater	775,826	744,000	-	-	-	(31,826)	(31,826)	
Total business-type activities	1,968,714	2,089,335	-	-	-	120,621	120,621	-
Total primary government	$ 34,195,738	$ 5,961,158	$ 1,067,361	$ 53,543	$ (27,234,297)	$ 120,621	$ (27,113,676)	$ -
Component units	$ 10,734,663	$ 11,148,854	$ 590,022	$ 205,975	$ -	$ -	$ -	$ 1,210,188
General revenues:								
Property taxes					12,341,764	-	12,341,764	-
Sales taxes					6,693,327	-	6,693,327	-
Hotel/motel taxes					885,033	-	885,033	-
Alcoholic beverage taxes					731,666	-	731,666	-
Franchise taxes					2,655,791	-	2,655,791	-
Insurance premium taxes					1,712,018	-	1,712,018	-
Other taxes					449,943	-	449,943	-
Unrestricted investment earnings					54,401	1,911	56,312	-
Miscellaneous revenues					-	-	-	211,627
Total general revenues					25,523,943	1,911	25,525,854	211,627
Change in net assets					(1,710,354)	122,532	(1,587,822)	1,421,815
Net assets, beginning of year					75,138,839	9,659,273	84,798,112	34,060,357
Net assets, end of year					$ 73,428,485	$ 9,781,805	$ 83,210,290	$ 35,482,172

The accompanying notes are an integral part of these financial statements

PEACHTREE CITY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

ASSETS	General Fund	2005 SPLOST Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,802,185	$ 1,860,757	$ 386,427	$ 3,527,759	$ 8,577,128
Investments	5,015,266	-	-	-	5,015,266
Taxes receivable	10,396,339	-	648,633	75,052	11,120,024
Accounts receivable, net of allowances	363,596	-	-	12,185	375,781
Interest receivables	23,079	-	-	-	23,079
Intergovernmental receivables	2,704,813	306,624	27,607	5,705	3,044,749
Due from other funds	961,518	-	-	198,166	1,159,684
Due from component units	36,309	-	-	-	36,309
Inventories	47,880	-	-	-	47,880
Prepaid expenditures	249,065	-	-	-	249,065
Total assets	$ 22,600,050	$ 2,167,381	$ 1,062,667	$ 3,818,867	$ 29,648,965
LIABILITIES					
Accounts payable	$ 368,565	$ 985,279	$ -	$ 799,846	$ 2,153,690
Retainage payable	-	220,716	668,666	62,555	951,937
Accrued liabilities	363,345	-	-	-	363,345
Deferred revenues	10,744,229	-	-	-	10,744,229
Due to other funds	198,166	-	-	961,518	1,159,684
Due to component units	1,051	-	-	50,035	51,086
Total liabilities	11,675,356	1,205,995	668,666	1,873,954	15,423,971
FUND BALANCES					
Nonspendable:					
Inventories	47,880	-	-	-	47,880
Prepaid expenditures	249,065	-	-	-	249,065
Restricted for:					
Public safety	-	-	-	97,282	97,282
Public works	-	-	-	7,965	7,965
Culture and recreation	-	-	-	54,534	54,534
Capital projects	-	961,386	-	2,130,901	3,092,287
Debt service	-	-	394,001	-	394,001
Committed to:					
Property tax rate stabilization	5,210,174	-	-	-	5,210,174
Unassigned	5,417,575	-	-	(345,769)	5,071,806
Total fund balances	10,924,694	961,386	394,001	1,944,913	14,224,994
Total liabilities and fund balances	$ 22,600,050	$ 2,167,381	$ 1,062,667	$ 3,818,867	
Amounts reported for governmental activities in the statement of net assets are different because:					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					76,130,426
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					144,443
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.					(17,071,378)
Net assets of governmental activities					$ 73,428,485

The accompanying notes are an integral part of these statements

PEACHTREE CITY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	General Fund	2005 SPLOST Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 23,827,673	$ -	$ 720,194	$ 923,421	$ 25,471,288
Licenses and permits	685,207	-	-	-	685,207
Intergovernmental	321,230	528,131	-	251,174	1,100,535
Charges for services	1,531,922	-	-	362,259	1,894,181
Fines	1,131,406	-	-	-	1,131,406
Donations	-	-	-	15,887	15,887
Interest earned	50,809	4,482	366	3,226	58,883
Miscellaneous	161,029	-	-	-	161,029
Total revenues	27,709,276	532,613	720,560	1,555,967	30,518,416
Expenditures:					
Current:					
General government	4,241,235	-	1,000	-	4,242,235
Health and welfare	184,163	-	-	-	184,163
Public safety	13,047,025	-	-	220,316	13,267,341
Public works	3,506,211	-	-	-	3,506,211
Culture and recreation	3,158,074	-	-	681,517	3,839,591
Housing and development	988,906	-	-	-	988,906
Capital outlay	-	2,661,026	-	3,157,072	5,818,098
Debt service:					
Principal retirement	-	-	2,207,928	-	2,207,928
Interest charges	-	-	499,300	-	499,300
Bond issuance costs	-	-	56,232	184,001	240,233
Total expenditures	25,125,614	2,661,026	2,764,460	4,242,906	34,794,006
Excess (deficiency) of revenues over (under) expenditures	2,583,662	(2,128,413)	(2,043,900)	(2,686,939)	(4,275,590)
Other financing sources (uses):					
Refunding bond proceeds	-	-	2,930,000	5,475,000	8,405,000
Premium on refunded bonds	-	-	218,106	299,330	517,436
Payment to refunded bond escrow agent	-	-	(3,090,929)	-	(3,090,929)
Payment to retire long term debt	-	-	-	(2,603,024)	(2,603,024)
Capital leases	-	-	-	485,946	485,946
Transfers in	751,119	-	1,873,808	68,874	2,693,801
Transfers out	(1,919,283)	-	-	(774,518)	(2,693,801)
Proceeds from sale of capital assets	194,419	-	-	-	194,419
Total other financing sources (uses)	(973,745)	-	1,930,985	2,951,608	3,908,848
Net change in fund balances	1,609,917	(2,128,413)	(112,915)	264,669	(366,742)
Fund balances, beginning of year	9,314,777	3,089,799	506,916	1,680,244	14,591,736
Fund balances, end of year	$ 10,924,694	$ 961,386	$ 394,001	$ 1,944,913	$ 14,224,994

The accompanying notes are an integral part of these financial statements

PEACHTREE CITY, 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 SEPTEMBER 30, 2012

Amounts reported for governmental activities in the statement of activities are different becaus

Net change in fund balances - total governmental funds	$	(366,742)
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. This is the amount by which capital outlays exceeded depreciation in the current period.		279,251
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net assets.		(214,958)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(1,746)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,266,268)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(139,891)
	$	(1,710,354)

The accompanying notes are an integral part of these financial statements

PEACHTREE CITY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 23,849,555	$ 23,901,603	$ 23,827,673	$ (73,930)
Licenses and permits	641,637	663,097	685,207	22,110
Intergovernmental	300,020	321,230	321,230	-
Charges for services	1,456,738	1,434,654	1,531,922	97,268
Fines	1,252,070	1,252,070	1,131,406	(120,664)
Interest earned	76,974	76,974	50,809	(26,165)
Miscellaneous	110,448	173,441	161,029	(12,412)
Total revenues	27,687,442	27,823,069	27,709,276	(113,793)
Expenditures:				
Current:				
General government:				
Mayor and Council	140,912	100,198	100,198	-
City Manager	236,482	237,184	237,184	-
General administration	(315,313)	341,742	341,742	-
Finance department	627,861	626,155	626,155	-
Purchasing department	156,947	150,566	150,566	-
Information technology	381,997	660,187	660,187	-
Human resources	244,939	250,940	250,940	-
Buildings and grounds	-	736,567	736,567	-
Public information	165,010	177,522	177,522	-
Engineering	319,562	287,548	287,548	-
City Clerk	440,738	300,574	300,574	-
Municipal Court	388,332	372,052	372,052	-
Total general government	2,787,467	4,241,235	4,241,235	-
Health and welfare	99,024	184,163	184,163	-
Public safety:				
Police department	6,830,923	6,493,032	6,493,032	-
Fire department	6,309,234	6,253,299	6,253,299	-
Emergency medical services	310,092	300,694	300,694	-
Total public safety	13,450,249	13,047,025	13,047,025	-
Public works	4,102,528	3,506,211	3,506,211	-
Culture and recreation:				
Administration	1,870,780	1,558,957	1,554,681	4,276
Kedron Fieldhouse	620,950	661,448	661,448	-
Library administration	1,009,431	941,945	941,945	-
Total culture and recreation	3,501,161	3,162,350	3,158,074	4,276
Housing and development:				
Planning and zoning	348,901	331,226	331,226	-
Economic development	75,148	37,568	37,568	-
Code enforcement	317,504	255,938	255,938	-
Protective inspection	327,939	364,174	364,174	-
Total housing and development	1,069,492	988,906	988,906	-
Total expenditures	25,009,921	25,129,890	25,125,614	4,276
Excess of revenues over expenditures	2,677,521	2,693,179	2,583,662	(109,517)

Continued

PEACHTREE CITY, GEORGIA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources (uses):				
Transfers in	719,682	719,682	751,119	31,437
Transfers out	(2,457,760)	(1,922,444)	(1,919,283)	3,161
Capital leases	(417,117)	-	-	-
Proceeds from sale of capital assets	21,000	119,500	194,419	74,919
Total other financing sources (uses)	(2,134,195)	(1,083,262)	(973,745)	109,517
Net change in fund balances	543,326	1,609,917	1,609,917	-
Fund balances, beginning of year	9,314,777	9,314,777	9,314,777	-
Fund balances, end of year	$ 9,858,103	$ 10,924,694	$ 10,924,694	$ -

The accompanying notes are an integral part of these financial statements

PEACHTREE CITY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

ASSETS	Major Fund Stormwater Fund	Amphitheater Fund	Totals
CURRENT ASSETS			
Cash and cash equivalents	$ 1,311,360	$ 36,291	$ 1,347,651
Restricted assets, cash	1,228,919	-	1,228,919
Accounts receivable, net of allowances	16,537	-	16,537
Inventory	-	2,750	2,750
Due from component unit	-	5,619	5,619
Prepaid expenses	8,489	1,645	10,134
Total current assets	2,565,305	46,305	2,611,610
NONCURRENT ASSETS			
Deferred charges, unamortized bond issuance costs	44,689	-	44,689
Capital assets			
Non-depreciable	530,906	77,495	608,401
Depreciable, net of accumulated depreciation	9,282,713	694,602	9,977,315
Total noncurrent assets	9,858,308	772,097	10,630,405
Total assets	12,423,613	818,402	13,242,015
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	31,831	3,360	35,191
Accrued liabilities	41,175	1,176	42,351
Unearned revenue	279,409	-	279,409
Due to others	227	9,404	9,631
Due to component unit	-	724	724
Compensated absences	20,044	2,860	22,904
Current portion of bonds payable	150,000	-	150,000
Total current liabilities	522,686	17,524	540,210
LONG-TERM LIABILITIES			
Revenue bonds payable, net	2,920,000	-	2,920,000
Total liabilities	3,442,686	17,524	3,460,210
NET ASSETS			
Invested in capital assets, net of related debt	7,549,065	772,097	8,321,162
Restricted for debt service	281,531	-	281,531
Restricted for renewals and extensions	747,882	-	747,882
Unrestricted	402,449	28,781	431,230
Total net assets	$ 8,980,927	$ 800,878	$ 9,781,805

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

PEACHTREE CITY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Major Fund		
	Stormwater Fund	Amphitheater Fund	Totals
OPERATING REVENUE			
Charges for services	$ 1,340,481	$ 549,803	$ 1,890,284
Sponsorships	-	194,197	194,197
Other fees and charges	4,854	-	4,854
Total operating revenues	1,345,335	744,000	2,089,335
OPERATING EXPENSES			
Purchased or contracted services	35,095	-	35,095
Costs of services	145,694	638,108	783,802
Salaries, wages and related benefits	618,465	100,525	718,990
Depreciation	261,649	37,193	298,842
Total operating expenses	1,060,903	775,826	1,836,729
Operating income (loss)	284,432	(31,826)	252,606
NONOPERATING REVENUES (EXPENSES)			
Interest income	1,792	119	1,911
Interest expense	(131,985)	-	(131,985)
Total nonoperating revenues (expenses)	(130,193)	119	(130,074)
Change in net assets	154,239	(31,707)	122,532
Total net assets, beginning of year	8,826,688	832,585	9,659,273
Total net assets, end of year	$ 8,980,927	$ 800,878	$ 9,781,805

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

PEACHTREE CITY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Major Fund		
	Stormwater Fund	Amphitheater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,344,338	$ 745,577	$ 2,089,915
Payments to suppliers	(187,048)	(662,099)	(849,147)
Payments to employees	(612,874)	(104,814)	(717,688)
Net cash provided by (used in) operating activities	544,416	(21,336)	523,080
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(425,647)	-	(425,647)
Principal paid on revenue bonds	(145,000)	-	(145,000)
Interest paid	(127,899)	-	(127,899)
Net cash used in capital and related financing activities	(698,546)	-	(698,546)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	1,792	119	1,911
Net cash provided by investing activities	1,792	119	1,911
Net decrease in cash	(152,338)	(21,217)	(173,555)
Cash and cash equivalents, beginning of year	2,692,617	57,508	2,750,125
Cash and cash equivalents, end of year	$ 2,540,279	$ 36,291	$ 2,576,570
Classified As:			
Cash and cash equivalents	$ 1,311,360	$ 36,291	$ 1,347,651
Restricted assets, cash	1,228,919	-	1,228,919
	$ 2,540,279	$ 36,291	$ 2,576,570

(Continued)

PEACHTREE CITY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Major Fund		
	Stormwater Fund	Amphitheater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income (loss)	$ 284,432	$ (31,826)	$ 252,606
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	261,649	37,193	298,842
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(1,198)	36,238	35,040
Increase in inventory	-	(2,750)	(2,750)
(Increase) decrease in prepaid expenses	(1,736)	2,221	485
Increase in due from component units	-	(5,619)	(5,619)
Decrease in accounts payable	(4,523)	(23,759)	(28,282)
Increase (decrease) in unearned revenue	201	(29,042)	(28,841)
Increase (decrease) in accrued liabilities	5,591	(4,289)	1,302
Increase in due to others	-	9,141	9,141
Decrease in due to other funds	-	(9,528)	(9,528)
Increase in due to component units	-	684	684
Net cash provided by (used in) operating activities	$ 544,416	$ (21,336)	$ 523,080

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

PEACHTREE CITY, GEORGIA

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
SEPTEMBER 30, 2012

ASSETS	Pension Trust Fund	Agency Funds
Cash	$ 10,867	$ 212,287
Prepaid items	-	2,927
Mutual funds	19,421,613	-
Total assets	19,432,480	215,214
LIABILITIES		
Cash bonds held	-	80,980
Accounts payable	-	1,118
Due to others	-	30,816
Deposits held	-	102,300
Other current liabilities	27,827	-
Total liabilities	27,827	215,214
NET ASSETS		
Assets held in trust for pension benefits	$ 19,404,653	$ -

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

PEACHTREE CITY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

ADDITIONS	
Contributions	
Employer contributions	$ 1,575,820
Total contributions	1,575,820
Investment income	
Net appreciation in fair value of investments	2,437,478
Interest and dividends	836,585
Total investment income	3,274,063
Total additions	4,849,883
DEDUCTIONS	
Benefit payments	918,760
Administrative fees	59,684
Total deductions	978,444
Net increase	3,871,439
Net assets at beginning of year	15,533,214
Net assets at end of year	$ 19,404,653

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Peachtree City, Georgia (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Reporting Entity

The City was incorporated under the provisions of Georgia Laws 1959, H.B. No. 242, Act No. 148. The City operates under a Mayor/Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, culture and recreation, public improvements, planning and zoning, stormwater management, and general administrative services.

As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of Peachtree City (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significant influence and financial relationship with the City.

Blended Component Units. The following three component units are blended as governmental funds of the City due to their providing services substantially to the primary government (the City).

The Peachtree City Governmental Finance Corporation, Inc. (the "Corporation") - The Corporation provides a means to finance lease/purchase arrangements with a separate financial institution. The Corporation is governed by a five-member board consisting of the Mayor and the four City Council members. Although it is a separate legal entity from the City, the Corporation is reported as if it were part of the primary government because its sole purpose is to finance the purchase of machinery and equipment for the City. The Corporation had no financial activity during the fiscal year, and reported no financial position; therefore, separate financial statements for the Corporation were not prepared.

