PEACHTREE CITY
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PEACHTREE CITY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2013

PEACHTREE CITY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

Prepared by:
Paul J. Salvatore
Financial Services Director

Submitted by:
James L. Pennington
City Manager

INTRODUCTORY SECTION

PEACHTREE CITY, GEORGIA

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PEACHTREE CITY
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March 26, 2014

Honorable Vanessa Fleisch, 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, 2013, 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.

Mauldin & Jenkins, LLC, Certified Public Accountants, have issued an unmodified ("clean") opinion on Peachtree City's financial statements for the year ended September 30, 2013. 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 2013 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 55 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 34,499 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, 2013 – 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 Peachtree City Airport Authority, and the Peachtree City Convention and Visitors Bureau, Inc., are reported as discretely presented component units at September 30, 2013.

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, 2011 and 2013. 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,* 86th Safest City in the Nation – 2014 *Neighborhood Scout,* and 5th Safest City in Georgia- 2014 *Safewise.com.*

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. Peachtree City continues to work 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 SPLOST in FY 2014.

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. .

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, 2012. 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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

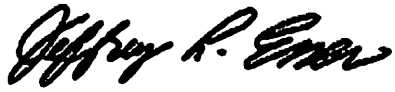
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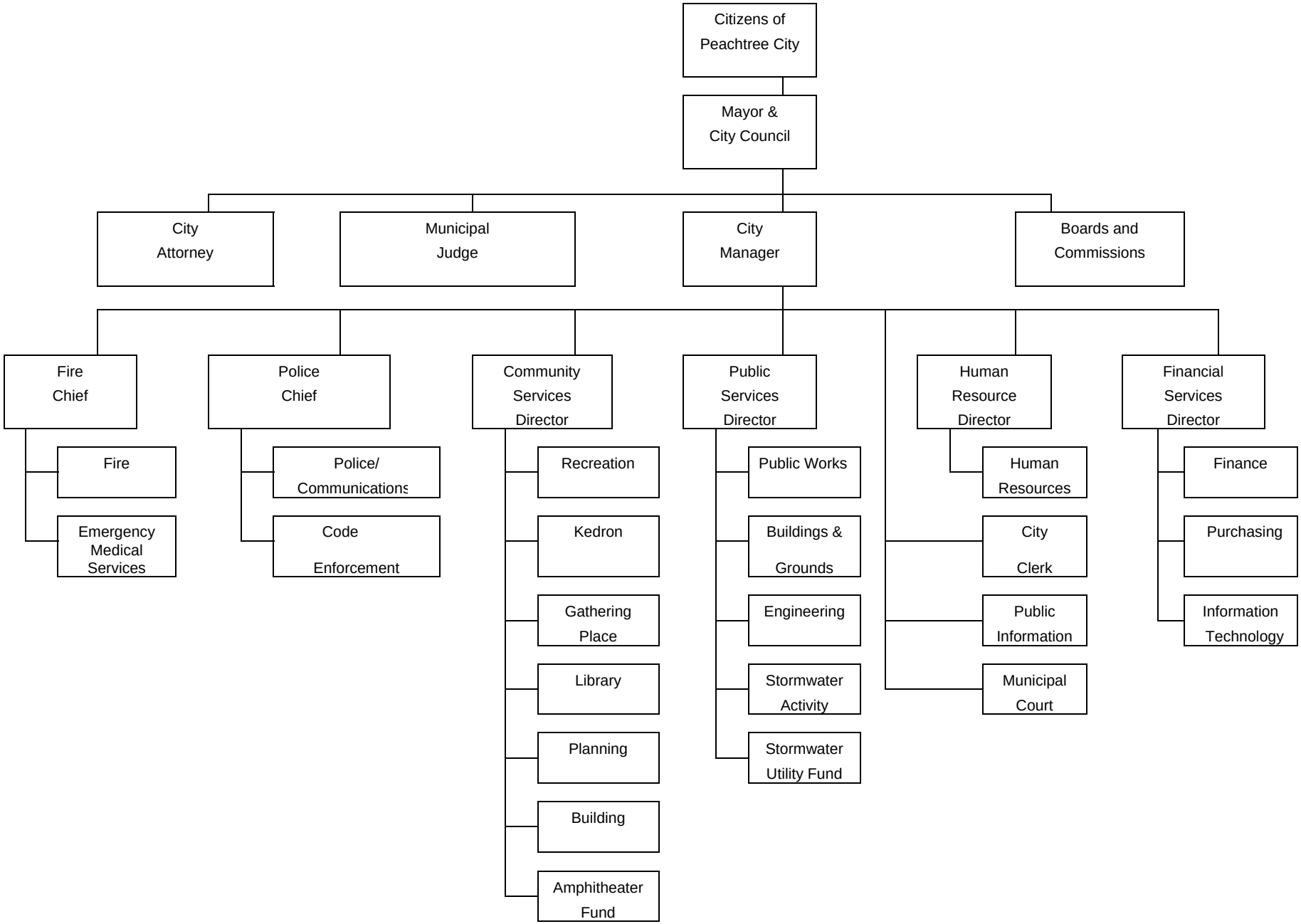
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2012



Executive Director/CEO

PEACHTREE CITY ORGANIZATIONAL CHART



PEACHTREE CITY, GEORGIA

Listing of Principal Officials
at September 30, 2013

Mayor
Donnie O. Haddix

City Council Members
Eric Imker
Vacant
Kim Learnard
Vanessa Fleisch

City Manager
James L. Pennington, EdD.

Financial Services Director
Paul J. Salvatore, CPFO

Community Services Director
Jonathan Rorie

Human Resources Director
Ellece Brown

Police Chief
H.C. Clark, II

Fire Chief – Interim
Joseph E. O'Conor

Municipal Court Judge
Stephen D. Ott

City Attorney
Theodore P. Meeker, III

City Auditors
Mauldin & Jenkins, LLC

FINANCIAL SECTION

MAULDIN & JENKINS
CERTIFIED PUBLIC ACCOUNTANTS, LLC

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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** (the "City"), as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Peachtree City Airport Authority, which represents 34%, 59%, and 16% of the assets, net position and revenues, respectively, of the discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Peachtree City Airport Authority, is based solely on the report of the other 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Peachtree City, Georgia as of September 30, 2013, 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 accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 63*, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* as well as Statement No. 65, *Items Previously Reported as Assets and Liabilities,* as of October 1, 2012. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis (on pages 4 through 15) and the Schedules of Funding Progress (on page 78) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Peachtree City, Georgia's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of special purpose local option sales tax is presented for purposes of additional analysis as required by the Official Code of Georgia 48-8-21, and is not a required part of the basic financial statements.