The City of Peachtree City Public Facilities Authority (the "Authority") - In 2011, the Georgia General Assembly approved HB 589 to create the City of Peachtree City Public Facilities Authority (the "Authority"). The Authority is a five-member board consisting of the Mayor and the four Council members. The Authority is authorized to issue revenue bonds for the acquisition and/or construction of lands, buildings, and certain equipment. Although it is a separate legal entity from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance City facilities. The Authority had limited financial activity in fiscal year 2011. Separate financial statements for the Authority were not prepared.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Keep Peachtree City Beautiful, Inc. – Keep Peachtree City Beautiful's principal business consists of controlling litter, reducing waste, and supporting beautification efforts throughout the City. The City has the ability to impose its will on Keep Peachtree City Beautiful as it provides services almost entirely to the City. Separate financial statements for Keep Peachtree City Beautiful were not prepared. Financial information for Keep Peachtree City Beautiful is included in Peachtree City, Georgia's Comprehensive Annual Financial Report.

Discretely Presented Component Units. The component unit's column in the government-wide financial statements includes the financial data of the City's four discretely presented component units. The component units are reported in a separate column to emphasize that the units are legally separate from the City, and that they primarily serve the greater community.

The Peachtree City Water and Sewerage Authority ("Water and Sewerage Authority") – The purpose of the Water and Sewerage Authority is to manage the sewerage systems of the City. The City appoints all board members of the Water and Sewerage Authority. The Water and Sewerage Authority and the City have entered into an agreement whereby the City is obligated to make contract payments when the Water and Sewerage Authority has insufficient funds to meet debt service requirements. The contract represents a general obligation of the City to which its full faith and credit are pledged. Separate audited financial statements for the Water and Sewerage Authority are available at the offices of the Water and Sewerage Authority located at 1127 Highway 74 South, Peachtree City, Georgia, 30269.

The Peachtree City Airport Authority ("Airport Authority") – The Airport Authority was created to acquire, construct, equip, maintain, operate, own and improve airports and landing fields for the use of aircraft within the City. The City appoints all board members of the Airport Authority and has the ability to impose its will on the Airport Authority. Separate audited financial statements for the Airport Authority are available at the offices of the Airport Authority located at 7 Falcon Drive, Peachtree City, Georgia, 30269.

The Peachtree City Convention and Visitors Bureau ("CVB") – The CVB's principal business is to promote tourism, conventions, and trade shows within Peachtree City, as well as support City events that promote tourism. The City appoints all board members of the CVB. The City possesses the authority to review, approve, and revise the budget of the CVB. Separate audited financial statements for the CVB are available at the offices of the CVB located at 201 McIntosh Trail, Peachtree City, Georgia 30269.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

The Development Authority of Peachtree City ("Development Authority") – The Development Authority's principal business consists of planning and developing areas within the City in order to attract new businesses and residences. The City appoints all board members of the Development Authority and has the ability to impose its will on the Development Authority. Separate financial statements for the Development Authority were not prepared. Financial information for the Development Authority is included in Peachtree City, Georgia's Comprehensive Annual Financial Report.

All four discretely presented component units are reported as proprietary type component units.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus; however, they use the accrual basis of accounting to recognize assets and liabilities. Revenues are recorded when earned

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

and expenses are recorded when a liability is incurred, regardless of the timing of the 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.

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 City 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.

Property taxes, sales tax, intergovernmental grants, and investment income 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. All other revenue items are considered to be measurable and available only when cash is received by the City.

In accordance with GASB Statement No. 34, major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The **2005 SPLOST Fund** accounts for the one percent Special Purpose Local Option Tax (SPLOST) funds collected by Fayette County and disbursed to the City. The funds are used for specific capital projects as approved by voter referendum.

The **Debt Service Fund** accounts for the accumulation of resources that are restricted and assigned for the payment of general obligation bond principal and interest.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

The City reports the following major proprietary fund:

The **Stormwater Fund** accounts for the collection of fees for upgrades to stormwater infrastructure and related expenses.

Additionally, the City reports the following fund types:

The **special revenue funds** are used to account for the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes.

The **capital projects funds** are used to account for financial resources that are restricted and assigned for the construction and financing of general capital assets.

The **enterprise funds** are used to account for those operations that are financed and operated in a manner similar to private business.

The **pension trust fund** accounts for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by the City at rates determined by actuarial computations.

The **agency funds** are used to account for the collection and disbursement of monies by the City on behalf of other individuals or entities. The **Municipal Court Fund** accounts for the collection of cash appearance bonds by the Municipal Court. The **Landscape Deposit Fund** accounts for the collection of cash surety bonds held until completion of prescribed landscaping on new developments. The **Flexible Spending Fund** accounts for contributions by employees for health benefits and dependent care costs that are disbursed under a Section 125 Cafeteria Plan for eligible expenses. The Plan is administered by a third party contractor.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)

In accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting", the City has elected to apply all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) Opinions, issued on or before November 30, 1989, for its government-wide and proprietary fund financial statements, unless those pronouncements conflict with or contradict GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance. The Peachtree City Water and Sewerage Authority, a discretely presented component unit, has elected to follow such subsequent private-sector guidance.

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 enterprise funds are charges for goods and services provided. Operating expenses of the enterprise funds include the cost of these goods 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.

D. Encumbrances

The City employed encumbrance accounting during the year. Encumbrances, if existing at the end of the fiscal year, are recorded and appropriations lapse at year end. Open encumbrances would then be assigned or committed fund balance since the commitments would be honored in subsequent years. Encumbrances do not constitute expenditures or liabilities. There were no encumbrances outstanding at September 30, 2012, and none were recorded.

All unencumbered budget appropriations lapse at the end of each year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting

Formal budgetary accounting is employed as a management control device for the general fund, special revenue funds, the debt service fund, capital projects funds, and the proprietary funds of the City. The budgets for the proprietary funds are for management control purposes and are not required to be reported. All budgets are adopted on the same basis of accounting used to reflect actual revenues and expenditures/expenses recognized on a basis consistent with accounting principles generally accepted in the United States of America. Annual operating budgets are adopted each fiscal year with a resolution and amended as required for the general fund, special revenue funds, the debt service fund, and the proprietary funds. Project-length budgets are adopted for the capital projects funds. During the fiscal year ended September 30, 2012, the original budget was amended through supplemental appropriations. These changes are reflected in the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

F. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. The City pools cash resources of its various funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash accounts is available to meet current operating requirements.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Investments are valued at fair value at the quoted market price. Statutes authorize the City to invest U.S. Government obligations, U.S. Government Agency obligations, State of Georgia obligations, obligations of other municipalities, and repurchase agreements. The Pension Plan is authorized to invest in corporate bonds, domestic common stocks, and equity real estate through pooled investment accounts.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the Water and Sewerage Authority are recognized at the end of each fiscal year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year, as well as all other outstanding balances between funds, are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

I. Inventories

Inventories, which are accounted for using the consumption method, consist of consumable supplies and are stated at cost, using the first-in/first-out (FIFO) method. Reported inventories are equally offset by a fund balance reserve.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond September 30, 2012, are recorded as prepaid items in both the government-wide and fund financial statements. The consumption method is used to account for prepaid items in the City's funds.

K. Restricted Assets

The Stormwater Fund and the Water and Sewerage Authority, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt and purchase additional equipment and improvements.

L. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure (e.g., roads, bridges, sidewalks, and similar items) prior to October 1, 2002 have been reported.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Capital Assets (Continued)

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the Water and Sewerage Authority is included as part of the capitalized value of the assets constructed.

Capital assets of the primary government are depreciated using the straight line method over the following useful lives:

Land improvements	10 years
Machinery and equipment	5-15 years
Buildings and improvements	40 years
Infrastructure	60 years

Capital assets of the City's component units are depreciated using the straight line method over the following useful lives:

Peachtree City Water and Sewerage Authority	
Land improvements	10 years
Buildings	50 years
Vehicles	5 years
Equipment	10 years
Sewer plants	10-25 years
Pump stations	20 years
Pipeline	50 years
Infrastructure	50 years
Peachtree City Airport Authority	
Equipment	5 years
Land improvements	15-40 years
Building and improvements	15-30 years
Peachtree City Convention and Visitors Bureau	
Machinery and equipment	5 years
Land improvements	10 years
Buildings improvements	10 years

Fully depreciated assets still in service are carried in the capital asset accounts.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation is accrued when incurred in the government-wide and proprietary fund financial statements. Sick leave is accrued only for those eligible for retirement at September 30, 2012. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

N. Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

O. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Fund Balance – Generally, fund balance represents the difference between the assets and liabilities under the current financial resources measurement focus of accounting. In the fund financial statements, governmental funds report fund balance classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

- ***Nonspendable*** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

- ***Restricted*** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

- ***Committed*** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the adoption of a resolution. Only the City Council may modify or rescind the commitment.

- ***Assigned*** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City's Financial Services Director to assign fund balances.

- ***Unassigned*** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Flow Assumptions – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order: 1) committed, 2) assigned, and 3) unassigned.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The City Council formally adopted a stabilization arrangement to commit fund balance in the general fund in order to offset anticipated tax revenue shortages. Minimum unassigned fund balance shall be reviewed annually and any significant amount over the 20% minimum shall be added to the stabilization commitment, unless an alternate use is agreed upon by the City Council. The stabilization account can be budgeted to be spent to maintain the 20% minimum unassigned fund balance, as approved by the City Council each year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity (Continued)

Net Assets – Net assets represent the difference between assets and liabilities in reporting which utilizes the economic resources measurement focus. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net assets are reported as unrestricted.

The City applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

P. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-wide Statement of Net Assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $17,071,378 difference are as follows:

Notes and capital leases payable	$	(6,020,277)
Bonds payable		(9,320,000)
Bond issuance costs		320,680
Premiums on bonds payable		(452,206)
Deferred charges on refunding		75,932
Compensated absences		(1,223,150)
Accrued interest		(82,965)
OPEB liability		(369,392)
Net adjustment to reduce *fund balance - total governmental funds to arrive at net assets - governmental activities*	$	(17,071,378)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net change in fund balances – total governmental funds and change in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $279,251 difference are as follows:

Capital outlay	$	3,204,517
Depreciation expense		(2,925,266)
Net adjustment to increase *net change in fund balances - total governmental funds to arrive at change in net assets - governmental activities*	$	279,251

NOTE 2. RECONCILIATION OF GOVERNMENT-WIDE FINANCIAL STATEMENTS AND FUND FINANCIAL STATEMENTS (CONTINUED)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities (Continued)

Another element of the reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities." The details of this $1,266,268 difference are as follows:

Debt issued or incurred:		
Issuance of bonds	$	(8,405,000)
Capital leases		(485,946)
Plus premiums		(517,436)
Principal repayments:		
Principal retirement of long-term debt		2,207,928
Bond issuance costs		240,233
Payment to retire notes payable		2,603,024
Payment to escrow agent for refunding		3,090,929
Net adjustment to decrease *net change in fund balances - total governmental funds to arrive at change in net assets - governmental activities*	$	(1,266,268)

Another element of the reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds." The details of this $139,891 difference are as follows:

Compensated absences	$	203,110
Net OPEB obligation		(254,199)
Amortization of deferred charge on refunding		(12,165)
Amortization of bond premiums		65,230
Amortization of bond issuance costs		(115,011)
Accrued interest		(26,856)
Net adjustment to decrease *net change in fund balances - total governmental funds to arrive at change in net assets - governmental activities*	$	(139,891)

NOTE 3. LEGAL COMPLIANCE - BUDGETS

The City code provides for the following procedures in establishing the budgetary data reflected in these financial statements:

At least 30 days before its adoption, the budget is prepared by the chief administrative officer, transmitted to members of the governing body for their review, and made available for public inspection.

No earlier than seven days after the budget is transmitted to members of the governing body and no later than the date the budget is adopted by the governing body, a public hearing is held to give the public the opportunity to comment on the proposed budget.

The budget is officially adopted by the governing body prior to the beginning of its fiscal year, or a resolution authorizing the continuation of necessary and essential expenditures to operate the City will be adopted. The budget is adopted at the department level.

Transfers of appropriations within a department budget or within a non-departmental expenditure category require only the approval of the chief financial officer. Increases in appropriations in a departmental budget or in a non-departmental expenditure category, require approval of the governing body in the form of amendments to the budget resolution.

NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

Total deposits and investments as of September 30, 2012 are summarized as follows:

Statement of Net Assets:		
Cash and cash equivalents	$	9,924,779
Investments		5,015,266
Restricted cash		1,228,919
Statement of Fiduciary Net Assets:		
Cash - Pension Trust Fund		10,867
Mutual funds - Pension Trust Fund		19,421,613
Cash - Agency Funds		212,287
	$	35,813,731
Cash deposited with financial institutions	$	10,822,040
Investments - mutual funds		19,421,613
Investments - certificates of deposit		5,015,266
Cash deposited with Georgia Fund 1		554,812
	$	35,813,731

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit risk. State statutes authorize the City to invest in obligations of the State of Georgia or other states; obligations issued by the U.S. government; obligations fully insured or guaranteed by the U.S. government or by a government agency of the United States; obligations of any corporation of the U.S. government; prime bankers' acceptances; the local government investment pool established by state law; repurchase agreements; and obligations of other political subdivisions of the State of Georgia. As of September 30, 2012, the City's investment in Georgia Fund 1 were rated AAAm+ by Standard & Poor's. It is the City's policy to limit its pension investments to mutual funds, separate accounts, or collective unit trusts that invest in any combination of the following permitted categories:

- Cash and cash equivalents, including money market funds and stable value funds;
- Fixed income (bonds of U.S. corporate and government issuers, asset-backed securities, commercial paper or similar fixed income contracts);
- Domestic Equities (Stocks)
- Foreign Equities (Stocks)

As of September 30, 2012, the City had $19,421,613 invested on behalf of a defined benefit pension fund, $5,015,266 in certificates of deposit and $554,812 in Georgia Fund 1 for its governmental funds. The City has adopted a separate policy for pension fund assets in compliance with state law. The City's pension fund assets are invested in stock mutual funds and bond mutual funds based on asset allocation ranges and performance benchmarks.

Investment	Maturities	Fair Value
Stock mutual funds	(1)	$ 13,584,033
Bond mutual funds	5.64 duration	3,787,697
Real estate mutual funds	Less than 1 year	2,049,883
Certificates of deposit	Less than 1 year	4,010,663
Certificates of deposit	1-5 years	1,004,603
Georgia Fund 1	58 day weighted average	554,812
Total		$ 24,991,691

(1) Stock mutual funds are not impacted by changes in interest rates.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest rate risk: The City's investment policy limits investments in securities maturing more than five years from the date of purchase unless matched by a specific cash flow as a means of limiting its exposure to fair value losses arising from increasing interest rates. The Pension Plan investment policy limits each investment class by the associated benchmark. The maturity varies by investment class and the pension funds manager is expected to manage against the risks in the investment policy. The Pension Plan investment policy requires bond holdings to have a minimum average quality rating of A. At September 30, 2012, the duration of the bond mutual funds was 5.64 years. Of the City's investments in bond mutual funds $3,744,770 were rated A or higher and $42,927 were rated BB.

The actual liabilities funded by the bonds have a longer duration and as such, the financial condition of the pension plan improves with increasing interest rates even if the market value of the bond portfolio declines.

The local government investment pool, "Georgia Fund 1," created by OCGA 36-83-8, is a stable net asset value investment pool, which follows Standard and Poor's criteria for AAAm rated money market funds and is regulated by the Georgia Office of the State Treasurer. 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 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 per share. As of September 30, 2012, the City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

Custodial Credit Risk – Deposits: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statues require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. As of September 30, 2012, all of the City's bank balances were adequately insured and collateralized as defined by GASB.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

As of September 30, 2012, the bank balances for the CVB and the Development Authority were adequately insured and collateralized as defined by GASB.

Peachtree City Water and Sewerage Authority

As of September 30, 2012, the bank balances for the Water and Sewerage Authority were adequately insured and collateralized as defined by GASB.

As of September 30, 2012, the Water and Sewerage Authority had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit	December 23, 2012	$ 500,000
Certificate of Deposit	March 18, 2013	2,000,000
Total		$ 2,500,000

Interest rate risk: The Water and Sewerage Authority does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Peachtree City Airport Authority

As of September 30, 2012, the bank balances for the Airport Authority were adequately insured and collateralized as defined by GASB.

NOTE 5. RECEIVABLES

Property taxes are levied as of the date the City Council sets the millage rate. Property taxes were levied on September 1, 2012, with property values assessed as of January 1, 2012. The taxes become a lien against the assessed property on January 1. The billings for the September 1, 2012, levy were mailed in September 2012. The billings are considered due upon receipt by the taxpayer; however, these bills are considered delinquent 60 days after the tax bill mailing. On this date, penalties and interest may be assessed by the County.