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

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

Other Reporting Required By *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2014, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Peachtree City, Georgia's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2014

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, 2013. 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 Peachtree City exceeded its liabilities at the close of the most recent fiscal year by $84,965,385 (net position). Of this amount $10,529,306 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $2,120,464. This is a result of an increase in net position in business-type activities of $367,211 and an increase in net position in governmental activities of $1,753,253. The increase in net position in the business-type activities is primarily due to 1) a Stormwater rate increase and new revenue bond issuance in the Stormwater Utility Fund to fund projects not started until after the fiscal year end, and 2) depreciation of fixed assets in the Amphitheater Fund not off-set by a subsidy from the General Fund. The increase in net position in the governmental activities is primarily due to an increase in property tax, a 2% increase in Hotel/Motel tax and the new TAVT tax.
- At the close of the current fiscal year, Peachtree City's governmental funds reported combined ending fund balances of $13,951,882, a decrease of $273,112 in comparison with the prior year. This decrease is due to the combination of 1) an increase in the general fund of $961,439 due to increased revenues in motor vehicle taxes and hotel motel tax, and 2) a decrease in the Debt Service Fund and Non-Major Governmental Funds of $1,234,551, primarily due to public improvement projects funded from bond revenue not spent in prior years. Approximately 32 percent or $4,476,666 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 $5,571,057, or 20.0 percent of total General Fund expenditures and operating transfers out, as required by the City's budget policies. Another $5,051,706 of the fund balance of the General Fund is Committed for Property Tax Rate Stabilization and $923,810 for the subsequent year's budget.
- Peachtree City's total long-term debt had a net increase of $5,186,470 (25.3 percent) during the current fiscal year. The increase is the net of payment of debt service and the retirement of the series 2007 Stormwater Revenue bonds with the issuance of series 2013 Stormwater 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 Position presents information on of Peachtree City's assets and liabilities at September 30, 2013, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the fiscal year ended September 30, 2013. All changes in net position 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 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 16 - 18 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 sixteen (16) 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, a major fund, and the Debt Service Fund, while technically not a major fund, is important to financial statement users. 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 19 - 24 of this report.

Proprietary Funds. As of September 30, 2013, 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 25 - 28 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 29 and 30 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 31 - 77 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 79 - 84 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Peachtree City, assets exceed liabilities by $84,965,385 at the close of the most recent fiscal year.

By far the largest portion of Peachtree City's net position (84.1 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 POSITION

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	$26,999,146	$28,809,961	$ 9,946,145	$ 2,656,299	$36,945,291	$31,466,260
Capital assets, net of depreciation	75,946,319	76,130,426	10,813,251	10,585,716	86,759,570	86,716,142
Total assets	102,945,465	104,940,387	20,759,396	13,242,015	123,704,861	118,182,402
Deferred outflows of resources	58,968	-	57,133	-	116,101	-
Current liabilities	12,995,140	14,202,809	196,038	367,306	13,191,178	14,570,115
Long-term liabilities	15,148,235	17,309,093	10,516,164	3,092,904	25,664,399	20,401,997
Total liabilities	28,143,375	31,511,902	10,712,202	3,460,210	38,855,577	34,972,112
Net Position:						
Net investment in capital assets	62,080,601	60,413,875	9,428,695	8,321,162	71,509,296	68,735,037
Restricted	2,749,490	3,646,069	177,293	1,029,413	2,926,783	4,675,482
Unrestricted	10,030,967	9,368,541	498,339	431,230	10,529,306	9,799,771
Total net position	$74,861,058	$73,428,485	$10,104,327	$ 9,781,805	$84,965,385	$83,210,290

An additional portion of Peachtree City's net position (3.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($10,529,306) 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 position 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 POSITION

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	$ 3,802,942	$ 3,871,823	$ 2,660,536	$ 2,089,335	$ 6,463,478	$ 5,961,158
Operating grants and contributions	762,373	539,230	-	-	762,373	539,230
Capital grants and contributions	417,443	581,674	-	-	417,443	581,674
General revenues:						
Property taxes	13,108,218	12,341,764	-	-	13,108,218	12,341,764
Sales taxes	6,519,042	6,693,327	-	-	6,519,042	6,693,327
Hotel/motel taxes	949,294	885,033	-	-	949,294	885,033
Other taxes	5,537,463	5,549,418	-	-	5,537,463	5,549,418
Other revenues	58,658	54,401	6,050	1,911	64,708	56,312
Total revenues	31,155,433	30,516,670	2,666,586	2,091,246	33,822,019	32,607,916
Current expenses:						
General government	4,368,257	5,088,017	-	-	4,368,257	5,088,017
Health and welfare	200,354	120,583	-	-	200,354	120,583
Public safety	14,092,520	14,529,593	-	-	14,092,520	14,529,593
Public works	4,898,012	6,389,913	-	-	4,898,012	6,389,913
Culture and recreation	5,021,548	4,525,381	-	-	5,021,548	4,525,381
Housing and development	391,961	985,435	-	-	391,961	985,435
Interest on long-term debt	429,528	588,102	-	-	429,528	588,102
Stormwater	-	-	1,518,065	1,192,888	1,518,065	1,192,888
Amphitheater	-	-	781,310	775,826	781,310	775,826
Total expenses	29,402,180	32,227,024	2,299,375	1,968,714	31,701,555	34,195,738
Increase (decrease) in net position	1,753,253	(1,710,354)	367,211	122,532	2,120,464	(1,587,822)
Net position, beginning of year, as restated	73,107,805	75,138,839	9,737,116	9,659,273	82,844,921	84,798,112
Net position, end of year	$74,861,058	$73,428,485	$10,104,327	$ 9,781,805	$84,965,385	$83,210,290

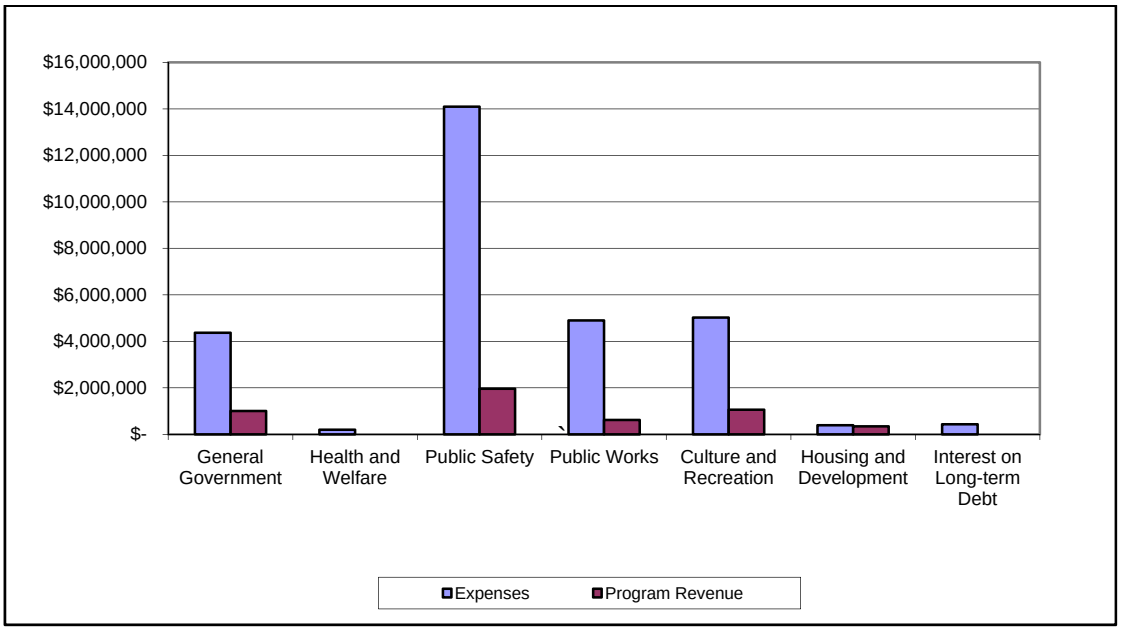
Governmental Activities:

- Property taxes increased $766,454 during the year; this is primarily due to a stabilizing economy.
- Sales taxes decreased $174,285 during the year, due primarily to a decrease in the formula for HB489 and the calculated split with the County and the City of Fayetteville based on population and other factors.
- Hotel/motel taxes increased $64,261 during the year, due to an increase in the Hotel/Motel tax in the last quarter of the fiscal year from 6% to 8%.
- Other taxes that include franchise taxes and insurance premium taxes decreased slightly during the year by $11,995.
- Capital grants and contributions decreased $164,231, primarily due to the fact that the SPLOST ended and fewer capital projects in progress during the fiscal year.
- Charges for services decreased $68,881. The primary reason for the decrease was the closure of the Kedron Fieldhouse and Aquatic center for renovations after a fire.
- General Government and Public Safety expenses decreased by $1,156,833. This is primarily due to salaries savings through vacancies.
- Public Works expenses decreased $1,491,901 due to a combination of salary savings and a decrease in subsidies to Stormwater and the depletion of SPLOST funds.
- Culture and Recreation expenses increased $496,167. This is primarily due to increased capital improvements to buildings in this department.

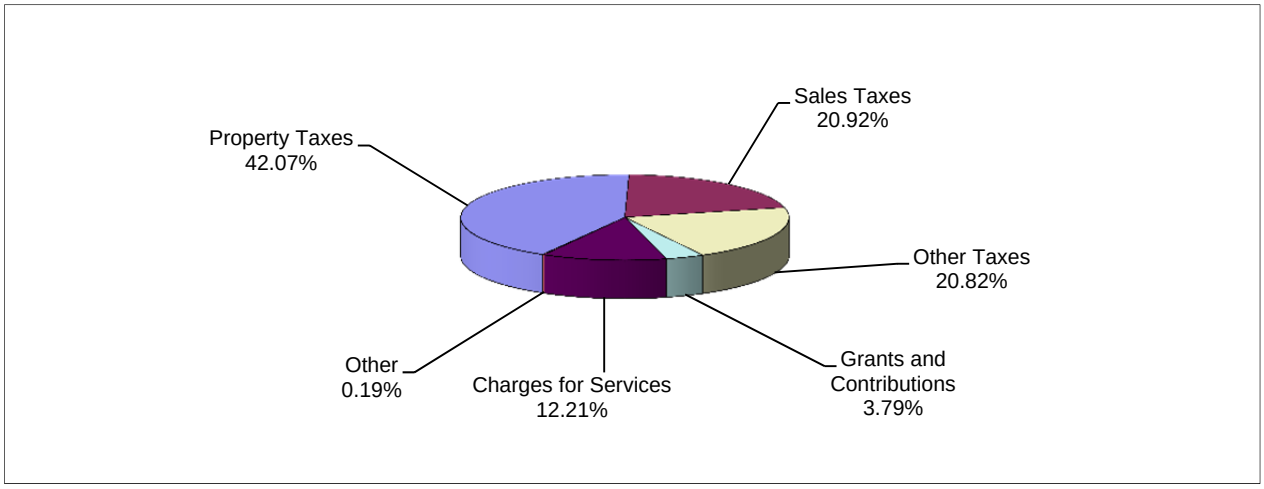
Business-type Activities:

- The increase in Charges for Services in Business-type Activities of $571,201 is due to a rate increase in Stormwater.
- The increase in Stormwater Expenses of $325,177 is primarily due to the expansion for Stormwater.
- The Amphitheater Expenses increased slightly by $5,484.