Receivables at September 30, 2012, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	2005 SPLOST	Debt Service	Stormwater
Receivables:				
Taxes	$ 10,396,339	$ -	$ 648,633	$ -
Accounts	588,800	-	-	54,521
Interest	23,079	-	-	-
Intergovernmental	2,704,813	306,624	27,607	-
Total receivables	13,713,031	306,624	676,240	54,521
Less allowance for uncollectible	225,204	-	-	37,984
Net total receivable	$ 13,487,827	$ 306,624	$ 676,240	$ 16,537

	Nonmajor Governmental Funds	Total
Receivables:		
Taxes	$ 75,052	11,120,024
Accounts	12,185	655,506
Interest	-	23,079
Intergovernmental	5,705	3,044,749
Total receivables	92,942	14,843,358
Less allowance for uncollectible	-	263,188
Net total receivable	$ 92,942	$ 14,580,170

Delinquent taxes receivable is included in taxes receivable and represents past years of uncollected tax levies. There is no allowance for uncollected taxes since the underlying property will be sold to recover any outstanding taxes.

NOTE 6. CAPITAL ASSETS

A. Primary Government

Capital asset activity for the primary government for the year ended September 30, 2012 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 22,476,554	$ -	$ (3,950)	$ -	$ 22,472,604
Easements	82,402	-	-	-	82,402
Construction in progress	1,195,911	1,500,807	(125,465)	(894,253)	1,677,000
Total	23,754,867	1,500,807	(129,415)	(894,253)	24,232,006
Capital assets, being depreciated:					
Land improvements	1,952,559	25,055	-	-	1,977,614
Buildings and improvements	28,529,435	97,915	(131,000)	894,253	29,390,603
Machinery and equipment	14,899,171	1,580,740	(1,022,761)	-	15,457,150
Infrastructure	40,743,839	-	-	-	40,743,839
Total	86,125,004	1,703,710	(1,153,761)	894,253	87,569,206
Less accumulated depreciation for:					
Land and improvements	(1,316,864)	(154,687)	-	-	(1,471,551)
Buildings and improvements	(8,777,407)	(822,879)	55,676	-	(9,544,610)
Machinery and equipment	(10,488,146)	(1,266,919)	1,012,542	-	(10,742,523)
Infrastructure	(13,231,321)	(680,781)	-	-	(13,912,102)
Total	(33,813,738)	(2,925,266)	1,068,218	-	(35,670,786)
Total capital assets, being depreciated, net	52,311,266	(1,221,556)	(85,543)	894,253	51,898,420
Governmental activities capital assets, net	$ 76,066,133	$ 279,251	$ (214,958)	$ -	$ 76,130,426

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Governmental activities:	
General government	$ 880,918
Public safety	1,173,663
Public works	238,984
Culture and recreation	619,509
Housing and development	9,796
Health and welfare	2,396
Total depreciation expense - governmental activities	$ 2,925,266

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 77,495	$ -	$ -	$ -	$ 77,495
Construction in progress	240,173	297,033	-	(6,300)	530,906
Total	317,668	297,033	-	(6,300)	608,401
Capital assets, being depreciated:					
Land improvements	161,027	-	-	-	161,027
Buildings and improvements	955,201	-	-	-	955,201
Machinery and equipment	502,900	-	-	-	502,900
Infrastructure	10,180,318	128,614	-	6,300	10,315,232
Total	11,799,446	128,614	-	6,300	11,934,360
Less accumulated depreciation for:					
Land improvements	(97,391)	(9,545)	-	-	(106,936)
Buildings and improvements	(288,422)	(26,266)	-	-	(314,688)
Machinery and equipment	(265,411)	(59,797)	-	-	(325,208)
Infrastructure	(1,006,979)	(203,234)	-	-	(1,210,213)
Total	(1,658,203)	(298,842)	-	-	(1,957,045)
Total capital assets, being depreciated, net	10,141,243	(170,228)	-	6,300	9,977,315
Business-type activities capital assets, net	$ 10,458,911	$ 126,805	$ -	$ -	$ 10,585,716

NOTE 6. CAPITAL ASSETS (CONTINUED)

B. Discretely Presented Component Unit – Airport Authority

Capital asset activity for the Airport Authority for the year ended September 30, 2012, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,687,974	$ -	$ -	$ 7,687,974
Construction in progress	273,607	211,289	(351,232)	133,664
Total	7,961,581	211,289	(351,232)	7,821,638
Capital assets, being depreciated:				
Land improvements	19,350,262	404,647	-	19,754,909
Building and improvements	6,916,757	156,350	-	7,073,107
Equipment	359,417	28,390	(67,791)	320,016
Total	26,626,436	589,387	(67,791)	27,148,032
Less accumulated depreciation for:				
Land improvements	(9,669,286)	(460,302)	-	(10,129,588)
Building and improvements	(2,610,435)	(274,340)	-	(2,884,775)
Equipment	(275,930)	(16,076)	13,652	(278,354)
Total	(12,555,651)	(750,718)	13,652	(13,292,717)
Total capital assets, being depreciated, net	14,070,785	(161,331)	(54,139)	13,855,315
Total capital assets, net	$ 22,032,366	$ 49,958	$ (405,371)	$ 21,676,953

NOTE 6. CAPITAL ASSETS (CONTINUED)

C. Discretely Presented Component Unit – Water and Sewerage Authority

Capital asset activity for the Water and Sewerage Authority for the year ended September 30, 2012 is as follows:

	Beginning Balance	Increases	Decreases and Transfers	Ending Balance
Capital assets, not being depreciated:				
Land	$ 1,609,580	$ -	$ -	$ 1,609,580
Construction in progress	-	178,256	-	178,256
Assets to be disposed of	500,000	-	-	500,000
Total	2,109,580	178,256	-	2,287,836
Capital assets, being depreciated:				
Land improvements	18,300	-	-	18,300
Buildings	1,780,066	-	-	1,780,066
Vehicles	897,386	195,445	-	1,092,831
Equipment	1,102,977	39,970	-	1,142,947
Infrastructure	183,409	190,367	-	373,776
Sewer plants	22,683,886	-	-	22,683,886
Pump stations	7,282,083	-	-	7,282,083
Pipeline	12,977,671	-	-	12,977,671
Total	46,925,778	425,782	-	47,351,560
Less accumulated depreciation for:				
Land improvements	(10,065)	(1,830)	-	(11,895)
Buildings	(309,989)	(35,601)	-	(345,590)
Vehicles	(806,501)	(59,554)	-	(866,055)
Equipment	(944,357)	(45,022)	-	(989,379)
Infrastructure	(20,120)	(3,668)	-	(23,788)
Sewer plants	(9,172,878)	(907,017)	-	(10,079,895)
Pump stations	(3,960,270)	(364,104)	-	(4,324,374)
Pipeline	(2,714,693)	(259,553)	-	(2,974,246)
Total	(17,938,873)	(1,676,349)	-	(19,615,222)
Total capital assets, being depreciated, net	28,986,905	(1,250,567)	-	27,736,338
Total capital assets, net	$ 31,096,485	$ (1,072,311)	$ -	$ 30,024,174

NOTE 7. LONG-TERM DEBT, CAPITAL LEASES, AND OTHER FINANCING ARRANGEMENTS

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

On May 1, 2002, the City issued $1,620,000 in General Obligation Airport Refinancing Bonds (Series 2002) with interest rates from 2.00% to 4.60%. The proceeds are to be used for refinancing obligations of the Peachtree City Airport Authority.

On May 28, 2003, the City issued $3,400,000 in General Obligation Refunding Bonds (Series 2003) with an interest rate of 3.26%. The proceeds are to be used to refund all of the outstanding General Obligation Bonds (Series 1993A) with interest rates from 3.20% to 5.70% and all of the outstanding General Obligation Bonds (Series 1993B) with interest rates from 2.70% to 5.30%.

On November 8, 2011, the City issued $2,930,000 in General Obligation Refunding Bonds (Series 2011) with an interest rate of 2.00% to 5.00%. The proceeds are to be used for refunding the City's $4,900,000 original principal General Obligation Library Bonds, series 2004.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds currently outstanding are as follows:

Series 2002

2.00% to 4.60% general obligation bonds of $1,620,000 dated May 1, 2002, with annual principal installments due on January 1 and semi-annual interest installments due on January 1 and July 1. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 145,000	$ 17,300	$ 162,300
2014	150,000	10,735	160,735
2015	160,000	3,680	163,680
	$ 455,000	$ 31,715	$ 486,715

NOTE 7. LONG-TERM DEBT, CAPITAL LEASES, AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

General Obligation Bonds (Continued)

Series 2003

3.26% general obligation refunding bonds of $3,400,000 dated May 28, 2003, with annual principal installments due on January 1 and semi-annual interest installments due on January 1 and July 1. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 170,000	$ 32,600	$ 202,600
2014	170,000	27,058	197,058
2015	180,000	21,353	201,353
2016	180,000	15,485	195,485
2017	190,000	9,454	199,454
2018	195,000	3,179	198,179
	$ 1,085,000	$ 109,129	$ 1,194,129

Series 2011 General Obligation Refunding Bonds

2.00% to 5.00% general obligation bonds of $2,930,000 dated November 7, 2011, with annual principal installments due on January 1 and semi-annual interest installments due on January 1 and July 1. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 320,000	$ 82,700	$ 402,700
2014	330,000	74,550	404,550
2015	350,000	64,350	414,350
2016	375,000	52,725	427,725
2017	385,000	39,725	424,725
2018 and 2019	830,000	28,850	858,850
	$ 2,590,000	$ 342,900	$ 2,932,900

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Revenue Bond

Series 2007

In May 2007, the City issued $3,745,000 in Stormwater Revenue Bonds (Series 2007) with an interest rate of 4.07%. The proceeds are to be used for certain additions and improvements to the City's stormwater system. The bonds have annual principal installments due on January 1 and semi-annual interest installments due on January 1 and July 1. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 150,000	$ 121,897	$ 271,897
2014	160,000	115,588	275,588
2015	165,000	108,974	273,974
2016	170,000	102,157	272,157
2017	180,000	95,035	275,035
2018-2022	1,010,000	357,550	1,367,550
2023-2027	1,235,000	129,731	1,364,731
	$ 3,070,000	$ 1,030,932	$ 4,100,932

Series 2011

On October 27, 2011, the Peachtree City Public Facilities Authority issued $5,475,000 in revenue bonds (Series 2011) with an interest rate of 2.00% - 3.50%. The proceeds are to be used to refund the Peachtree City and Peachtree City Governmental Finance Corporation Equipment Master Lease and Option Agreement, outstanding at October 1, 2011 in the amount of $1,853,215; to refund the Master Equipment Lease-Purchase Agreement, Schedule No. 4, outstanding at October 1, 2011 in the amount of $736,287; and for the acquisition, construction, improvement, renovation, installation, equipping and expansion of existing governmental facilities of Peachtree City, Georgia.

The bonds have annual principal installments due on January 1 and semi-annual interest installments due on January 1 and July 1. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 485,000	$ 148,000	$ 633,000
2014	495,000	135,725	630,725
2015	510,000	120,650	630,650
2016	530,000	104,550	634,550
2017	485,000	88,825	573,825
2018-2022	2,685,000	210,675	2,895,675
	$ 5,190,000	$ 808,425	$ 5,998,425

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Notes and Capital Leases Payable

Georgia Municipal Association Notes Payable

In December 1999, the City entered into an agreement through a financial institution to borrow $2,269,415 from the Georgia Municipal Association for the purchase of land and construction of a new police station. Quarterly payments of $57,131, including interest at a rate of 5.27% began in February 2001 and will continue until December 2014. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 204,136	$ 24,388	$ 228,524
2014	215,264	13,260	228,524
2015	112,496	1,765	114,261
	$ 531,896	$ 39,413	$ 571,309

In December 2001, the City entered into an agreement through a financial institution to borrow $4,550,814 from the Georgia Municipal Association for the acquisition and improvement of various City facilities. The interest on this loan is at a rate of 4.415% per annum. Quarterly payments began in March 2002, and continue until December 2016. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 350,932	$ 66,002	$ 416,934
2014	366,907	50,027	416,934
2015	383,608	33,325	416,933
2016	401,019	15,914	416,933
2017	103,049	1,151	104,200
	$ 1,605,515	$ 166,419	$ 1,771,934

In June 2002, the City entered into an agreement through a financial institution to borrow $843,775 from the Georgia Municipal Association for the acquisition of land. The interest on this loan is at a rate of 6.12% per annum. Quarterly payments began in September 2002, and continue until June 2017. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 66,381	$ 20,499	$ 86,880
2014	70,597	16,283	86,880
2015	75,080	11,800	86,880
2016	79,827	7,053	86,880
2017	63,189	1,962	65,151
	$ 355,074	$ 57,597	$ 412,671

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Notes and Capital Leases Payable (Continued)

Other Notes Payable

In December 2009, the City entered into an installment sale agreement to borrow $2,554,009 from Bank of America for the financing of two fire stations and for the purpose of renovations and improvements to various City properties. Quarterly payments of $57,513, including interest at a rate of 4.16% began in March 2010 and continue until December 2024. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 140,823	$ 89,230	$ 230,053
2014	146,766	83,287	230,053
2015	152,960	77,093	230,053
2016	159,415	70,638	230,053
2017	166,143	63,910	230,053
2018-2022	942,001	208,264	1,150,265
2023-2025	491,763	25,892	517,655
	$ 2,199,871	$ 618,314	$ 2,818,185

Capital Leases

The City is obligated under certain leases accounted for as capital leases. Assets under capital leases are as follows at September 30, 2012:

	Cost	Accumulated Depreciation
Machinery and equipment	$ 2,589,430	$ 1,290,604

The following is a schedule of future minimum lease payments under capital leases:

Fiscal year ending September 30,	
2013	$ 533,788
2014	424,657
2015	225,256
2016	118,217
2017	75,409
Total minimum lease payments	1,377,327
Amount representing interest	49,406
Present value of future minimum lease payments	$ 1,327,921

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Component Units – Long-Term Debt

Peachtree City Water and Sewerage Authority

On March 29, 2005, the Water and Sewerage Authority issued $24,565,000 in sewer system revenue bonds with interest rates from 2.75% to 5.0% to advance refund and defease $22,760,000 of outstanding 1997A Series bonds with an interest rate from 4.6% to 5.6%. The net proceeds of $24,089,505 were used to purchase securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for the future debt service payments on the 1997A Series bonds. As a result, a portion of the Series 1997A bonds are considered legally defeased and this portion has been removed from the Water and Sewerage Authority's financial statements. The net carrying amount of the new debt exceeded the net carrying amount of the old debt by $2,103,988, creating a deferred accounting loss. This deferred loss is being amortized over the remaining life of the old debt, which is the same as the life of the new debt. The difference between the cash flows required to service the old debt and the cash flows required to service the new debt and complete the refunding total $1,727,115. There was an economic present value gain of $1,157,143 resulting from refunding. The effective interest rate is 4.87%.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2005. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 960,000	$ 831,831	$ 1,791,831
2014	1,010,000	782,581	1,792,581
2015	1,065,000	736,031	1,801,031
2016	1,110,000	692,531	1,802,531
2017	1,155,000	647,231	1,802,231
2018-2022	6,530,000	2,474,147	9,004,147
2023-2027	8,105,000	926,456	9,031,456
	$ 19,935,000	$ 7,090,808	$ 27,025,808

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Component Units – Long-Term Debt (Continued)

On April 1, 2002, the Water and Sewerage Authority issued $15,345,000 sewer system revenue bonds with interest rates from 2.0% to 5.0%. The proceeds are to be used for additions, improvements, extensions, and expansions to the system, which includes sewage collection, treatment, and disposal systems for residential, commercial and industrial customers within and surrounding Peachtree City.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2002. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 690,000	$ 446,885	$ 1,136,885
2014	725,000	416,273	1,141,273
2015	755,000	383,335	1,138,335
2016	790,000	348,079	1,138,079
2017	830,000	310,305	1,140,305
2018-2022	4,795,000	895,625	5,690,625
2023	1,110,000	27,750	1,137,750
	$ 9,695,000	$ 2,828,252	$ 12,523,252

The Series 2002 and Series 2005 bonds are limited obligations of the Water and Sewerage Authority, payable solely from net operating revenues of the system and the Contract Payments. The Water and Sewerage Authority and Peachtree City have entered into a sewer system agreement whereby the City is obligated to make Contract Payments when the Water and Sewerage Authority has insufficient funds to meet the debt service requirements. The Contract represents a general obligation of the City to which its full faith and credit are pledged.