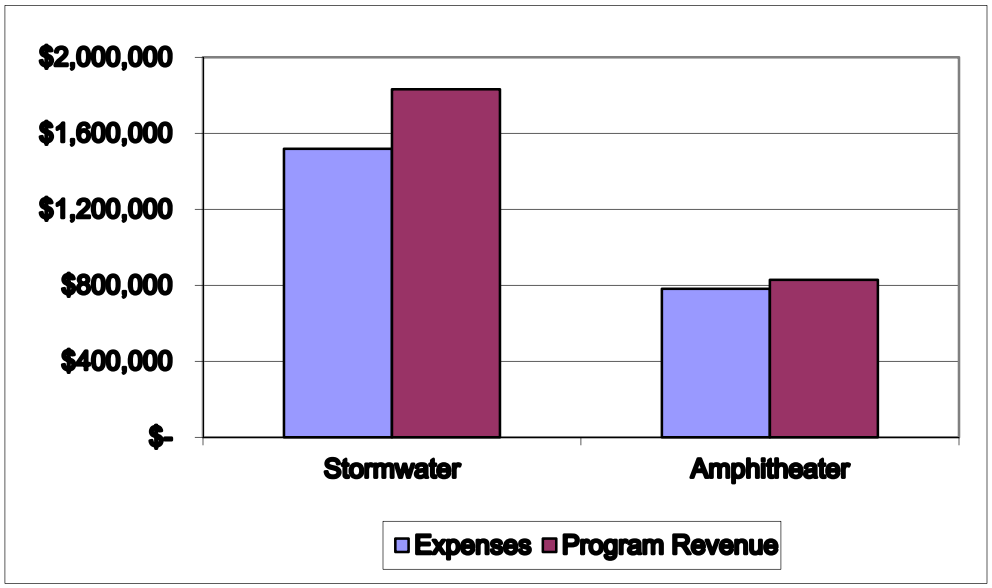
PEACHTREE CITY
EXPENSES AND PROGRAM REVENUES
GOVERNMENTAL ACTIVITIES



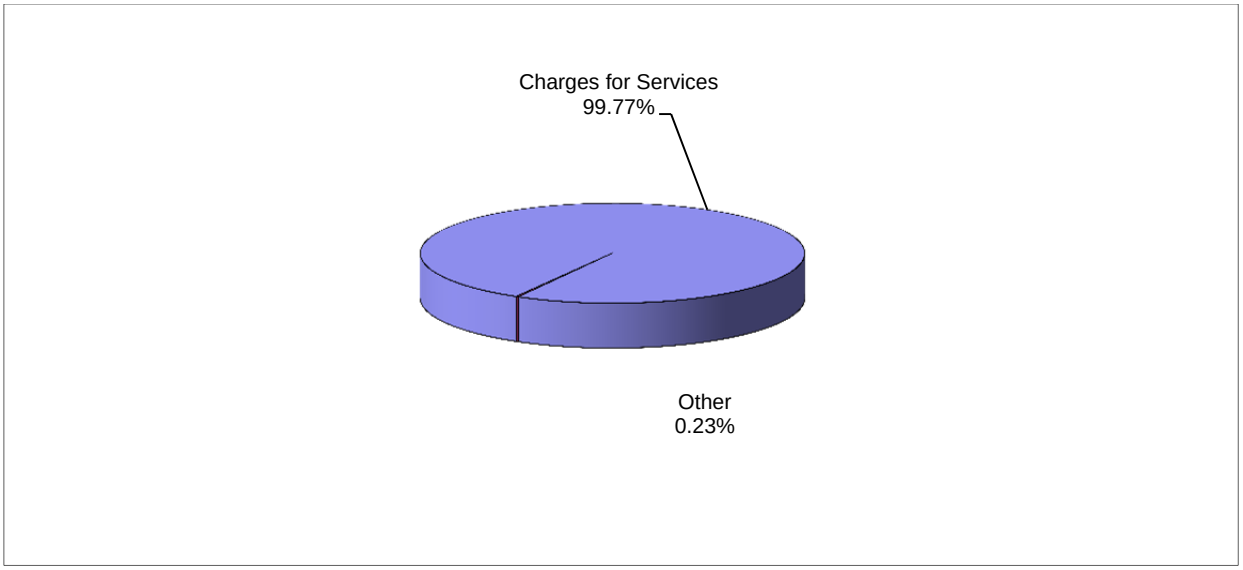
PEACHTREE CITY
REVENUES BY SOURCE
GOVERNMENTAL ACTIVITIES



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 $13,951,882, a decrease of $273,112 in comparison with the prior year. Approximately 32 percent of this total fund balance amount ($4,476,666) 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 ($339,560); restricted for various categories including debt service ($2,749,490); committed for property tax rate stabilization ($5,051,706); or assigned for capital projects and subsequent year's budget ($1,334,460).

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 $5,571,057 while total fund balance was $11,886,133. 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 $961,439 primarily due to less dependence of other funds on the General Fund. The ending fund balance in Nonmajor Governmental Funds that includes the Debt Service Fund, the Special Purpose Local Option Sales Tax Fund(SPLOST) and Capital Projects Funds was $2,065,749, a decrease of $1,234,551, primarily due to spending of 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, 2013, unrestricted net position of the Stormwater Utility Fund was $403,189, a decrease of $9,235. The Amphitheater Fund unrestricted net position as of September 30, 2013 totaled $95,150, an increase of $71,855 due to an increased percentage of Hotel/Motel tax from 6% to 8% on August 1, 2013

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- The original budget and final amended budget for taxes remained unchanged and the actual tax revenues were over-budget, primarily due to the new TAVT tax.
- Budgeted charges for services were increased $22,016, primarily due to an adjustment of the rate structure in the recreation department.
- The increase in the General Government budgeted expenditures of $757,506 is due to the payoff of the Airport Authority General Obligation bonds ($307,021), supplement for Crosstown paving project ($305,000), an increase in spending for litter removal and landscaping ($48,979), and the replacement of contents at the Kedron Fieldhouse and Aquatic Center due to a fire.
- The decrease in budgeted expenditures for the Public Safety activities ($736,059), Public Works activities ($131,220), and Culture and Recreation activities ($104,340) is primarily due to budgeted savings.
- The increase in budgeted expenditures in Housing and Development activities is $80,955 and is primarily due to the expense associated with the increase in building permits.
- The increase in transfers out is $694,021. This increase is due to the transfers to subsidize the SPLOST paving projects and Debt Service to pay off the Airport Authority GO 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, 2013, is $86,759,570 (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 $43,428.

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

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

PEACHTREE CITY
CAPITAL ASSETS
(NET OF DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land and improvements	$23,105,296	$22,978,667	$ 122,041	$ 131,586	$23,227,337	$23,110,253
Easements	82,402	82,402	-	-	82,402	82,402
Buildings and improvements	20,884,311	19,845,993	631,133	640,513	21,515,444	20,486,506
Machinery and equipment	4,534,303	4,714,627	147,480	177,692	4,681,783	4,892,319
Infrastructure	26,203,839	26,831,737	9,573,531	9,105,019	35,777,370	35,936,756
Construction in progress	1,136,168	1,677,000	339,066	530,906	1,475,234	2,207,906
Total	$75,946,319	$76,130,426	$10,813,251	$10,585,716	$86,759,570	$86,716,142

Additional information on Peachtree City's capital assets can be found in the Notes to Financial Statements on pages 38 and 39.

Long-term Debt. As of September 30, 2013, Peachtree City had total bonded debt outstanding of $17,285,000. Of this amount, $7,890,000 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	
	2013	2012	2013	2012	2013	2012
General obligation bonds	$ 3,185,000	$ 4,130,000	$ -	$ -	$ 3,185,000	$ 4,130,000
Revenue bonds	4,705,000	5,190,000	9,395,000	3,070,000	14,100,000	8,260,000
Total	$ 7,890,000	$ 9,320,000	$ 9,395,000	$ 3,070,000	$17,285,000	$12,390,000

Peachtree City's general obligation debt decreased by $945,000 during the current fiscal year due to regular principal payments of the outstanding general obligation debt. The City's revenue bond debt increased by $5,840,000 due primarily to the issuance of series 2013 Stormwater 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 54-64.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Factors considered in preparing Peachtree City's budget for the 2014 fiscal year include the following:

- Net assessed values for real and personal property for the City's General Fund increased from the 2012 tax year to the 2013 tax year (fiscal year 2014) by 2% due to new growth.
- The 2014 budget resulted in the addition of one full-time position in the Fire Department and a 2% cost of living adjustment for all employees.
- Legislation was passed to raise the Hotel/Motel percentage from 6% to 8%. The additional 2% will be spent on additional tourism products and developments.
- Health insurance costs held level for fiscal year 2013. Fiscal year 2014 budgeted costs remained the same as budgeted for fiscal year 2013 as no increases are expected.
- Defined benefit pension costs for fiscal year 2014 were expected to decrease by approximately $60,000 from fiscal year 2013.