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Component Units – Long-Term Debt (Continued)

Peachtree City Airport Authority

The Airport Authority's long-term debt at September 30, 2012 consists of the following:

Note payable for funding the working capital needed to finance the Authority's 25% match for various state grants, due in monthly installments of $3,512 at 4%. This note is unsecured.	$	395,547
Note payable for financing building rennovations, due in monthly installments of $3,613 at 4%. This note is unsecured.		56,020
		451,567
Less current portion		68,775
Long-term portion of notes payable	$	382,792

The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2013	$ 68,775	$ 16,730	$ 85,505
2014	42,041	14,298	56,339
2015	29,084	13,065	42,149
2016	30,269	11,880	42,149
2017	31,502	10,647	42,149
2018-2022	177,839	32,905	210,744
2023 and 2024	72,057	2,640	74,697
	$ 451,567	$ 102,165	$ 553,732

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Changes in Long-Term Liabilities

The following is a summary of long-term debt activity of the primary government for the year ended September 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
General obligation bonds	$ 4,830,000	$ 2,930,000	$ (3,630,000)	$ 4,130,000	$ 635,000
Revenue bonds	-	5,475,000	(285,000)	5,190,000	485,000
Plus premiums	-	517,436	(65,230)	452,206	-
Less deferred charges	(9,665)	(78,432)	12,165	(75,932)	-
Total bonds payable	4,820,335	8,844,004	(3,968,065)	9,696,274	1,120,000
Notes payable	7,271,943	-	(2,579,587)	4,692,356	762,272
Capital leases	2,129,304	485,946	(1,287,329)	1,327,921	506,669
Compensated absences	1,426,260	1,155,481	(1,358,591)	1,223,150	1,047,207
OPEB obligation	115,193	254,199	-	369,392	-
Governmental activity Long-term liabilities	$ 15,763,035	$ 10,739,630	$ (9,193,572)	$ 17,309,093	$ 3,436,148
Business-type activities:					
Revenue bonds	$ 3,215,000	$ -	$ (145,000)	$ 3,070,000	$ 150,000
Compensated absences	25,686	28,052	(30,834)	22,904	19,683
Business-type activity Long-term liabilities	$ 3,240,686	$ 28,052	$ (175,834)	$ 3,092,904	$ 169,683

For governmental activities, compensated absences and the OPEB obligation are generally liquidated by the general fund.

The following is a summary of long-term debt activity of the Water and Sewerage Authority for the year ended September 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 31,210,000	$ -	$ (1,580,000)	$ 29,630,000	$ 1,650,000
Deferred charges, net	(1,206,514)	-	134,504	(1,072,010)	-
Revenue bonds, net	30,003,486	-	(1,445,496)	28,557,990	1,650,000
Compensated absences	92,640	73,772	(63,231)	103,181	103,181
Long-term liabilities	$ 30,096,126	$ 73,772	$ (1,508,727)	$ 28,661,171	$ 1,753,181

NOTE 7. LONG-TERM DEBT, CAPITAL LEASE AND OTHER FINANCING ARRANGEMENTS (CONTINUED)

Changes in Long-Term Liabilities (Continued)

The following is a summary of long-term debt activity of the Airport Authority for the year ended September 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 517,245	$ 405	$ (66,083)	$ 451,567	$ 68,775
	$ 517,245	$ 405	$ (66,083)	$ 451,567	$ 68,775

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2012 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 961,518
Nonmajor Governmental Funds	General Fund	198,166
		$ 1,159,684

Due from/to primary government and component units:

Receivable Entity	Payable Entity	Amount
Primary government - General Fund	Component unit - Convention and Visitors Bureau	$ 36,309
Primary government - Amphitheater Fund	Component unit - Convention and Visitors Bureau	5,619
		$ 41,928
Component unit - Convention and Visitors Bureau	Primary government - General Fund	$ 1,051
Component unit - Convention and Visitors Bureau	Primary government - Hotel/Motel Tax Fund	50,035
Component unit - Convention and Visitors Bureau	Primary government - Amphitheater Fund	724
		$ 51,810

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS (CONTINUED)

All interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers:

Transfers In	Transfers Out	Amount
General Fund	Nonmajor Governmental Funds	$ 751,119
Debt Service Fund	General Fund	1,873,808
Nonmajor Governmental Funds	General Fund	45,475
Nonmajor Governmental Funds	Nonmajor Governmental Funds	23,399
		$ 2,693,801

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. COMMITMENTS AND CONTINGENT LIABILITIES

The City is involved in several pending lawsuits. Liability, if any, which might result from these proceedings, would not, in the opinion of management and legal counsel, have a material adverse effect on the financial position of the City.

The City has outstanding construction and other significant commitments of $725,191 at September 30, 2012.

NOTE 10. EMPLOYEE RETIREMENT SYSTEM

A. Plan Description

Peachtree City maintains a single-employer defined benefit pension plan, the Peachtree City Defined Benefit Pension Plan (the "Plan"), for the employees of Peachtree City. The Plan is administered by a Board of Trustees, who have executed a trust agreement with a financial institution to hold, manage, invest, and distribute contributions in accordance with the provision of the Plan. Benefit provisions are established and may be amended by the City Council. Annual contributions are determined through an actuarial valuation of the Plan and are approved by City Council as part of the annual budgeting process.

The Plan covers all full-time employees and selected part-time employees of the City. Employees become eligible to participate in the Plan after one year of employment and are fully vested after five years of employment. Benefit provisions are established by a resolution of City Council. The Plan provides retirement and death benefits to Plan members and beneficiaries. The Plan does not issue a separate stand-alone financial report. At January 1, 2012, the date of the most recent actuarial valuation, there were 359 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	59
Vested terminated employees not yet receiving benefits	85
Nonvested accrued benefits	54
Active employees	161
Total	359

B. Summary of Significant Accounting Policies

Basis of Accounting. The financial statements of the Plan are prepared using the accrual basis of accounting. The City's contributions are recognized when due and a formal commitment to provide the contributions has been made as part of the budget process. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs of the plan are financed through contributions.

Method Used to Value Investments. Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the latest reported sales price. Mortgages are valued on the basis of future principal and interest payments and are discounted at prevailing interest rates for similar instruments. Investments that do not have an established market are reported at estimated fair value.

NOTE 10. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

C. Contributions

Only the City makes contributions to the Plan. The City is required to contribute at an actuarially determined rate; the current rate is 13.9% of annual covered payroll.

The annual required contribution for the current year was determined as part of the January 1, 2011, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) a rate of return on the investments of present and future assets of 6.75% per year, compounded annually and net of investment expenses and (b) projected salary increases of 4.3% per year, which includes 0.5% due to merit and 3% for inflation. The period for amortizing the unfunded actuarial accrued liability is 15 years for gains and losses, 20 years for plan changes and 30 years for assumption changes. The method used to amortize the unfunded actuarial accrued liability is level dollar. This amortization period is closed for this plan year.

Annual Pension Cost and Net Pension Asset (NPA)

	For The Plan Year Ending September 30, 2011	For The Plan Year Ending September 30, 2012
Annual required contribution (ARC)	$ 1,527,976	$ 1,572,721
Contribution made	-	1,572,721
Increase (decrease) in NPA	(1,527,976)	-
NPA at beginning of year	1,527,976	-
NPA at end of year	$ -	$ -

Schedule of Employer Contributions

Fiscal Period Ending	Annual Pension Cost	Percentage Contributed	Net Pension Asset
9/30/2012	$ 1,572,721	100 %	$ -
9/30/2011	1,527,976	-	-
9/30/2010	1,449,218	209	1,527,976
9/30/2009	1,343,221	100	-
9/30/2008	1,263,376	95	-
9/30/2007	1,569,783	104	61,090
9/30/2006	1,171,603	100	-

NOTE 10. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

C. Contributions (Continued)

As of the most recent valuation date, January 1, 2012, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	$ 19,099,818	$ 24,553,723	$ 5,453,905	77.8 %	$ 11,382,889	47.9 %

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Calculations are based on the substantive plan in effect as of January 1, 2012.

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN

The Peachtree City Senior Management Plan (the "Plan") is a single employer defined contribution plan established and administered by Peachtree City for all employees defined within the Plan as senior management. At September 30, 2012, there were seven plan members. The City contributes a discretionary amount annually as determined by the City. Contribution requirements are established and may be amended by the City Council. Employees are not required to contribute to the Plan. Employees participating in the Plan are fully vested in the employer's contribution after one year of service. For the fiscal year ending September 30, 2012, the City's contributions to the Plan were $30,986. Plan provisions are established and amended by the authority of the City Council.

NOTE 11. DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

The Peachtree City Money Purchase Plan is a single employer defined contribution plan established and administered by Peachtree City for all full time employees other than those qualifying as senior management. At September 30, 2012, there were 148 plan members. The City matches 50% for each dollar of employee contributions to a separate Section 457 plan up to 2% of the employee's salary. Contribution requirements are established and may be amended by the City Council. Employees do not contribute to the Money Purchase Plan. Employees are eligible after one year of service and are fully vested upon participation. For the fiscal year ending September 30, 2012, the City's contributions to the Plan were $173,656. Plan provisions are established and amended by the authority of the City Council.

NOTE 12. PROFIT SHARING AND SAVINGS PLANS

Peachtree City Water and Sewerage Authority

All employees of the Peachtree City Water and Sewerage Authority over 18 years of age and after completing one year of service are eligible to participate in the Peachtree City Water and Sewerage Authority Profit Sharing and Savings Plan. Participants are 100% vested in profit sharing and matching accounts after five years of service.

The Water and Sewerage Authority contributes 4% of defined compensation for all eligible employees. Prior to June 2008, if the employee also contributed 4% to the Plan, the Water and Sewerage Authority matched 50% of the employee's contribution up to a max of 4% of the employee's salary. After June 2008, if the employee also contributes between 4% and 8% to the Plan, the Authority matches 50% of the employee's contribution up to a max of 4% of the employee's salary.

The Water and Sewerage Authority also contributes $10,000 annually to another Money Purchase Plan and Trust for the sole benefit of the general manager (GM). The GM is immediately 100% vested and does not make any voluntary contributions to this plan.

Retirement expense for the year ended September 30, 2012 was $94,223. These plans were effective June 1, 1998.

Peachtree City Airport Authority

The Peachtree City Airport Authority adopted a Savings Incentive Match Plan for Employees (SIMPLE) on April 1, 2007, whereby up to 3% of a participating employee's salary contributed to the SIMPLE Plan is matched by the Authority, with a maximum match of $11,500. The Authority contributed $4,446 for the year ended September 30, 2012.

NOTE 13. POST EMPLOYMENT HEALTHCARE PLAN

Plan Description

The Peachtree City Other Post Employment Benefits (OPEB) Plan is a single-employer defined benefit healthcare plan administered by Peachtree City. The City provides health insurance benefits to retirees. All fulltime employees qualifying as a policeman or firefighter may become eligible for those benefits if they retire on or after the age of 55 with 10 years of service. The City has the authority to establish and amend benefit provisions.

Funding Policy

The contribution requirements are established and may be amended by the City. The required contribution was determined by actuarial valuation. During the fiscal year 2012, the City did not contribute to the Plan. The cost of benefits for retirees is to be paid by the City and by the retiree. The retirees' contribution is based on their years of service with the City. In fiscal year 2012, $2,544 was paid directly for claims on behalf of eligible retirees (beneficiaries are not eligible); $244 was paid for insurance administrative services on behalf of eligible retirees; and no payments were made to a plan trust. Retirees contributed $1,695 to offset City payments.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset) to the OPEB Plan:

Annual required contribution	$ 255,538
Interest on net OPEB obligation	14,207
Adjustments to annual required contribution	(14,453)
Annual OPEB cost	255,292
Contributions made	1,093
Increase in net OPEB obligation	254,199
Net OPEB obligation, beginning of year	115,193
Net OPEB obligation, end of year	$ 369,392

NOTE 13. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the OPEB Plan, and the net OPEB obligation was as follows:

Year Ending	Annual OPEB Cost	Actual City Contribution	Percentage Contributed	Net OPEB Obligation
September 30, 2012	$ 255,292	1,093	0.004 %	$ 369,392
September 30, 2010	60,523	-	-	115,193

Funded Status and Funding Progress

As of the most recent valuation date, January 1, 2012, the funded status of the Plan was as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded / Surplus AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2012	$ -	$ 1,235,316	$ 1,235,316	- %	$ 6,662,659	18.5 %

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Calculations are based on the substantive plan in effect as of January 1, 2012.

NOTE 13. POST EMPLOYMENT HEALTH CARE PLAN (CONTINUED)

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included an annual healthcare cost trend rate of 5.0 percent, a discount rate of 4.0%, and an inflation rate of 2.5%. The UAAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at January 1, 2012, continues to grade down to 15 years at which point it will freeze.

The plan does not issue separate financial statements.

NOTE 14. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the 10 county Atlanta regional area, is a member of the Atlanta Regional Commission and is required to pay annual dues thereto. During its year ended September 30, 2012, the City's membership dues were paid by Fayette County, Georgia. The City did not pay any annual dues. Membership in a regional commission (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 of each county, one mayor from each county, the mayor of the City of Atlanta, a mayor from both the north and south halves of Fulton County, a member of the Atlanta City Council, 15 private citizens, and a member appointed by the Board of the Georgia Department of Community Affairs. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from the Atlanta Regional Commission, 40 Courtland Street, North East, Atlanta, Georgia 30303.

NOTE 15. HOTEL/MOTEL LODGING TAX

The City has levied a 6% lodging tax. The City allocates 4% of this tax to the Peachtree City Convention and Visitors Bureau each year. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied of 5% or more be expended or obligated contractually for the promotion of tourism, conventions, or trade shows. During the year ended September 30, 2012, the City received $885,033 in hotel/motel taxes. Of this amount, $885,033, or 100%, was used for the promotion of tourism, conventions, or trade shows.

NOTE 16. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-Insurance Workers' Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool's agents and attorneys, to follow loss reduction procedures established by the funds, and to report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in the funds being required to pay any claim of loss. The City is also to allow the pool's agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the workers' compensation law of Georgia. The funds are to pay all cost taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

Settled claims in the past three years have not exceeded the coverages.

The City carries commercial insurance for other risks of losses. For insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 16. RISK MANAGEMENT (CONTINUED)

In 1986, the City established a limited risk management program for major medical. The City is responsible for claims, claim reserves and administrative costs of the program. The City's self-insurance is limited to $75,000 per individual per calendar year. After claims reach this amount, a private insurance carrier will pay the remaining claims. Liabilities for this program are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors. The liability for claims payable is reported in the General Fund and the Stormwater Fund because it is expected to be liquidated with expendable available financial resources.

Reconciliation of changes in the aggregate liabilities for claims:

	2012	2011
Claims liability, beginning of year	**$ 95,911**	$ 90,321
Incurred claims (including IBNRs)	**2,396,352**	2,287,458
Claims paid	**(2,385,017)**	(2,281,868)
Claims liability, end of year	**$ 107,246**	$ 95,911

NOTE 17. MINIMUM FUND BALANCE POLICY

The City's policy is to maintain adequate General Fund balance to provide liquidity in the event of an economic downturn. The City Council has adopted a financial standard to maintain a General Fund minimum unassigned fund balance of 20% of expenditures and transfers out.

NOTE 18. DEFICIT FUND BALANCE

The Public Improvements Fund had a deficit fund balance of $345,769 at September 30, 2012 which is expected to be reduced by a lease purchase agreement effective January 2013.

NOTE 19. DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed statements of net assets for the City's discretely presented component units as of and for the year ended September 30, 2012:

	Water and Sewerage Authority	Airport Authority	Convention and Visitors Bureau	Development Authority	Total Component Units
Due from primary government	$ -	$ -	$ 51,810	$ -	$ 51,810
Other assets	12,440,772	945,807	133,771	-	13,520,350
Capital assets:					
Non-depreciable	2,287,836	7,821,638	-	-	10,109,474
Depreciable, net of accumulated depreciation	27,736,338	13,855,315	43,512	-	41,635,165
Total assets	42,464,946	22,622,760	229,093	-	65,316,799
Due to primary government	-	-	41,928	-	41,928
Other current liabilities	526,841	222,821	28,480	-	778,142
Long-term liabilities:					
Due within one year	1,650,000	68,775	-	-	1,718,775
Due in more than one year	26,907,990	387,792	-	-	27,295,782
Total liabilities	29,084,831	679,388	70,408	-	29,834,627
Net assets:					
Invested in capital assets, net of related debt	3,116,184	21,225,386	43,512	-	24,385,082
Restricted for:					
Other	-	47,842	115,173	-	163,015
Debt service	1,142,528	-	-	-	1,142,528
Unrestricted	9,121,403	670,144	-	-	9,791,547
Total net assets	$ 13,380,115	$ 21,943,372	$ 158,685	$ -	$ 35,482,172

NOTE 19. DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

The following represents condensed statements of activities for the City's discretely presented component units as of and for the year ended September 30, 2012:

		Program Revenues		Net (Expenses) Revenues and Changes in Net Assets				
	Expenses	Charges for Services	Operating and Capital Grants and Contributions	Water and Sewerage Authority	Airport Authority	Convention and Visitors Bureau	Development Authority	Totals
Water and Sewerage Authority								
Depreciation expense	$ 1,718,709	$ -	$ -	$ (1,718,709)	$ -	$ -	$ -	$ (1,718,709)
Other expenses	5,629,175	9,047,264	-	3,418,089	-	-	-	3,418,089
Total Water and Sewerage Authority	7,347,884	9,047,264	-	1,699,380	-	-	-	1,699,380
Airport Authority								
Depreciation expense	750,718	-	-	-	(750,718)	-	-	(750,718)
Other expenses	2,035,346	2,089,594	198,306	-	252,554	-	-	252,554
Total Airport Authority	2,786,064	2,089,594	198,306	-	(498,164)	-	-	(498,164)
Convention and Visitors Bureau								
Depreciation expense	4,835	-	-	-	-	(4,835)	-	(4,835)
Other expenses	581,606	11,996	597,691	-	-	28,081	-	28,081
Total CVB	586,441	11,996	597,691	-	-	23,246	-	23,246
Development Authority								
Other expenses	14,274	-	-		-	-	(14,274)	(14,274)
Total Development Authority	14,274	-	-	-	-	-	(14,274)	(14,274)
Total component units	$ 10,734,663	$ 11,148,854	$ 795,997	$ 1,699,380	$ (498,164)	$ 23,246	$ (14,274)	$ 1,210,188
General revenues								
Other nontax general revenues				49,939	149,314	4,874	7,500	211,627
Total general revenues				49,939	149,314	4,874	7,500	211,627
Change in net assets				1,749,319	(348,850)	28,120	(6,774)	1,421,815
Net assets, beginning of year				11,630,796	22,292,222	130,565	6,774	34,060,357
Net assets, end of year				$ 13,380,115	$ 21,943,372	$ 158,685	$ -	$ 35,482,172

NOTE 20. SUBSEQUENT EVENTS

In February 2013, a Resolution was passed authorizing the issuance of Public Facilities Authority Revenue Bonds, Series 2013. The Series 2013 Bonds were issued in the amount of $9,395,000 for the purpose of financing the costs of acquiring, constructing, and installing storm water collection and disposal facilities, to finance related costs of the Series 2013 Bonds, and to refund the remaining portion of the City's previously issued Stormwater Revenue Bonds, Series 2007.