The City continues to review revenues and expenditures as they begin the preparation of the 2015 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 POSITION
SEPTEMBER 30, 2013

ASSETS	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Cash and cash equivalents	$ 6,772,089	$ 9,845,476	$ 16,617,565	$ -
Restricted assets, cash	-	-	-	-
Investments	5,015,180	-	5,015,180	-
Taxes receivable	11,329,782	-	11,329,782	-
Accounts receivable, net of allowances	402,815	55,915	458,730	-
Interest receivable	30,167	-	30,167	-
Internal balances	(31)	31	-	-
Due from other governments	3,027,059	-	3,027,059	-
Due from component unit	82,525	27,922	110,447	-
Due from primary government	-	-	-	77,888
Inventories	47,549	2,360	49,909	-
Prepaid expenses	292,011	14,441	306,452	-
Other assets	-	-	-	14,147,164
Capital assets:				
Non-depreciable	23,691,174	416,561	24,107,735	10,154,066
Depreciable, net of accumulated depreciation	52,255,145	10,396,690	62,651,835	40,689,901
Total assets	102,945,465	20,759,396	123,704,861	65,069,019
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	58,968	57,133	116,101	2,339,720
Total deferred outflows of resources	58,968	57,133	116,101	2,339,720
LIABILITIES				
Accounts payable	801,214	76,708	877,922	-
Retainage payable	38,547	-	38,547	-
Accrued liabilities	520,222	100,669	620,891	-
Unearned revenues	11,561,401	12,289	11,573,690	-
Due to component unit	73,756	4,132	77,888	-
Due to primary government	-	-	-	110,447
Other current liabilities	-	2,240	2,240	581,766
Compensated absences due within one year	754,195	13,984	768,179	-
Notes and capital leases due within one year	1,409,708	-	1,409,708	-
Bonds payable due within one year	995,000	270,000	1,265,000	-
Compensated absences due in more than one year	158,930	-	158,930	-
Notes and capital leases due in more than one year	4,207,525	-	4,207,525	-
Bonds payable due in more than one year	7,253,485	10,232,180	17,485,665	-
Other long-term liabilities:				
Due within one year	-	-	-	2,186,878
Due in more than one year	369,392	-	369,392	28,088,938
Total liabilities	28,143,375	10,712,202	38,855,577	30,968,029

Continued

PEACHTREE CITY, GEORGIA

STATEMENT OF NET POSITION
SEPTEMBER 30, 2013

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
NET POSITION				
Net investment in capital assets	62,080,601	9,428,695	71,509,296	21,860,846
Restricted for:				
Public safety	177,054	-	177,054	-
Public works	24,418	-	24,418	-
Culture and recreation	32,054	-	32,054	-
Capital projects	2,235,130	-	2,235,130	-
Debt service	280,834	-	280,834	182,687
Renewals and extensions	-	177,293	177,293	-
Other	-	-	-	88,444
Unrestricted	10,030,967	498,339	10,529,306	14,308,733
Total net position	$ 74,861,058	$ 10,104,327	$ 84,965,385	$ 36,440,710

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

PEACHTREE CITY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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 Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units
Primary government:								
Governmental activities:								
General government	$ 4,368,257	$ 1,004,248	$ -	$ -	$ (3,364,009)	$ -	$ (3,364,009)	$ -
Health and welfare	200,354	-	-	-	(200,354)	-	(200,354)	-
Public safety	14,092,520	1,612,022	347,373	-	(12,133,125)	-	(12,133,125)	-
Public works	4,898,012	-	300,000	317,443	(4,280,569)	-	(4,280,569)	-
Culture and recreation	5,021,548	843,813	115,000	100,000	(3,962,735)	-	(3,962,735)	-
Housing and development	391,961	342,859	-	-	(49,102)	-	(49,102)	-
Interest on long-term debt	429,528	-	-	-	(429,528)	-	(429,528)	-
Total governmental activities	29,402,180	3,802,942	762,373	417,443	(24,419,422)	-	(24,419,422)	-
Business-type activities:								
Stormwater	1,518,065	1,831,898	-	-	-	313,833	313,833	-
Amphitheater	781,310	828,638	-	-	-	47,328	47,328	
Total business-type activities	2,299,375	2,660,536	-	-	-	361,161	361,161	-
Total primary government	$ 31,701,555	$ 6,463,478	$ 762,373	$ 417,443	$ (24,419,422)	$ 361,161	$ (24,058,261)	$ -
Component units	$ 10,740,931	$ 11,273,452	$ 592,459	$ 14,238	$ -	$ -	$ -	$ 1,139,218
General revenues								
Property taxes					13,108,218	-	13,108,218	-
Sales taxes					6,519,042	-	6,519,042	-
Hotel/motel taxes					949,294	-	949,294	-
Alcoholic beverage taxes					752,323	-	752,323	-
Franchise taxes					2,543,412	-	2,543,412	-
Insurance premium taxes					1,772,632	-	1,772,632	-
Other taxes					469,096	-	469,096	-
Unrestricted investment earnings					58,658	6,050	64,708	-
Miscellaneous revenues					-	-	-	131,858
Total general revenues					26,172,675	6,050	26,178,725	131,858
Change in net position					1,753,253	367,211	2,120,464	1,271,076
Net position, beginning of year, as restated					73,107,805	9,737,116	82,844,921	35,169,634
Net position, end of year					$ 74,861,058	$ 10,104,327	$ 84,965,385	$ 36,440,710

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

PEACHTREE CITY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

ASSETS	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Cash and cash equivalents	$ 2,875,536	$ 273,585	$ 3,622,968	$ 6,772,089
Investments	5,015,180	-	-	5,015,180
Taxes receivable	10,679,203	525,877	124,702	11,329,782
Accounts receivable, net of allowances	380,811	-	22,004	402,815
Interest receivables	30,167	-	-	30,167
Intergovernmental receivables	2,951,934	27,841	47,284	3,027,059
Due from other funds	1,790,002	-	304,021	2,094,023
Due from component units	82,525	-	-	82,525
Inventories	47,549	-	-	47,549
Prepaid expenditures	292,011	-	-	292,011
Total assets	$ 24,144,918	$ 827,303	$ 4,120,979	$ 29,093,200
LIABILITIES				
Accounts payable	$ 379,451	$ -	$ 421,763	$ 801,214
Retainage payable	-	-	38,547	38,547
Accrued liabilities	446,222	-	-	446,222
Unearned revenues	-	-	20,320	20,320
Due to other funds	304,052	-	1,790,002	2,094,054
Due to component units	8,324	-	65,432	73,756
Total liabilities	1,138,049	-	2,336,064	3,474,113
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	11,120,736	546,469	-	11,667,205
Total deferred inflows of resources	$ 11,120,736	$ 546,469	$ -	$ 11,667,205