Water and Sewerage Authority

In January 2013, a Resolution was passed authorizing the issuance of Sewer System Refunding Revenue Bonds, Series 2013A and Sewer System Taxable Refunding Revenue Bonds, Series 2013B. The Series 2013A Bonds were issued in an amount not to exceed $7,135,000 for the purpose of refunding the remaining portion of the Authority's previously issued Sewer System Revenue Bonds, Series 2002 and to pay the costs of issuing the Series 2013A bonds. The Series 2013B Bonds were issued in an amount not to exceed $20,810,000 for the purpose of refunding the remaining portion of the Authority's previously issued Sewer System Refunding Bonds, Series 2005 and to pay the costs of issuing the Series 2013B bonds. The sole purpose of the 2013A and 2013B Bonds is to reduce debt service payments. The 2013A and 2013B Bonds have been validated and were issued prior to the date of this report but subsequent to the year ended September 30, 2012.

REQUIRED SUPPLEMENTARY INFORMATION

PEACHTREE CITY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Employee Retirement System:

Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability	(UAAL) Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2012	$ 19,099,818	$ 24,553,723	$ 5,453,905	77.8 %	$ 11,382,889	47.9 %
1/1/2011	17,494,519	22,128,036	4,633,517	79.1	11,685,833	39.7
1/1/2010	15,611,013	20,480,425	4,869,412	76.2	12,251,573	39.7
1/1/2009	14,143,525	18,589,657	4,446,132	76.1	10,998,767	40.4
1/1/2008	13,284,275	16,949,531	3,665,256	78.4	10,040,199	36.5
1/1/2007	11,482,388	14,885,564	3,403,176	77.1	10,105,540	33.7

Post Employment Health Care Plan:

Actuarial Valuation Date	Actuarial Value of Assets	(AAL) Actuarial Accrued Liability	(UAAL) Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
1/1/2012	$ -	$ 1,235,316	$ 1,235,316	- %	$ 6,662,659	18.5 %
1/1/2010	-	779,207	779,207	-	6,272,806	12.4
1/1/2008	-	384,237	384,237	-	-	-

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Association Fees Fund – To account for fees charged on all programs managed by the various athletic associations in the City. The funds are used in conjunction with City funds to provide improvements to City athletic facilities used by the associations.

Neighborhood Parks Fund – To account for the building and additions to parks located within the City. Financing is provided primarily by donations.

DARE Program Fund – To account for the purchase of materials for the schools' DARE programs. Financing is provided primarily by the Kiwanis Club of Peachtree City.

State/Federal Seizure Fund – To account for state and federal seizures of cash and property used to provide training, materials, supplies, and services to the police department.

HAZMAT Fund – To account for donations used to provide training, materials, supplies, and services to the fire department.

Police Department Tuition Fund – To account for a private donation that is used to reimburse police officers for books and fees paid for college courses, not covered by the City's tuition reimbursement plan.

Youth Fund – To account for donations and other revenues associated with activities sponsored by the Youth Council and the Police Department Explorer Troop.

Hotel/Motel Tax Fund – To account for the six percent lodging tax levied by the City. Two percent is transferred to the City general fund to offset debt service costs for the construction of the Tennis Center and improvements to the Amphitheater. Four percent is transferred to the Peachtree City Convention and Visitors Bureau to promote tourism, conventions, and trade shows within Peachtree City, as well as support City events that promote tourism.

Grants/Donations Fund – To account for federal and state grants and donations associated with expenditures for public safety preparedness.

Keep Peachtree City Beautiful Fund – To account for franchise fees collected on waste haulers in the City to support the Keep Peachtree City Beautiful program.

Keep Peachtree City Beautiful, Inc. – To account for the activity of the Keep Peachtree City Beautiful program consisting of controlling litter, reducing waste, and supporting beautification efforts throughout the City.

Capital Project Funds

Impact Fee Fund – To account for the accumulation of impact fees collected as a part of new development in the City. The funds are to be maintained for future capital outlay based on the City's impact fee ordinance.

Public Improvement Fund – To account for the accumulation of resources (transfers from the general fund, grants, developer contributions, and loan proceeds) for the nonmajor capital project funds for the payment of expenditures for construction projects and equipment/machinery capital purchases.

Facilities Authority Fund – To account for the acquisition and/or construction of land, buildings, and certain equipment, primarily financed by Public Facility Revenue Bonds.

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PEACHTREE CITY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue Funds			
ASSETS	Association Fees Fund	Neighborhood Parks Fund	DARE Program Fund	State/Federal Seizure Fund
Cash	$ 46,360	$ 10,480	$ 2,035	$ 396,511
Taxes receivable	-	-	-	-
Accounts receivable	-	24	-	-
Intergovernmental receivable	-	-	-	-
Due from other funds	-	-	-	-
Total assets	$ 46,360	$ 10,504	$ 2,035	$ 396,511
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 3,450	$ -	$ -	$ 320,626
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Total liabilities	3,450	-	-	320,626
FUND BALANCES (DEFICIT)				
Restricted for:				
Culture and recreation	42,910	10,504	-	-
Public safety	-	-	2,035	75,885
Public works	-	-	-	-
Capital projects	-	-	-	-
Unassigned:	-	-	-	-
Total fund balances (deficit)	42,910	10,504	2,035	75,885
Total liabilities and fund balances	$ 46,360	$ 10,504	$ 2,035	$ 396,511

Continued

Special Revenue Funds							
HAZMAT Fund	Police Department Tuition Fund	Youth Fund	Hotel/Motel Tax Fund	Grants/ Donations Fund	Keep Peachtree City Beautiful Fund	Keep Peachtree City Beautiful, Inc.
$ 1,452	$ 4,279	$ 2,571	$ -	$ 6,475	$ 890	$ 7,684
-	-	-	75,052	-	-	-
-	-	-	-	-	9,005	3,156
-	-	-	-	5,705	-	-
-	-	-	-	-	-	-
$ 1,452	$ 4,279	$ 2,571	$ 75,052	$ 12,180	$ 9,895	$ 10,840
$ -	$ -	$ -	$ -	$ -	$ 9,895	$ 2,875
-	-	-	-	-	-	-
-	-	-	25,017	-	-	-
-	-	-	50,035	-	-	-
-	-	-	75,052	-	9,895	2,875
-	-	1,120	-	-	-	-
1,452	4,279	1,451	-	12,180	-	-
-	-	-	-	-	-	7,965
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,452	4,279	2,571	-	12,180	-	7,965
$ 1,452	$ 4,279	$ 2,571	$ 75,052	$ 12,180	$ 9,895	$ 10,840

PEACHTREE CITY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

ASSETS	Capital Projects Funds			Total Nonmajor Governmental Funds
	Impact Fee Fund	Public Improvement Fund	Facilities Authority Fund	
Cash	$ 385,678	$ 966,356	$ 1,696,988	$ 3,527,759
Taxes receivable	-	-	-	75,052
Accounts receivable	-	-	-	12,185
Intergovernmental receivable	-	-	-	5,705
Due from other funds	198,166	-	-	198,166
Total assets	$ 583,844	$ 966,356	$ 1,696,988	$ 3,818,867
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -	$ 337,031	$ 125,969	$ 799,846
Retainage payable	-	46,305	16,250	62,555
Due to other funds	7,712	928,789	-	961,518
Due to component units	-	-	-	50,035
Total liabilities	7,712	1,312,125	142,219	1,873,954
FUND BALANCES (DEFICIT)				
Restricted for:				
Culture and recreation	-	-	-	54,534
Public safety	-	-	-	97,282
Public works	-	-	-	7,965
Capital projects	576,132	-	1,554,769	2,130,901
Unassigned	-	(345,769)	-	(345,769)
Total fund balances (deficit)	576,132	(345,769)	1,554,769	1,944,913
Total liabilities and fund balances	$ 583,844	$ 966,356	$ 1,696,988	$ 3,818,867

PEACHTREE CITY, GEORGIA

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PEACHTREE CITY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue Funds			
	Association Fees Fund	Neighborhood Parks Fund	DARE Program Fund	State/Federal Seizure Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmental	-	-	-	17,912
Charges for services	61,414	-	-	-
Donations	-	650	5,192	-
Interest	73	16	1	266
Total revenues	61,487	666	5,193	18,178
Expenditures:				
Current:				
Public safety	-	-	4,987	13,721
Culture and recreation	4,750	9,971	-	-
Capital outlay	86,161	-	-	-
Debt service:				
Issuance costs	-	-	-	-
Total expenditures	90,911	9,971	4,987	13,721
Excess (deficiency) of revenues over (under) expenditures	(29,424)	(9,305)	206	4,457
Other financing sources (uses)				
Bond proceeds	-	-	-	-
Premium on bonds issued	-	-	-	-
Payment to retire long term debt	-	-	-	-
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(29,424)	(9,305)	206	4,457
Fund balances (deficit), beginning of year	72,334	19,809	1,829	71,428
Fund balances (deficit), end of year	$ 42,910	$ 10,504	$ 2,035	$ 75,885

Continued

Special Revenue Funds						
HAZMAT Fund	Police Department Tuition Fund	Youth Fund	Hotel/Motel Tax Fund	Grants/ Donations Fund	Keep Peachtree City Beautiful Fund	Keep Peachtree City Beautiful, Inc.
$ -	$ -	$ -	$ 885,033	$ -	$ 38,388	$ -
-	-	-	-	184,201	-	-
-	-	398	-	-	-	35,517
-	-	1,500	-	8,525	20	-
1	3	1	-	7	1	-
1	3	1,899	885,033	192,733	38,409	35,517
-	-	500	-	201,108	-	-
-	-	425	590,022	-	48,797	27,552
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	925	590,022	201,108	48,797	27,552
1	3	974	295,011	(8,375)	(10,388)	7,965
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	15,200	-	-
-	-	-	(295,011)	-	-	-
-	-	-	(295,011)	15,200	-	-
1	3	974	-	6,825	(10,388)	7,965
1,451	4,276	1,597	-	5,355	10,388	-
$ 1,452	$ 4,279	$ 2,571	$ -	$ 12,180	$ -	$ 7,965

PEACHTREE CITY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Capital Projects Funds			
	Impact Fee Fund	Public Improvement Fund	Facilities Authority Fund	Total Nonmajor Governmental Funds
Revenues:				
Taxes	$ -	$ -	$ -	$ 923,421
Intergovernmental	-	49,061	-	251,174
Charges for services	264,930	-	-	362,259
Donations	-	-	-	15,887
Interest	88	636	2,133	3,226
Total revenues	265,018	49,697	2,133	1,555,967
Expenditures:				
Current:				
Public safety	-	-	-	220,316
Culture and recreation	-	-	-	681,517
Capital outlay	-	1,727,282	1,343,629	3,157,072
Debt service:				
Issuance costs	-	25,000	159,001	184,001
Total expenditures	-	1,752,282	1,502,630	4,242,906
Excess (deficiency) of revenues over (under) expenditures	265,018	(1,702,585)	(1,500,497)	(2,686,939)
Other financing sources (uses)				
Bond proceeds	-	-	5,475,000	5,475,000
Premium on bonds issued	-	-	299,330	299,330
Payment to retire long term debt	-	-	(2,603,024)	(2,603,024)
Capital leases	-	485,946	-	485,946
Transfers in	-	53,674	-	68,874
Transfers out	(1,853)	(477,654)	-	(774,518)
Total other financing sources (uses)	(1,853)	61,966	3,171,306	2,951,608
Net change in fund balances	263,165	(1,640,619)	1,670,809	264,669
Fund balances (deficit), beginning of year	312,967	1,294,850	(116,040)	1,680,244
Fund balances (deficit), end of year	$ 576,132	$ (345,769)	$ 1,554,769	$ 1,944,913

PEACHTREE CITY, GEORGIA

ASSOCIATION FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for services	$ 57,027	$ 61,414	$ 4,387
Interest	31	73	42
Total revenues	57,058	61,487	4,429
Expenditures:			
Culture and recreation	4,750	4,750	-
Capital outlay	124,637	86,161	38,476
Total expenditures	129,387	90,911	38,476
Net change in fund balances	(72,329)	(29,424)	42,905
Fund balances, beginning of year	72,334	72,334	-
Fund balances, end of year	$ 5	$ 42,910	$ 42,905

PEACHTREE CITY, GEORGIA

NEIGHBORHOOD PARKS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Donations	$ 625	$ 650	$ 25
Interest	-	16	16
Total revenues	625	666	41
Expenditures:			
Culture and recreation	2,859	9,971	(7,112)
Total expenditures	2,859	9,971	(7,112)
Net change in fund balances	(2,234)	(9,305)	(7,071)
Fund balances, beginning of year	19,809	19,809	-
Fund balances, end of year	$ 17,575	$ 10,504	$ (7,071)

PEACHTREE CITY, GEORGIA

DARE PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Donations	$ 5,192	$ 5,192	$ -
Interest	-	1	1
Total revenues	5,192	5,193	1
Expenditures:			
Public safety	7,021	4,987	2,034
Total expenditures	7,021	4,987	2,034
Net change in fund balances	(1,829)	206	2,035
Fund balances, beginning of year	1,829	1,829	-
Fund balances, end of year	$ -	$ 2,035	$ 2,035

PEACHTREE CITY, GEORGIA

STATE/FEDERAL SEIZURE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest	$ -	$ 266	$ 266
Intergovernmental revenue	16,893	17,912	1,019
Total revenues	16,893	18,178	1,285
Expenditures:			
Public safety	88,321	13,721	74,600
Total expenditures	88,321	13,721	74,600
Net change in fund balances	(71,428)	4,457	75,885
Fund balances, beginning of year	71,428	71,428	-
Fund balances, end of year	$ -	$ 75,885	$ 75,885

PEACHTREE CITY, GEORGIA

HAZMAT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest	$ -	$ 1	$ 1
Total revenues	-	1	1
Expenditures:			
Public safety	1,451	-	1,451
Total expenditures	1,451	-	1,451
Net change in fund balances	(1,451)	1	1,452
Fund balances, beginning of year	1,451	1,451	-
Fund balances, end of year	$ -	$ 1,452	$ 1,452

PEACHTREE CITY, GEORGIA

POLICE DEPARTMENT TUITION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest	$ -	$ 3	$ 3
Total revenues	-	3	3
Expenditures:			
Public safety	4,276	-	4,276
Total expenditures	4,276	-	4,276
Net change in fund balances	(4,276)	3	4,279
Fund balances, beginning of year	4,276	4,276	-
Fund balances, end of year	$ -	$ 4,279	$ 4,279

PEACHTREE CITY, GEORGIA

YOUTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for services	$ 399	$ 398	$ (1)
Interest	-	1	1
Donations	1,500	1,500	-
Total revenues	1,899	1,899	-
Expenditures:			
Public safety	1,951	500	1,451
Culture and recreation	1,543	425	1,118
Total expenditures	3,494	925	2,569
Net change in fund balances	(1,595)	974	2,569
Fund balances, beginning of year	1,597	1,597	-
Fund balances, end of year	$ 2	$ 2,571	$ 2,569

PEACHTREE CITY, GEORGIA

HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	$ 885,033	$ 885,033	$ -
Total revenues	885,033	885,033	-
Expenditures:			
Culture and recreation	590,022	590,022	-
Total expenditures	590,022	590,022	-
Excess of revenues over expenditures	295,011	295,011	-
Other financing uses:			
Transfers out	(295,011)	(295,011)	-
Total other financing uses	(295,011)	(295,011)	-
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
Fund balances, end of year	$ -	$ -	$ -

PEACHTREE CITY, GEORGIA

GRANTS/DONATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	$ 189,358	$ 184,201	$ (5,157)
Donations	4,025	8,525	4,500
Interest	-	7	7
Total revenues	193,383	192,733	(650)
Expenditures:			
Public safety	213,939	201,108	12,831
Total expenditures	213,939	201,108	12,831
Deficiency of revenues under expenditures	(20,556)	(8,375)	12,181
Other financing sources:			
Transfers in	-	15,200	15,200
Total other financing sources	-	15,200	15,200
Net change in fund balances	(20,556)	6,825	27,381
Fund balances, beginning of year	5,355	5,355	-
Fund balances, end of year	$ (15,201)	$ 12,180	$ 27,381

PEACHTREE CITY, GEORGIA

KEEP PEACHTREE CITY BEAUTIFUL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	$ 37,200	$ 38,388	$ 1,188
Donations	-	20	20
Interest	-	1	1
Total revenues	37,200	38,409	1,209
Expenditures:			
Culture and recreation	47,588	48,797	(1,209)
Total expenditures	47,588	48,797	(1,209)
Net change in fund balances	(10,388)	(10,388)	-
Fund balances, beginning of year	10,388	10,388	-
Fund balances, end of year	$ -	$ -	$ -

PEACHTREE CITY, GEORGIA

DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2012

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	$ 729,560	$ 720,194	$ (9,366)
Interest	-	366	366
Total revenues	729,560	720,560	(9,000)
Expenditures:			
Current:			
General government	1,594	1,000	594
Debt service:			
Principal retirement	2,207,928	2,207,928	-
Interest	538,250	499,300	38,950
Bond issuance costs	56,232	56,232	-
Total expenditures	2,804,004	2,764,460	39,544
Deficiency of revenues under expenditures	(2,074,444)	(2,043,900)	30,544
Other financing sources (uses):			
Transfers in	1,873,811	1,873,808	(3)
Refunding bonds issued	2,930,000	2,930,000	-
Premium on refunded bonds	218,106	218,106	-
Payment to refunded bond escrow agent	(3,090,929)	(3,090,929)	-
Total other financing sources (uses)	1,930,988	1,930,985	(3)
Net change in fund balances	(143,456)	(112,915)	30,541
Fund balances, beginning of year	506,916	506,916	-
Fund balances, end of year	$ 363,460	$ 394,001	$ 30,541

PEACHTREE CITY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

Project	Original Estimated Cost	Current Estimated Cost	Prior Year	Current Year	Total
Bridges	$ 1,403,550	$ 124,399	$ 109,957	$ -	$ 109,957
Intersections	3,187,740	564,284	443,360	2,600	445,960
Roadways	6,321,901	6,596,263	4,140,760	2,272,160	6,412,920
Streetscape/Paths	1,112,793	3,954,803	3,073,113	386,266	3,459,379
	$ 12,025,984	$ 11,239,749	$ 7,767,190	$ 2,661,026	$ 10,428,216

AGENCY FUNDS

Agency funds are used to account for assets held by the City as an agent for others.

Municipal Court Fund – To account for the collection of cash appearance bonds by the Municipal Court.

Landscape Deposit Fund – To account for the collection of cash surety bonds held until completion of prescribed landscaping on new developments or redevelopments.

Flexible Spending Account Fund – To account for the collection and disbursement of the City's flexible spending plan that is administered by a third party.

PEACHTREE CITY, GEORGIA

COMBINING STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
SEPTEMBER 30, 2012

	Municipal Court Fund	Landscape Deposit Fund	Flexible Spending Account Fund	Totals
ASSETS				
Cash	$ 109,691	$ 102,300	$ 296	$ 212,287
Prepaid items	-	-	2,927	2,927
	$ 109,691	$ 102,300	$ 3,223	$ 215,214
LIABILITIES				
Cash bonds held	$ 80,980	$ -	$ -	$ 80,980
Accounts payable	-	-	1,118	1,118
Due to other	28,711	-	2,105	30,816
Deposits held	-	102,300	-	102,300
Total liabilities	$ 109,691	$ 102,300	$ 3,223	$ 215,214

PEACHTREE CITY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

	Balance October 1, 2011	Additions	Deductions	Balance September 30, 2012
MUNICIPAL COURT FUND				
Assets:				
Cash	$ 157,974	$ 2,053,849	$ 2,102,132	$ 109,691
Liabilities:				
Cash bonds held	$ 122,887	$ 1,517,215	$ 1,559,122	$ 80,980
Due to other	35,087	536,634	543,010	28,711
	$ 157,974	$ 2,053,849	$ 2,102,132	$ 109,691
LANDSCAPE DEPOSIT FUND				
Assets:				
Cash	$ 107,300	$ -	$ 5,000	$ 102,300
Liabilities:				
Deposits held	$ 107,300	$ -	$ 5,000	$ 102,300
FLEXIBLE SPENDING ACCOUNT FUND				
Assets:				
Cash	$ -	$ 104,001	$ 103,705	$ 296
Prepaid - Evolution Benefit	2,927	-	-	2,927
	$ 2,927	$ 104,001	$ 103,705	$ 3,223
Liabilities:				
Accounts payable	$ 2,503	$ 3,052	$ 4,437	$ 1,118
Due to other	424	1,928	2,352	-
Medical Care FSA	-	92,577	90,666	1,911
Dependent Care FSA Liability	-	6,444	6,250	194
	$ 2,927	$ 104,001	$ 103,705	$ 3,223
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash	$ 265,274	$ 2,157,850	$ 2,210,837	$ 212,287
Prepaid items	2,927	-	-	2,927
	$ 268,201	$ 2,157,850	$ 2,210,837	$ 215,214
Liabilities:				
Cash bonds held	$ 122,887	$ 1,517,215	$ 1,559,122	$ 80,980
Accounts payable	2,503	3,052	4,437	1,118
Due to other	35,511	637,583	642,278	30,816
Deposits held	107,300	-	5,000	102,300
Total liabilities	$ 268,201	$ 2,157,850	$ 2,210,837	$ 215,214

PEACHTREE CITY, GEORGIA

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COMPONENT UNIT – DEVELOPMENT AUTHORITY

PEACHTREE CITY, GEORGIA

STATEMENT OF CASH FLOWS
COMPONENT UNIT - DEVELOPMENT AUTHORITY
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Payments to suppliers	$ (6,033)
Net cash used in operating activities	(6,033)
Net decrease in cash	(6,033)
Cash and cash equivalents, beginning of year	6,033
Cash and cash equivalents, end of year	$ -
CASH FLOWS FROM OPERATING ACTIVITIES	
Operating loss	$ (6,774)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Change in assets and liabilities:	
Decrease in prepaids	741
Net cash used in operating activities	$ (6,033)

STATISTICAL SECTION

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

Page

Financial Trends **108-115**

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

Revenue Capacity **116-120**

These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.

Debt Capacity **121-124**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information **125-126**

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

Operating Information **127-129**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The City implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

PEACHTREE CITY, GEORGIA

NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental activities										
Invested in capital assets net of related debt (1)	$ 64,446	$ 67,359	$ 67,510	$ 62,390	$ 61,499	$ 63,714	$ 61,595	$ 60,517	$ 61,998	$ 60,414
Restricted (2)	1,251	6,585	3,820	2,958	3,280	3,126	3,703	5,490	4,791	3,646
Unrestricted	8,465	4,715	9,304	9,451	12,005	9,797	8,460	8,521	8,350	9,369
Total governmental activities net assets	74,162	78,659	80,634	74,799	76,784	76,637	73,758	74,528	75,139	73,429
Business-type activities (3)(5)										
Invested in capital assets, net of related debt (1)	-	-	-	8,117	7,621	7,369	8,120	8,239	8,240	8,321
Restricted (4)	-	-	-	-	344	1,029	1,051	1,298	983	1,029
Unrestricted	-	-	-	80	383	114	275	46	436	431
Total business-type activities net assets	-	-	-	8,197	8,348	8,512	9,446	9,583	9,659	9,781
Primary government										
Invested in capital assets, net of related debt	64,446	67,359	67,510	70,507	69,120	71,083	69,715	68,756	70,238	68,735
Restricted (4)	1,251	6,585	3,820	2,958	3,624	4,155	4,754	6,788	5,774	4,675
Unrestricted	8,465	4,715	9,304	9,531	12,388	9,911	8,735	8,567	8,786	9,800
Total primary government net assets	$ 74,162	$ 78,659	$ 80,634	$ 82,996	$ 85,132	$ 85,149	$ 83,204	$ 84,111	$ 84,798	$ 83,210

(1) Net capital assets totaling $7,711,545 were transferred in fiscal year 2006 from governmental activities to business-type activities, as part of the establishment of the Stormwater Utility Fund. Net assets totaling $919,474 were transferred in fiscal year 2009 from governmental activities to business-type activities, as part of the establishment of the Amphitheater Fund.

(2) Restricted assets were increased significantly in fiscal year 2004 due to amounts restricted from bond proceeds for the addition and renovations to the library.

(3) The Stormwater Utility Fund (a business-type activity) was established by City Ordinance in February 2006, effective April 2006.

(4) Restricted assets were increased in 2007 the Stormwater Utility Fund (a business-type activity) due to amounts restricted from revenue bond proceeds for capital improvement drainage projects, debt service requirements, and in 2008 for renewal and extension requirements.

(5) The Amphitheater Fund (a business-type activity) was established in November 2008 when management was transferred from the Tourism Association.

PEACHTREE CITY, GEORGIA

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Expenses										
Governmental activities:										
General government (1)	$ 2,406	$ 2,504	$ 2,771	$ 2,898	$ 3,056	$ 3,081	$ 3,992	$ 2,783	$ 3,411	$ 5,088
Health and welfare	94	132	157	150	171	171	164	147	142	121
Public safety (2)	7,823	8,379	9,078	9,921	10,810	11,133	13,053	13,008	14,053	14,530
Public works (3)	3,507	4,741	4,445	6,068	6,641	7,866	5,375	4,927	4,498	6,390
Culture and recreation (4)	4,428	4,949	5,340	6,811	5,722	5,630	5,460	5,126	5,182	4,525
Housing and development	805	1,001	1,129	1,116	1,065	1,095	1,010	999	937	985
Interest on long-term debt	602	645	672	634	650	635	715	751	595	588
Total governmental activities expenses	19,665	22,351	23,592	27,598	28,115	29,611	29,769	27,741	28,818	32,227
Business-type activities:										
Stormwater (5)	-	-	-	605	1,262	1,317	1,324	1,163	1,225	1,193
Amphitheater (6)	-	-	-	-	-	-	1,285	893	776	776
Total business-type activities expenses	-	-	-	605	1,262	1,317	2,609	2,056	2,001	1,969
Total primary government expenses	19,665	22,351	23,592	28,203	29,377	30,928	32,378	29,797	30,819	34,196
Program Revenues										
Governmental activities:										
Charges for services:										
General government (7)	385	1,515	1,625	1,462	1,523	1,207	638	730	810	1,015
Health and Welfare (8)	-	-	-	-	-	-	-	-	32	-
Public safety (7)	924	272	310	266	318	303	1,536	1,807	1,822	1,750
Public works (9)	145	4	5	6	7	13	8	2	4	-
Culture and recreation (10)	677	564	814	797	762	732	644	677	780	847
Housing and development (11)	535	849	504	739	627	485	457	372	329	261
Operating grants and contributions	198	243	292	590	375	294	249	452	438	1,067
Capital grants and contributions (12)	1,617	3,570	223	700	426	2,373	1,817	1,357	150	54
Total governmental activities program revenues	4,481	7,017	3,773	4,560	4,038	5,407	5,349	5,397	4,365	4,994
Business-type activities:										
Charges for services:										
Stormwater (5)	-	-	-	641	1,294	1,307	1,328	1,331	1,329	1,345
Amphitheater (6)	-	-	-	-	-	-	734	556	697	744
Operating grants and contributions (6)	-	-	-	-	-	-	243	211	-	-
Capital grants and contributions (13)	-	-	-	438	29	5	18	-	-	-
Total business-type activities program revenues	-	-	-	1,079	1,323	1,312	2,323	2,098	2,026	2,089
Total primary government program revenues	4,481	7,017	3,773	5,639	5,361	6,719	7,672	7,495	6,391	7,083
Net (expense)/revenue										
Governmental activities	(15,184)	(15,334)	(19,819)	(23,038)	(24,077)	(24,204)	(24,420)	(22,344)	(24,453)	(27,233)
Business-type activities	-	-	-	474	61	(5)	(286)	42	25	120
Total primary government net expense	(15,184)	(15,334)	(19,819)	(22,564)	(24,016)	(24,209)	(24,706)	(22,302)	(24,428)	(27,113)

PEACHTREE CITY, GEORGIA

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Property taxes (14)	6,946	8,004	8,548	9,096	9,786	10,435	10,592	10,580	12,447	12,342
Sales taxes (15)	5,970	6,342	7,152	9,140	9,349	6,707	5,874	6,497	6,406	6,693
Hotel/motel taxes (16)	891	977	1,006	1,034	933	1,067	760	801	854	885
Alcoholic beverage taxes	594	628	625	649	691	690	707	697	692	732
Franchise taxes	1,892	1,886	2,013	2,126	2,225	2,360	2,474	2,404	2,571	2,656
Insurance premium taxes	1,387	1,499	1,582	1,655	1,726	1,768	1,751	1,700	1,612	1,712
Other taxes	324	333	419	452	469	466	458	424	449	449
Unrestricted investment earnings (17)	120	162	411	720	883	564	120	89	54	54
Gain on sale of capital assets	-	-	38	43	-	-	-	-	16	-
Miscellaneous revenues	-	-	-	-	-	-	-	12	-	-
Transfers (18)	-	-	-	(7,712)	-	-	(1,196)	(90)	(37)	-
Total governmental activities	18,124	19,831	21,794	17,203	26,062	24,057	21,540	23,114	25,064	25,523
Business-type activities:										
Unrestricted investment earnings	-	-	-	8	86	90	12	5	3	2
Gain on sale of capital assets	-	-	-	-	-	-	-	-	4	-
Miscellaneous revenues (19)	-	-	-	3	4	79	12	1	8	-
Transfers (18)	-	-	-	7,712	-	-	1,196	90	37	-
Total business-type activities	-	-	-	7,723	90	169	1,220	96	52	2
Total primary government	$ 2,940	$ 4,497	$ 1,975	$ 2,362	$ 2,136	$ 17	$ (1,946)	$ 908	$ 688	$ (1,588)
Change in Net Assets										
Governmental activities	$ 2,940	$ 4,497	$ 1,975	$ (5,835)	$ 1,985	$ (147)	$ (2,880)	$ 770	$ 611	$ (1,710)
Business-type activities	-	-	-	8,197	151	164	934	138	77	122
Total primary government	$ 2,940	$ 4,497	$ 1,975	$ 2,362	$ 2,136	$ 17	$ (1,946)	$ 908	$ 688	$ (1,588)

See notes following page.

PEACHTREE CITY, GEORGIA

CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

(1) General government expenses increased in fiscal year 2009 primarily due to the loss on disposal or write-off of capital assets, as opposed to a gain on sale of capital assets in fiscal year 2008.

(2) Public safety expenses increased in fiscal year 2009 due to full staffing levels, increased costs of salaries and benefits, increased costs in compensated absences, increased costs associated with post employment benefits, and increased costs of depreciation expense, primarily related to Police Station upgrades. Additional increases are associated with adjustments associated with the capitalization of assets.

(3) Public works expenses increased in fiscal year 2006 primarily due to repaving of streets and multi-use paths in both the General Fund and the SPLOST Fund. Additional increases in street repaving occurred in fiscal year 2008. In fiscal year 2009 there was a significant decrease in SPLOST street resurfacing, along with a significant decrease in other SPLOST project costs and a small decrease in multi-use path reconstruction.

(4) Culture and recreation expenses increased in fiscal year 2006 primarily due to an expense of $1,050,000 recorded for the settlement of the Development Authority Debt. Decreases in Culture and recreation expenses in fiscal year 2009 are due to a reduction in operating expenses primarily in Recreation due to staff reductions, and a decrease in depreciation expense due to the transfer of capital assets to the Amphitheater Fund. These decreases are off-set by increases associated with adjustments with the capitalization of assets.