PEACHTREE CITY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

FUND BALANCES	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Inventories	$ 47,549	$ -	$ -	$ 47,549
Prepaid expenditures	292,011	-	-	292,011
Restricted for:				
Public safety	-	-	177,054	177,054
Public works	-	-	24,418	24,418
Culture and recreation	-	-	32,054	32,054
Capital projects	-	-	2,235,130	2,235,130
Debt service	-	280,834	-	280,834
Committed to:				
Property tax rate stabilization	5,051,706	-	-	5,051,706
Assigned to:				
Capital Projects	-	-	410,650	410,650
Subsequent year's budget	923,810	-	-	923,810
Unassigned	5,571,057	-	(1,094,391)	4,476,666
Total fund balances	11,886,133	280,834	1,784,915	13,951,882
Total liabilities, deferred inflows of resources, and fund balances	$ 24,144,918	$ 827,303	$ 4,120,979	
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.				75,946,319
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.				126,124
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.				(15,163,267)
Net position of governmental activities				$ 74,861,058

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, 2013

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	$ 24,407,641	$ 735,408	$ 989,287	$ 26,132,336
Licenses and permits	741,011	-	-	741,011
Intergovernmental	274,777	-	601,753	876,530
Charges for services	1,822,204	-	172,646	1,994,850
Fines	921,773	-	-	921,773
Donations	-	-	302,465	302,465
Interest earned	56,073	375	3,031	59,479
Miscellaneous	145,308	-	-	145,308
Total revenues	28,368,787	735,783	2,069,182	31,173,752
Expenditures:				
Current:				
General government	4,084,573	1,700	-	4,086,273
Health and welfare	199,290	-	-	199,290
Public safety	12,989,628	-	118,974	13,108,602
Public works	3,476,278	-	-	3,476,278
Culture and recreation	3,197,818	-	706,953	3,904,771
Housing and development	885,607	-	-	885,607
Capital outlay	-	-	3,463,594	3,463,594
Debt service:				
Principal retirement	-	2,847,648	-	2,847,648
Interest charges	-	513,088	-	513,088
Bond issuance costs	-	-	2,162	2,162
Total expenditures	24,833,194	3,362,436	4,291,683	32,487,313
Excess (deficiency) of revenues over (under) expenditures	3,535,593	(2,626,653)	(2,222,501)	(1,313,561)
Other financing sources (uses):				
Capital leases	-	-	1,014,604	1,014,604
Transfers in	364,962	2,513,486	451,475	3,329,923
Transfers out	(2,964,961)	-	(364,962)	(3,329,923)
Proceeds from sale of capital assets	25,845	-	-	25,845
Total other financing sources (uses)	(2,574,154)	2,513,486	1,101,117	1,040,449
Net change in fund balances	961,439	(113,167)	(1,121,384)	(273,112)
Fund balances, beginning of year	10,924,694	394,001	2,906,299	14,224,994
Fund balances, end of year	$ 11,886,133	$ 280,834	$ 1,784,915	$ 13,951,882

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, 2013

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	(273,112)
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 depreciation exceeded capital outlays in the current period.		(183,013)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) is to decrease net position.		(1,094)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(18,319)
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 position. Also, governmental funds report the effect of 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.		1,833,044
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.		395,747
	$	1,753,253

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Revenues:				
Taxes	$ 23,853,764	$ 23,853,764	$ 24,407,641	$ 553,877
Licenses and permits	655,664	716,664	741,011	24,347
Intergovernmental	251,613	251,613	274,777	23,164
Charges for services	1,609,151	1,631,167	1,822,204	191,037
Fines	1,215,392	1,215,392	921,773	(293,619)
Interest earned	57,429	57,429	56,073	(1,356)
Miscellaneous	118,991	124,691	145,308	20,617
Total revenues	27,762,004	27,850,720	28,368,787	518,067
Expenditures:				
Current:				
General government:				
Mayor and Council	54,702	64,419	51,480	12,939
City Manager	255,778	320,778	298,189	22,589
General administration	(206,887)	411,429	411,379	50
Finance department	636,140	636,140	612,011	24,129
Purchasing department	161,726	161,726	148,870	12,856
Information technology	356,509	356,199	355,502	697
Human resources	325,980	325,981	280,828	45,153
Buildings and grounds	920,724	954,798	867,364	87,434
Public information	170,764	170,764	146,244	24,520
Engineering	297,680	319,988	281,590	38,398
City Clerk	317,959	326,359	260,873	65,486
Municipal Court	386,076	386,076	370,243	15,833
Total general government	3,677,151	4,434,657	4,084,573	350,084
Health and welfare	204,188	204,188	199,290	4,898
Public safety:				
Police departmen	7,010,032	6,525,453	6,445,494	79,959
Fire departmen	6,592,491	6,331,711	6,250,271	81,440
Emergency medical service	301,092	310,392	293,863	16,529
Total public safety	13,903,615	13,167,556	12,989,628	177,928
Public works	3,739,879	3,608,659	3,476,278	132,381
Culture and recreation				
Administration	1,865,432	1,647,983	1,523,141	124,842
Kedron Fieldhouse	652,793	776,736	746,347	30,389
Library administration	1,001,950	991,116	928,330	62,786
Total culture and recreation	3,520,175	3,415,835	3,197,818	218,017
Housing and development:				
Planning and zoning	224,336	224,405	173,671	50,734
Economic developmen	75,000	75,000	75,000	-
Code enforcemen	250,664	250,515	234,969	15,546
Protective inspection	325,355	406,390	401,967	4,423
Total housing and development	875,355	956,310	885,607	70,703
Total expenditures	25,920,363	25,787,205	24,833,194	954,011
Excess of revenues over expenditures	1,841,641	2,063,515	3,535,593	1,472,078

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, 2013

	Budget			Variance With
	Original	Final	Actual	Final Budget
Other financing sources (uses):				
Transfers in	275,370	275,370	364,962	89,592
Transfers out	(2,652,992)	(3,347,013)	(2,964,961)	382,052
Proceeds from sale of capital assets	41,155	41,155	25,845	(15,310)
Total other financing sources (uses)	(2,336,467)	(3,030,488)	(2,574,154)	456,334
Net change in fund balance	(494,826)	(966,973)	961,439	1,928,412
Fund balances, beginning of year	10,924,694	10,924,694	10,924,694	-
Fund balances, end of year	$ 10,429,868	$ 9,957,721	$ 11,886,133	$ 1,928,412