(5) The Stormwater Utility Fund (a business-type activity) was established by City Ordinance in February 2006, effective April 2006. Stormwater utility expenses increased in fiscal year 2007 due to a full year of operations in fiscal year 2007, as opposed to fiscal year 2006 with only six months of operations. Corresponding stormwater utility revenue increased proportionately in fiscal year 2007.

(6) The Amphitheater Fund (a business-type activity) was established in November 2008 when management was transferred from the Tourism Association (now the Convention and Visitors Bureau). The operating grants and contributions in the Amphitheater fund have been moved to Charges for Services. These revenues consist of Sponsorships where benefits are received by each sponsor.

(7) Court revenues were shifted in fiscal year 2004 from Public Safety to General Government and shifted back in fiscal year 2009. These revenues are primarily generated by Public Safety. In both fiscal year 2008 and 2009 court revenues were down due to a reduction in citations.

(8) Revenues for Health and Welfare were broken out based on the Uniform Chart of Accounts for Georgia in fiscal year 2011.

(9) Information regarding changes from fiscal year 2003 to 2004 is not available.

(10) Culture and recreation revenues vary from year-to-year based on number of programs offered.

(11) Housing and development building permits vary from year-to-year based on new development and redevelopment in the City. Building permits are trending downward due to the fact that the City is reaching build-out.

(12) Capital grants and contributions increased significantly in 2004 due to capital assets (infrastructure) donated from developers and real property forfeitures from the Development Authority. The increase in capital grants and contributions in fiscal year 2008 is due to the reclassification of Special Purpose Local Option Sales Tax (SPLOST) from sales taxes to grants and contributions. This tax is a County tax that is shared with the City through an inter-governmental agreement. Capital grants and contributions decreased significantly in 2011 due to the expiration of the Special Purpose Local Option Sales Tax (SPLOST).

(13) Capital grants and contributions decreased in the Stormwater Utility Fund in fiscal year 2007 due to less capital assets donated by developers. In 2010 and 2011 there were no capital assets donated by developers .

(14) Property taxes have increased primarily due to increased assessed values. Property tax revenue increased in fiscal year 2011 due to a millage rate increase of 1.25 mills.

(15) Sales taxes increased in fiscal year 2006 primarily due to a full year of Special Purpose Local Option Sales Tax (SPLOST) collections, due to a referendum approved by voters in November 2004. Sales taxes decreased in fiscal year 2008 due to the reclassification of SPLOST revenue. In fiscal year 2009, sales taxes decreased due to economic conditions.

(16) Hotel/motel taxes decreased in fiscal year 2009 due to economic conditions.

(17) Unrestricted interest earnings increased significantly in fiscal year 2005 & 2006 due to 1) an increase in overall interest rates and 2) a banking services agreement entered into in fiscal year 2005. Interest earnings decreased in fiscal year 2009 & 2010 due to a reduction in interest rates.

(18) Net capital assets totaling $7,711,545 were transferred in fiscal year 2006 from governmental activities to business-type activities as part of the establishment of the Stormwater Utility Fund. Net assets of $919,474 were transferred in fiscal year 2009 from governmental activities to business-type activities as part of the establishment of the Amphitheater Fund. Additionally, operating transfers totaling $277,003 were transferred from governmental activities to the Amphitheater Fund in fiscal year 2009.

(19) Miscellaneous revenues for business-type activities increased in fiscal year 2008 due primarily to a gain from a settlement in the Utility Fund.

PEACHTREE CITY, GEORGIA

GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Taxes (1)	Sales Taxes (2)	Hotel/ Motel Taxes (3)	Alcoholic Beverage Taxes	Franchise Taxes (4)	Insurance Premium Taxes (5)	Other Taxes	Total
2003	$ 6,946	$ 5,970	$ 891	$ 594	$ 1,892	$ 1,387	$ 324	$ 18,004
2004	8,004	6,342	977	628	1,886	1,499	333	19,669
2005	8,548	7,152	1,006	625	2,013	1,582	419	21,345
2006	9,096	9,140	1,034	649	2,126	1,655	452	24,152
2007	9,786	9,348	933	691	2,225	1,726	469	25,178
2008	10,435	6,707	1,067	690	2,360	1,768	466	23,493
2009	10,592	5,874	760	707	2,474	1,751	458	22,616
2010	10,580	6,497	801	697	2,404	1,700	424	23,103
2011	12,447	6,406	854	692	2,571	1,612	449	25,031
2012	12,342	6,693	885	732	2,656	1,712	450	25,470

(1) Property taxes have increased primarily due to increased assessed values. Property taxes increased in fiscal year 2011 due to a millage rate increase of 1.25 mills.

(2) Sales taxes increased in fiscal year 2006 primarily due to a full year of Special Purpose Local Option Sales Tax (SPLOST) collections, due to a referendum approved by voters in April 2005. The sales taxes decreased in fiscal year 2008 due to a reclassification of the Special Purpose Local Option Sales Taxes (SPLOST) to capital grants and contributions. This is a County sales tax shared with the City through an inter-governmental agreement. Sales tax decreased in fiscal year 2009 due to economic conditions.

(3) Hotel/Motel taxes decreased in fiscal year 2009 due to economic conditions and increased in fiscal years 2010 and 2011 due to improved economic conditions.

(4) Franchise fees decreased in fiscal year 2010 due to lower costs of energy for Georgia Power and Coweta/Fayette EMC.

(5) Insurance premium taxes decreased in fiscal years 2010 and 2011 due to less policies written and policy values lower in fiscal years 2010 and 2011 .

PEACHTREE CITY, GEORGIA

FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010 (4)	2011	2012
General fund										
Reserved	$ 251	$ 207	$ 232	$ 246	$ 350	$ 371	$ 329	$ -	$ -	$ -
Unreserved-designated (1)	648	1,298	1,144	450	853	1,147	451	-	-	-
Unreserved	7,058	8,238	8,863	8,977	9,755	8,944	9,097	-	-	-
Non-spendable								357	326	297
Committed (2)								2,618	3,595	5,210
Unassigned								5,459	5,394	5,418
Total general fund	7,957	9,743	10,239	9,673	10,958	10,462	9,877	8,434	9,315	10,925
All other governmental funds										
Reserved (3)	1,251	6,585	3,820	600	625	652	137			
Unreserved, reported in:								-	-	-
Special Revenue funds	72	47	68	94	104	146	619	-	-	-
Debt service funds	-	-	-	-	-	-	-			
Capital projects funds	993	-	-	3,727	5,506	3,394	3,566	-	-	-
Restricted for:										
Culture and recreation	-	-	-	-	-	-	-	82	93	55
Public Safety	-	-	-	-	-	-	-	327	398	8
Public Works	-	-	-	-	-	-	-	-	10	97
Capital projects	-	-	-	-	-	-	-	4,939	3,783	3,092
Debt service	-	-	-	-	-	-	-	142	507	394
Assigned to:										
Debt service (5)	-	-	-	-	-	-	-	479	-	-
Capital projects funds	-	-	-	-	-	-	-	111	602	-
Unassigned (6)	-	-	-	-	-	-	-	-	(116)	(346)
Total all other governmental funds	2,316	6,632	3,888	4,421	6,235	4,192	4,322	6,080	5,277	3,300
Total all governmental funds	$ 10,273	$ 16,375	$ 14,127	$ 14,094	$ 17,193	$ 14,654	$ 14,199	$ 14,514	$ 14,592	$ 14,225

(1) The Unreserved-designated fund balance is the amount budgeted for subsequent years. The amount for fiscal year 2002 is not available.

(2) The increase in Committed fund balance is due to the increase in the millage rate in fiscal year 2011.

(3) The increase in the reserved fund balance in All Other Governmental Funds in fiscal year 2004 is primarily due to the issuance of the Series 2003 library bond issue totaling $4,900,000, that was expended in full by the end of fiscal year 2006.
The decrease in the reserved fund balance in All other Governmental Funds in fiscal year 2009 is due to the use of reserves in the General Debt Service Fund.

(4) The City adopted GASB 54 reporting for Fund Balance in fiscal year 2010.

(5) Fund balance assigned for debt service was moved to restricted for debt service after review of debt covenants.

(6) The negative fund balance in fiscal year 2011 is due to the establishment of the Facilities Authority Fund in 2011 with bonds not issued until fiscal year 2012.

PEACHTREE CITY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Revenues										
Taxes (1)	$ 17,921	$ 19,654	$ 21,351	$ 24,116	$ 25,416	$ 23,418	$ 22,559	$ 23,169	$ 25,073	$ 25,471
Licenses and permits	734	841	792	1,042	926	828	817	679	727	685
Intergovernmental (2)	266	512	465	482	601	2,394	2,030	1,807	532	1,101
Charges for services	1,153	1,241	1,312	1,245	1,269	1,124	1,330	1,502	1,584	1,894
Fines	655	1,078	1,053	949	992	1,074	1,105	1,266	1,349	1,131
Donations	37	38	35	26	26	59	29	101	31	16
Interest earned (3)	120	162	411	720	883	564	120	89	74	59
Miscellaneous (4)	86	44	116	36	50	244	38	54	123	161
Total revenues	20,972	23,570	25,535	28,616	30,163	29,705	28,028	28,667	29,493	30,518
Expenditures										
General government	2,304	2,336	2,428	2,901	2,888	2,986	3,026	3,118	3,852	4,242
Health and welfare (5)	83	132	156	151	170	169	170	151	132	184
Public safety	7,237	7,691	8,366	9,158	9,985	10,995	11,832	12,997	11,877	13,267
Public works	3,364	3,716	3,753	4,577	3,806	3,884	3,797	3,228	3,130	3,506
Culture and recreation	3,970	4,501	4,786	5,111	5,152	5,237	4,782	4,728	4,412	3,840
Housing and development	780	978	1,103	1,095	1,029	1,068	960	1,018	892	989
Capital outlay (6)	2,643	2,044	5,174	4,053	5,786	5,308	2,130	3,403	2,277	5,818
Debt service										
Principal retirement (7)	4,212	1,242	2,168	1,848	2,045	2,109	2,087	2,399	2,207	2,208
Interest charges	619	617	679	638	643	746	711	829	615	740
Total expenditures	25,212	23,257	28,613	29,532	31,504	32,502	29,495	31,871	29,394	34,794
Excess (deficiency) of revenues over expenditures	(4,240)	313	(3,078)	(916)	(1,341)	(2,797)	(1,467)	(3,204)	99	(4,276)
Other financing sources (uses)										
Issuance of long-term debt (7)	4,693	5,789	792	822	4,432	-	1,108	3,565	-	3,714
Transfers in	2,704	2,694	4,050	4,023	3,460	2,765	2,343	3,642	3,634	2,694
Transfers out	(2,704)	(2,694)	(4,050)	(4,023)	(3,460)	(2,765)	(2,620)	(3,732)	(3,671)	(2,694)
Proceeds from sale of capital assets (8)	102	-	38	61	8	258	181	44	16	194
Total other financing sources (uses)	4,795	5,789	830	883	4,440	258	1,012	3,519	(21)	3,908
Net change in fund balances	$ 555	$ 6,102	$ (2,248)	$ (33)	$ 3,099	$ (2,539)	$ (455)	$ 315	$ 78	$ (368)
Debt service as a percentage of non-capital expenditures	21.41%	8.76%	12.15%	9.53%	10.45%	10.50%	9.98%	11.24%	10.33%	9.33%

PEACHTREE CITY, GEORGIA

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

(1) Sales taxes increased in fiscal year 2006 primarily due to a full year of Special Purpose Local Option Sales Tax (SPLOST) collections, due to a referendum approved by voters in April 2005. Sales taxes decreased in fiscal year 2008 due to the reclassification of Special Purpose Local Option Sales Tax (SPLOST) to intergovernmental revenue. Sales taxes decreased in fiscal year 2009 primarily due to economic conditions and increased in fiscal year 2010 due to improved economic conditions. Property taxes increased in fiscal year 2011 due to a 1.25 millage rate increase.

(2) Intergovernmental revenue increased in fiscal year 2008 due to the reclassification of SPLOST from sales taxes and decreased in fiscal year 2010 due to the mid-year expiration of SPLOST, off-set with increases in grant revenue. Intergovernmental revenues decreased again due to minimal SPLOST revenue in fiscal year 2011.

(3) Unrestricted interest earnings increased significantly in fiscal years 2005 & 2006 due to 1) an increase in overall interest rates and 2) a banking services agreement entered into in fiscal year 2005. Interest earnings decreased in fiscal years 2008, 2009, 2010, and 2011 due to a decrease in interest rates.

(4) Miscellaneous revenue increased in fiscal year 2008 primarily due to a reimbursement of a deposit on a project that was subsequently canceled.

(5) The Gathering Place for senior service activities was separated from Culture and Recreation in fiscal year 2003.

(6) Capital Outlay expenditures vary from year-to-year, primarily based on projects in the Capital Projects Fund that are budgeted on a project length basis.

(7) Principal retirement for debt service increased significantly in fiscal year 2003 due to a refinancing of two 1993 bond issues. Principal retirement for debt service increased in fiscal year 2005 primarily due to the library bond issue.

(8) Proceeds from sale of capital assets increased in fiscal year 2008 due to the Highway 74 widening project with GDOT. Proceeds from sale of capital assets in fiscal years 2009 are primarily from sales of equipment no longer needed attributed to staff downsizing in Public Works and Recreation Departments.

PEACHTREE CITY, GEORGIA

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)
(amounts expressed in thousands)

Fiscal Year	Property Taxes (1)	Sales Taxes (2)	Hotel/ Motel Taxes	Alcoholic Beverage Taxes	Franchise Taxes	Insurance Premium Taxes	Other Taxes	Total
2003	$ 6,863	$ 5,970	$ 891	$ 594	$ 1,892	$ 1,387	$ 324	$ 17,921
2004	7,989	6,342	977	628	1,886	1,499	333	19,654
2005	8,553	7,152	1,006	625	2,013	1,582	420	21,351
2006	9,060	9,140	1,034	649	2,126	1,655	452	24,116
2007	10,024	9,348	933	691	2,225	1,726	469	25,416
2008	10,360	6,707	1,067	690	2,360	1,768	466	23,418
2009	10,534	5,874	760	707	2,474	1,751	458	22,558
2010	10,646	6,497	801	697	2,404	1,700	424	23,169
2011	12,489	6,406	854	692	2,571	1,612	449	25,073
2012	12,344	6,693	885	732	2,617	1,712	488	25,471

(1) Property taxes have increased primarily due to increased assessed values.
Property Taxes increased in fiscal year 2011 due to an increase in the millage rate of 1.25 mills.

(2) Sales taxes increased in fiscal year 2006 primarily due to a full year of Special Purpose Local Option Sales Tax (SPLOST) collections, due to a referendum approved by voters in April 2005.
SPLOST collections were reclassified as intergovernmental revenue in fiscal year 2008 resulting in a reduction in sales taxes. Sales taxes decreased in fiscal year 2009 due to current economic conditions. and increased in fiscal year 2010 due to improved economic conditions.

PEACHTREE CITY, GEORGIA

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE - ALL TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Fiscal Year	Tax Year	Real Property	Personal Property	Motor Vehicles	Other (1)	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Value	Assessed Value as a Percentage of Actual Value
2003	2002	1,136,397	223,712	107,823	47	80,437	1,387,542	4.703	3,669,948	40.00%
2004	2003	1,231,976	204,812	109,288	24	71,827	1,474,273	5.283	3,865,250	40.00%
2005	2004	1,335,715	201,558	108,467	5	70,496	1,575,249	5.283	4,114,363	40.00%
2006	2005	1,436,091	203,230	105,160	60	74,033	1,670,508	5.283	4,361,353	40.00%
2007	2006	1,545,861	205,930	101,863	74	84,801	1,768,927	5.533	4,634,320	40.00%
2008	2007	1,619,834	200,610	109,030	61	81,254 (2)	1,848,281	5.533 (3)	4,823,838	40.00%
2009	2008	1,647,588	213,250	120,011	28	85,158 (2)	1,895,719	5.533 (3)	4,952,193	40.00%
2010	2009	1,673,822	224,314	124,736	73	97,595 (2)	1,925,350	5.533 (4)	5,057,363	40.00%
2011	2010	1,620,444	196,470	101,567	42	87,361 (2)	1,831,162	6.783 (5)	4,796,308 (6)	40.00%
2012	2011	1,578,296	212,251	102,404	-	91,328 (2)	1,801,623	6.783 (5)	4,732,378 (6)	40.00%

Source: Fayette County Tax Commissioner.

Note: Property in the County is reassessed annually. The County assesses property at 40 percent of its estimated actual value for all types of real and personal property. Tax rates are per $1,000 of assessed value.

(1) Includes heavy duty equipment and timber.
(2) Tax exempt property is for General Fund only. The amount of exempt for the Debt Service Fund levy is slightly less.
(3) Includes General Fund tax rate for fiscal year 2009 of 5.122 and Debt Service Fund Tax Rate of 0.411 (these tax rates first split in tax year 2007).
(4) Includes General Fund tax rate for fiscal year 2010 of 5.134 and Debt Service Fund Tax Rate of 0.399 (these tax rates first split in tax year 2007).
(5) Includes General Fund tax rate for fiscal years 2011 and 2012 of 6.384 and Debt Service Fund Tax Rate of 0.399 (these tax rates first split in tax year 2007).
(6) Property tax values dropped in the tax year 2010 (fiscal year 2011) and tax year 2011 (fiscal year 2012) due to economic conditions impacting the fair market values of real estate in the City.

PEACHTREE CITY, GEORGIA

PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
(Per $1,000 of Assessed Value)
LAST TEN FISCAL YEARS

Fiscal Year	Tax Year	Peachtree City		Fayette County	Fayette Board of Education	State of Georgia	Total Direct & Overlapping Rates
2003	2002	4.703		7.116	21.694	0.25	33.763
2004	2003	5.283		6.819	22.694	0.25	35.046
2005	2004	5.283		6.375	22.677	0.25	34.585
2006	2005	5.283		6.083	22.350	0.25	33.966
2007	2006	5.533		5.692	22.150	0.25	33.625
2008	2007	5.533		5.432	22.146	0.25	33.361
2009	2008	5.533	(1)	5.400	23.920	0.25	35.103
2010	2009	5.533	(2)	5.400	23.420	0.25	34.603
2011	2010	6.783	(3)	5.400	21.650	0.25	34.083
2012	2011	6.783	(3)	5.645	21.650	0.25	34.328

Source: Georgia Department of Revenue.

(1) Includes both 5.122 for General Fund and 0.411 for Debt Service Fund for fiscal year 2009 (first split for tax year 2007).

(2) Includes both 5.134 for General Fund and 0.399 for Debt Service Fund for fiscal year 2010.

(3) Includes both 6.384 for General Fund and 0.399 for Debt Service Fund for fiscal year 2011 and 2012.

PEACHTREE CITY, GEORGIA

PRINCIPAL TAXPAYERS
CURRENT AND NINE YEARS AGO
(amounts expressed in thousands)

Taxpayer	Fiscal Year 2012 Taxable Assessed Value (1)	Rank	Percentage of Taxable Assessed Value	Fiscal Year 2003 Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
NCR Corporation	$ 30,876	1	1.71%	$ 30,743	2	2.22%
Dixie Aerospace, Inc.	12,524	2	0.70%			0.00%
Hoshizaki America Inc.	12,492	3	0.69%	11,090	8	
Cooper Lighting	10,631	4	0.59%			
Summit Properties Partnership	9,865	5	0.55%			0.00%
CP Venture Five - APC LLC	8,457	6	0.47%			
Amcor Packaging	7,849	7	0.44%			
Sany America	7,654	8	0.42%			
Kroger Kedron Village	7,205	9	0.40%			
Avery Dennison	7,102	10	0.39%			
Fourth Quarter Properties	-		-	31,291	1	2.26%
Matsushita Comm	-		-	26,449	3	1.91%
Bell South Communications	-		-	16,188	4	1.17%
Lawson Mardon Packaging	-		-	12,624	5	0.91%
Coweta Fayette EMC	-		-	12,605	6	0.91%
Photocircuits Atlanta, Inc.	-		-	11,636	7	0.84%
Atlanta Gas Light			-	9,908	9	0.71%
AMLI Residential Properties LP				8,526	10	0.61%
	$ 114,655		6.36%	$ 171,060		11.54%

Source: Fayette County Tax Commissioner.

PEACHTREE CITY, GEORGIA

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN YEARS
(amounts expressed in thousands)

Fiscal Year	Tax Year	Total Tax Levy (1)	Collected prior to or within the Fiscal Year of the Levy		Delinquent Tax Collections	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2002	7,211	5,885	81.61%	56	5,941	82.39%
2004	2003	7,749	7,078	91.34%	83	7,161	92.41%
2005	2004	8,270	7,641	92.40%	55	7,696	93.06%
2006	2005	9,224	8,145	88.30%	29	8,174	88.62%
2007	2006	9,224	9,129	98.97%	60	9,189	99.62%
2008	2007	9,825	9,517	96.87%	45	9,562	97.32%
2009	2008	9,825	9,432	96.00%	105	9,537	97.07%
2010	2009	9,963	9,748	97.84%	156	9,904	99.41%
2011	2010	11,732	11,503	98.05%	163	11,665	99.43%
2012	2011	11,526	11,306	98.09%	65	11,371	98.66%

(1) Does not include motor vehicle taxes. Does include both General Fund and Debt Service Fund levy.

PEACHTREE CITY, GEORGIA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities				Business-Type Activities	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds			
2003	$ 4,925	-	$ 6,903	$ 1,751	-	$ 13,579	N/A	$ 381.97
2004	9,430	-	7,049	1,646	-	18,125	N/A	517.86
2005	8,755	-	6,084	1,911	-	16,750	N/A	467.71
2006	8,040	-	6,693	2,041	-	16,774	N/A	463.93
2007	7,305	-	8,579	3,276	3,745	22,905	N/A	631.81
2008	6,535	-	7,903	2,613	3,620	20,671	N/A	564.12
2009	5,990	-	7,186	2,896	3,490	19,562	N/A	530.55
2010	5,425	-	8,897	2,916	3,355	20,593	N/A	599.26
2011	4,830	-	7,272	2,129	3,215	17,446	N/A	503.13
2012	4,130	5,190	4,692	1,328	3,070	18,410	N/A	530.93

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

(1) See the Demographic and Economic Statistics for personal income and population data.

PEACHTREE CITY, GEORGIA

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN TAX YEARS
(amounts expressed in thousands, except per capita amount)

Tax Year	General Obligation Bonds	Less: Amount Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property (1)	Per Capita Total (2)
2003	4,925	57	4,868	0.33%	136.93
2004	9,430	27	9,403	0.60%	268.66
2005	8,755	-	8,755	0.52%	244.46
2006	8,040	600	7,440	0.42%	205.77
2007	7,305	625	6,680	0.36%	184.26
2008	6,535	636	5,899	0.31%	160.99
2009	5,990	137	5,853	0.30%	158.74
2010	5,425	621	4,804	0.26%	139.80
2011	4,830	507	4,323	0.24%	124.67
2012	4,130	386	3,744	0.21%	107.97

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

(1) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property.
(2) Population data can be found in the Schedule of Demographic and Economic Statistics.

PEACHTREE CITY, GEORGIA

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2012
(amounts expressed in thousands)

	Debt Outstanding	Percentage Applicable to Peachtree City (1)	Amount Applicable to Peachtree City
Direct debt:			
General obligation bonds	$ 4,130	100.00%	$ 4,130
Revenue bonds	5,190	100.00%	5,190
Notes payable	4,692	100.00%	4,692
Capital leases	1,328	100.00%	1,328
Total direct debt	15,340		15,340
Overlapping debt:			
Fayette County Board of Education	72,692	39.48%	28,699
Fayette County Board of Commissioners	39,350	39.48%	15,535
Total overlapping debt	112,042		44,234
Total direct and overlapping debt	$ 127,382		$ 59,574

Sources: Peachtree City Water & Sewerage Authority, Fayette County Board of Education, and Fayette County Board of Commissioners.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the City's boundaries and dividing it by the County's total taxable assessed value.

PEACHTREE CITY, GEORGIA

LEGAL DEBT MARGIN INFORMATION
LAST TEN TAX YEARS
(amounts expressed in thousands)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$ 154,610	$ 164,574	$ 174,454	$ 185,373	$ 192,954	$ 198,088	$ 202,294	$ 191,852	$ 189,295	$ 189,295
Total net debt applicable to limit	4,868	9,403	8,755	7,440	6,680	5,899	5,853	4,804	4,323	3,744
Legal debt margin	$ 149,742	$ 155,171	$ 165,699	$ 177,933	$ 186,274	$ 192,189	$ 196,441	$ 187,048	$ 184,972	$ 185,551
Total net debt applicable to the limit as a percentage of debt limit	3.15%	5.71%	5.02%	4.01%	3.46%	2.98%	2.89%	2.50%	2.28%	1.98%

Legal Debt Margin Calculation for Taxable Year 2012

Assessed value	$ 1,801,623
Plus exempt property	91,328
Total assessed value	$ 1,892,951
Debt limit (10% of total assessed value)	$ 189,295
Debt applicable to limit:	
General obligation bonds	4,130
Less: Amount set aside for repayment of general obligation debt	(386)
Total net debt applicable to limit	3,744
Legal debt margin	$ 185,551

PEACHTREE CITY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS (1)
LAST TEN YEARS

Fiscal Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Percentage of Population Age 25 and Older with Greater than 12 Years of Formal Schooling	School Enrollment (2)	Unemployment Rate (3)
2003	35,550	N/A	N/A	N/A	N/A	21,239	4.0%
2004	35,000	N/A	N/A	N/A	N/A	21,624	4.1%
2005	35,813	N/A	N/A	N/A	N/A	22,338	4.2%
2006	36,156	N/A	N/A	N/A	N/A	22,291	4.5%
2007	36,253	N/A	N/A	N/A	N/A	22,190	4.4%
2008	36,643	N/A	N/A	N/A	N/A	22,367	4.6%
2009	36,871	N/A	N/A	N/A	N/A	22,108	7.6%
2010	34,364	93,044	40,241	40.8	96.3%	21,683	7.2%
2011	34,456	93,044	40,241	40.8	96.3%	20,293	8.6%
2012	34,675	93,044	40,241	40.8	96.3%	20,301	7.2%

N/A: Information is not available.

(1) Source: 2003 and 2004 population based on 2000 U.S. Census.
2005 and 2006 population based on a report produced annually by the Atlanta Regional Commission.
2007 - 2009 Population provided by the City of Peachtree City Developmental Services Division.
2010 population based on 2010 US Census Bureau Information and Atlanta Regional Commission.
2011 population provided by Peachtree City Community Services Division.

(2) Source: Fayette County Board of Education.

(3) Source: Georgia Department of Labor.

PEACHTREE CITY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO

Employer	2012 Calendar Year			2006 Calendar Year		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Fayette County Board of Education	758	1	5.49%	773	2	5.00%
NCR Corporation	620	2	4.49%	400	4	2.59%
Cooper Lighting	563	3	4.07%	630	3	4.07%
Hoshizaki America, Inc.	332	4	2.40%	309	6	2.00%
Panasonic	296	5	2.14%			
Wal-Mart Supercenter #3461	274	6	1.98%	350	5	2.26%
City of Peachtree City	236	7	1.71%	244	8	1.58%
Randstad US, L.P.	215	8	1.56%			
PlyGem Windows	196	9	1.42%			
World Airways	176	10	1.27%	262	7	1.69%
Matsushita Communication Corporation				909	1	5.88%
Alenco				218	9	1.41%
Target Store T-2129				200	10	1.29%
	3,666		26.53%	4,295		27.77%

Source: City of Peachtree City Business Licenses and Fayette County Board of Education.

Note: Information prior to 2006 is not available.

PEACHTREE CITY, GEORGIA

FULL-TIME CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006 (1)	2007 (2)	2008 (3)	2009	2010 (4)	2011	2012 (5)
General government	19	19	21	25	26	28	29	26	25	24
Health and welfare	1	1	1	1	1	1	1	1	1	0
Public Safety										
Police										
Officers	54	54	57	57	61	64	64	66	65	65
Civilians	4	4	5	4	4	4	4	4	4	4
Fire										
Firefighters/EMTs	42	42	46	46	52	58	58	64	64	64
Civilians	2	2	2	2	2	2	2	2	2	2
Public Works	51	51	54	54	57	58	55	39	38	50
Culture and recreation	38	38	38	39	39	39	38	33	31	19
Housing and development	14	14	14	15	14	14	14	9	8	8
Total Budgeted Positions	225	225	238	243	256	268	265	244	238	236

Source: Employment data is obtained from the annual City budget documents, updated with any changes following the budget adoption.

(1) Three of the positions added to General Government in fiscal year 2006 were directly related to the establishment of the Stormwater Utility Fund.
(2) Ten of the thirteen positions added in fiscal year 2007 were for Public Safety.
(3) Nine of the twelve positions added in fiscal year 2008 were for Public Safety.
(4) Eight positions were added in fiscal year 2010 to Public Safety. Seventeen of the twenty-nine workforce reductions were in Public Works.
(5) Eleven positions were transferred from Culture and Recreation to a new Buildings and Grounds Department in Public Works.

PEACHTREE CITY, GEORGIA

OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012 (2)
General Administration										
Court cases closed	6,739	9,073	8,319	7,828	7,340	6,780	5,613	7,294	7,071	6,038
Purchase orders processed	2,158	2,373	2,745	2,879	3,082	3,086	3,164	2,934	2,731	2,748
Checks processed	11,527	12,164	12,073	13,119	13,182	13,434	13,645	13,671	13,811	13,937
Computer incidents supported	768	1,539	1,315	1,312	1,127	1,282	1,309	1,251	1,338	1,942
New business licenses issued	N/A	306	336	364	340	115	225	257	220	239
Police										
Total arrests	1,733	2,034	2,079	2,210	2,192	1,324	2,058	2,003	1,660	1,252
Traffic citations issued	6,425	9,583	7,834	6,786	7,038	6,900	6,647	7,622	7,322	5,938
Traffic accidents investigated	1,156	1,133	1,218	1,153	1,185	1,165	1,060	776	793	865
Fire/EMS										
Number of calls answered	2,210	2,386	2,704	2,642	2,741	2,735	2,023	2,142	3,013	3,076
Total EMS patients	1,487	1,746	1,947	2,126	2,142	2,006	2,020	2,162	1,384	1,322
Highways and streets										
Vehicle and equipment maintained	518	520	550	656	682	648	543	516	539	574
Miles of City multi-use paths constructed (new)	-	-	3.4	0.3	0.6	-	0.05	-	-	-
Culture and recreation										
Adult athletic program participants	10,394	11,902	9,589	12,164	13,715	14,360	16,701	15,433	3,544	1,975
Classes/programs participants	37,390	25,523	19,812	29,783	26,044	17,509	16,854	19,947	10,532	11,240
Special event participants	22,541	26,000	25,626	33,818	34,000	22,897	22,688	24,921	37,055	33,287
Library patrons	20,413	20,507	24,289	23,847	28,543	32,315	35,525	38,225	39,423	50,544
Library reference assistance	6,012	6,389	3,570	8,620	12,000	12,494	17,079	19,450	18,176	18,552
Housing and development										
Building permits	1,065	1,065	895	899	879	730	654	876	577	558

N/A: Information is not available.

(1) Previous years combined Adult and Youth athletic program participants

(2) Library instituted a new program for ebook/audio downloads. Information Technology support was outsourced in FY 2012.

Sources: Various City Departments.

PEACHTREE CITY, GEORGIA

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Public Safety										
Police stations	1	1	1	1	1	1	1	1	1	1
Fire stations	4	4	4	4	4	4	4	4	4	4
Highways and streets										
Streets (miles)	255	255	255	255	255	255	255	255	255	255
Street lights	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005	2,005
Culture and recreation										
Parks acreage	400	400	400	400	400	400	400	400	400	400
Number of parks	33	33	33	33	33	33	33	33	33	33
Swimming pools	5	5	5	5	5	5	5	5	5	5
Libraries	1	1	1	1	1	1	1	1	1	1
Library volume/materials	55,949	61,440	68,875	75,526	75,000	80,466	97,190	96,006	98,793	98,844

Source: Various City Departments.

Note: Capital asset indicators are not available for the general government function.

PEACHTREE CITY, GEORGIA

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MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

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*

The Honorable Mayor and Members
of the City Council of
Peachtree City, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peachtree City, Georgia (the "City") as of and for the year ended September 30, 2012, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 21, 2013. We did not audit the financial statements of the Peachtree City Airport Authority. Those financial statements were audited by another auditor, whose report has been furnished to us. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. 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.

Internal Control Over Financial Reporting

Management of Peachtree City, Georgia is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures 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's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

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 entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant 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.

This report is intended solely for the information and use of the City Council, management, others within the organization, federal awarding agencies and pass-through entities, and the State of Georgia and is not intended to be and should not be used by anyone other than these specified parties.

Mauldin & Jenkins, LLC

Macon, Georgia
March 21, 2013

PEACHTREE CITY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2012

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting: Material weaknesses identified?	_____yes __X__no
Significant deficiencies identified not considered to be material weaknesses?	_____yes __X__no
Noncompliance material to financial statements noted?	_____yes __X__no

Federal Awards

There was not an audit of major federal award programs as of September 30, 2012 due to the total amount expended being less than $500,000.

SECTION II
FINANCIAL STATEMENT FINDINGS AND RESPONSES

None reported.

SECTION III
FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Not applicable.

SECTION IV
PRIOR YEAR FINDINGS AND RESPONSES

None reported.

PEACHTREE CITY, GEORGIA

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