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

PEACHTREE CITY, GEORGIA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2013

	Major Fund		
	Stormwater Fund	Amphitheater Fund	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 9,748,382	$ 97,094	$ 9,845,476
Accounts receivable, net of allowances	34,618	21,297	55,915
Inventory	-	2,360	2,360
Due from other funds	-	31	31
Due from component unit	-	27,922	27,922
Prepaid expenses	12,126	2,315	14,441
Total current assets	9,795,126	151,019	9,946,145
NONCURRENT ASSETS			
Capital assets			
Non-depreciable	339,066	77,495	416,561
Depreciable, net of accumulated depreciation	9,721,013	675,677	10,396,690
Total noncurrent assets	10,060,079	753,172	10,813,251
Total assets	19,855,205	904,191	20,759,396
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	57,133	-	57,133
Total deferred outflows of resources	57,133	-	57,133
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable	32,029	44,679	76,708
Accrued liabilities	99,113	1,556	100,669
Unearned revenue	10,789	1,500	12,289
Due to others	220	2,020	2,240
Due to component unit	-	4,132	4,132
Compensated absences	12,002	1,982	13,984
Current portion of bonds payable	270,000	-	270,000
Total current liabilities	424,153	55,869	480,022
LONG-TERM LIABILITIES			
Revenue bonds payable, net	10,232,180	-	10,232,180
Total liabilities	10,656,333	55,869	10,712,202
NET POSITION			
Net investment in capital assets	8,675,523	753,172	9,428,695
Restricted for renewals and extensions	177,293	-	177,293
Unrestricted	403,189	95,150	498,339
Total net position	$ 9,256,005	$ 848,322	$ 10,104,327

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

PEACHTREE CITY, GEORGIA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Major Fund		
	Stormwater Fund	Amphitheater Fund	Totals
OPERATING REVENUE			
Charges for services	$ 1,824,204	$ 586,035	$ 2,410,239
Sponsorships	-	242,603	242,603
Other fees and charges	7,694	-	7,694
Total operating revenues	1,831,898	828,638	2,660,536
OPERATING EXPENSES			
Purchased or contracted services	40,353	19,861	60,214
Costs of services	242,261	655,575	897,836
Salaries, wages and related benefits	563,067	69,848	632,915
Depreciation	255,726	36,026	291,752
Total operating expenses	1,101,407	781,310	1,882,717
Operating income	730,491	47,328	777,819
NONOPERATING REVENUES (EXPENSES)			
Interest income	5,934	116	6,050
Interest expense	(218,411)	-	(218,411)
Bond issuance costs	(198,247)	-	(198,247)
Total nonoperating revenues (expenses)	(410,724)	116	(410,608)
Change in net position	319,767	47,444	367,211
Total net position, beginning of year, as restated	8,936,238	800,878	9,737,116
Total net position, end of year	$ 9,256,005	$ 848,322	$ 10,104,327

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, 2013

	Major Fund		
	Stormwater Fund	Amphitheater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 1,545,197	$ 786,507	$ 2,331,704
Payments to suppliers	(286,060)	(638,373)	(924,433)
Payments to employees	(568,624)	(70,346)	(638,970)
Net cash provided by operating activities	690,513	77,788	768,301
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(502,186)	(17,101)	(519,287)
Principal paid on revenue bonds	(3,070,000)	-	(3,070,000)
Proceeds from bond refunding	9,395,000	-	9,395,000
Premium and deferred loss on bond refunding	1,072,973	-	1,072,973
Bond issuance costs	(198,247)	-	(198,247)
Interest paid	(185,884)	-	(185,884)
Net cash provided by (used in) capital and related financing activities	6,511,656	(17,101)	6,494,555
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	5,934	116	6,050
Net cash provided by investing activities	5,934	116	6,050
Net increase in cash	7,208,103	60,803	7,268,906
Cash and cash equivalents, beginning of year	2,540,279	36,291	2,576,570
Cash and cash equivalents, end of year	$ 9,748,382	$ 97,094	$ 9,845,476

(Continued)

PEACHTREE CITY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Major Fund		
	Stormwater Fund	Amphitheater Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	$ 730,491	$ 47,328	$ 777,819
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	255,726	36,026	291,752
Change in assets and liabilities:			
Increase in accounts receivable	(18,081)	(21,297)	(39,378)
Decrease in inventory	-	390	390
Increase in prepaid expenses	(3,637)	(670)	(4,307)
Increase in due from other funds	-	(31)	(31)
Increase in due from component units	-	(22,303)	(22,303)
Increase in accounts payable	198	41,319	41,517
Increase (decrease) in unearned revenue	(268,620)	1,500	(267,120)
Decrease in accrued liabilities	(5,557)	(498)	(6,055)
Decrease in due to others	(7)	(7,384)	(7,391)
Increase in due to component units	-	3,408	3,408
Net cash provided by operating activities	$ 690,513	$ 77,788	$ 768,301

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

PEACHTREE CITY, GEORGIA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2013

ASSETS	Pension Trust Fund	Agency Funds
Cash	$ -	$ 266,972
Prepaid items	-	2,927
Accounts receivable	15,982	4,823
Mutual funds	23,133,004	-
Total assets	23,148,986	274,722
LIABILITIES		
Cash bonds held	-	121,664
Accounts payable	-	714
Due to others	-	46,029
Deposits held	-	106,315
Other current liabilities	20,960	-
Total liabilities	20,960	274,722
NET POSITION		
Assets held in trust for pension benefits	$ 23,128,026	$ -

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

PEACHTREE CITY, GEORGIA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION PENSION TRUST FUND FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

ADDITIONS	
Contributions	
Employer contributions	$ 1,660,833
Total contributions	1,660,833
Investment income	
Net appreciation in fair value of investments	2,078,810
Interest and dividends	1,111,574
Total investment income	3,190,384
Total additions	4,851,217
DEDUCTIONS	
Benefit payments	1,062,565
Administrative fees	65,279
Total deductions	1,127,844
Net increase	3,723,373
Net position at beginning of year	19,404,653
Net position at end of year	$ 23,128,026

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 2013. 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 units column in the government-wide financial statements includes the financial data of the City's three discretely presented component units. The component units are reported in a separate column to emphasize that they 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.

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the 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 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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 **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)

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, 2013, and none were recorded.

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

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, 2013, 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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2013, 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, 2013. 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 position. Bond premiums and discounts 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.

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. Deferred Outflows / Inflows of Resources

The City implemented GASB Statements No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and No. 65, *Items Previously Reported as Assets and Liabilities*, as of October 1, 2012. These new standards establish accounting and financial reporting for deferred outflows / inflows of resources and the concept of net position as the residual of all other elements presented in a statement of net position.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense / expenditure) until then. The City has only one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide and proprietary fund statements of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded debt or the refunding debt.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Deferred Outflows / Inflows of Resources (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and these amounts are deferred and will be recognized as an inflow of resources in the period in which the amounts become available.

P. 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 position."

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:

- ***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.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Equity (Continued)

- ***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 position 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.

Net Position – Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources in reporting which utilizes the economic resources measurement focus. Net investment in capital assets 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 position is reported as restricted using the same definition as used for restricted fund balance as described in the section above. All other net position is reported as unrestricted.

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

Q. 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 Position

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. 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 $15,163,267 difference are as follows:

Notes and capital leases payable	$	(5,617,233)
Bonds payable		(7,890,000)
Deferred charges on refunding		58,968
Premiums on bonds payable		(358,485)
Compensated absences		(913,125)
Accrued interest		(74,000)
OPEB liability		(369,392)
Net adjustment to reduce *fund balance - total governmental funds to arrive at net position - governmental activities*	$	(15,163,267)

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 position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $183,013 difference are as follows:

Capital outlay	$	2,788,158
Depreciation expense		(2,971,171)
Net adjustment to decrease *net change in fund balances - total governmental funds to arrive at change in net position - governmental activities*	$	(183,013)

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 position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized for governmental activities." The details of this $1,833,044 difference are as follows:

Debt issued or incurred:		
Capital leases	$	(1,014,604)
Principal repayments:		
Principal retirement of long-term debt		2,847,648
Net adjustment to increase *net change in fund balances - total governmental funds to arrive at change in net position - governmental activities*	$	1,833,044

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 $395,747 difference are as follows:

Compensated absences	$	310,025
Amortization of deferred charge on refunding		(16,964)
Amortization of bond premiums		93,721
Accrued interest		8,965
Net adjustment to increase *net change in fund balances - total governmental funds to arrive at change in net position - governmental activities*	$	395,747

NOTE 3. LEGAL COMPLIANCE - BUDGETS

A. Budgets and Budgetary Accounting

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.

B. Excess Expenditures over Appropriations

For the year ended September 30, 2013, expenditures exceeded budget in the Keep Peachtree City Beautiful Fund, as follows:

Department	Excess
Culture and development	$ 2,793

These over expenditures were funded by additional unanticipated revenues.

NOTE 4. DEPOSITS AND INVESTMENTS

Primary Government

Total deposits and investments as of September 30, 2013 are summarized as follows:

Statement of Net Position:		
Cash and cash equivalents	$	16,617,565
Investments		5,015,180
Statement of Fiduciary Net Position:		
Mutual funds - Pension Trust Fund		23,133,004
Cash - Agency Funds		266,972
	$	45,032,721
Cash deposited with financial institutions	$	15,098,482
Investments - mutual funds		23,133,004
Investments - certificates of deposit		5,015,180
Cash deposited with Georgia Fund 1		1,786,055
	$	45,032,721

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, 2013, the City's investment in Georgia Fund 1 was rated AAAf 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, 2013, the City had $23,133,004 invested on behalf of a defined benefit pension fund, $5,015,180 in certificates of deposit and $1,786,055 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.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

Investment	Maturities	Fair Value
Stock mutual funds	(1)	$ 14,462,117
Bond mutual funds	3.27 duration	6,628,158
Real estate mutual funds	Less than 1 year	2,042,729
Certificates of deposit	Less than 1 year	3,015,180
Certificates of deposit	1-5 years	2,000,000
Georgia Fund 1	56 day weighted average	1,786,055
Total		$ 29,934,239

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

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 the bond manager's benchmarks to be investment grade bonds. The fund managers, at their discretion, can adjust their weights of investment and below investment grade bonds. At September 30, 2013, the duration of the bond mutual funds was 3.27 years. Of the City's investments in bond mutual funds, $2,033,615 were rated BBB or higher and $4,594,543 were rated BB or lower.

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 & Poor's criteria for AAAf 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, 2013, the City considers amounts held in Georgia Fund 1 as cash equivalents for financial statement presentation.

NOTE 4. DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2013, all of the City's bank balances were adequately insured and collateralized as defined by GASB.

Peachtree City Convention and Visitors Bureau

As of September 30, 2013, the bank balances for the CVB were adequately insured and collateralized as defined by GASB.

Peachtree City Water and Sewerage Authority

As of September 30, 2013, the bank balances for the Water and Sewerage Authority were adequately insured and collateralized as defined by GASB.

As of September 30, 2013, the Water and Sewerage Authority had the following investments:

Investment	Maturities	Fair Value
Certificate of Deposit	December 23, 2013	$ 500,000
Certificate of Deposit	June 29, 2014	500,000
Certificate of Deposit	April 29, 2016	500,000
Certificate of Deposit	April 29, 2018	1,000,000
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, 2013, 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 August 15, 2013, with property values assessed as of January 1, 2013. The taxes become a lien against the assessed property on January 1. The billings for the August 15, 2013, levy were mailed in September 2013. 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, 2013, for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts are as follows:

	General	Debt Service	Stormwater
Receivables:			
Taxes	$ 10,679,203	$ 525,877	$ -
Accounts	635,036	-	83,897
Interest	30,167	-	-
Intergovernmental	2,951,934	27,841	-
Total receivables	14,296,340	553,718	83,897
Less allowance for uncollectible	254,225	-	49,279
Net total receivable	$ 14,042,115	$ 553,718	$ 34,618

	Amphitheater	Nonmajor Governmental Funds	Total
Receivables:			
Taxes	$ -	$ -	$ 11,205,080
Accounts	21,297	-	740,230
Interest	-	-	30,167
Intergovernmental	-	-	2,979,775
Total receivables	21,297	-	14,955,252
Less allowance for uncollectible	-	-	303,504
Net total receivable	$ 21,297	$ -	$ 14,651,748

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 governmental activities of the primary government for the year ended September 30, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	$ 22,472,604	$ -	$ -	$ -	$ 22,472,604
Easements	82,402	-	-	-	82,402
Construction in progress	1,677,000	1,473,208	-	(2,014,040)	1,136,168
Total	24,232,006	1,473,208	-	(2,014,040)	23,691,174
Capital assets, being depreciated:					
Land improvements	1,977,614	12,777	-	211,942	2,202,333
Buildings and improvements	29,390,603	143,966	-	1,748,771	31,283,340
Machinery and equipment	15,457,150	1,158,207	(139,801)	-	16,475,556
Infrastructure	40,743,839	-	-	53,327	40,797,166
Total	87,569,206	1,314,950	(139,801)	2,014,040	90,758,395
Less accumulated depreciation for:					
Land and improvements	(1,471,551)	(98,090)	-	-	(1,569,641)
Buildings and improvements	(9,544,610)	(854,419)	-	-	(10,399,029)
Machinery and equipment	(10,742,523)	(1,337,437)	138,707	-	(11,941,253)
Infrastructure	(13,912,102)	(681,225)	-	-	(14,593,327)
Total	(35,670,786)	(2,971,171)	138,707	-	(38,503,250)
Total capital assets, being depreciated, net	51,898,420	(1,656,221)	(1,094)	2,014,040	52,255,145
Governmental activities capital assets, net	$ 76,130,426	$ (183,013)	$ (1,094)	$ -	$ 75,946,319

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	$ 254,449
Public safety	1,188,014
Public works	894,770
Culture and recreation	621,622
Housing and development	9,178
Health and welfare	3,138
Total depreciation expense - governmental activities	$ 2,971,171

Capital asset activity for the business-type activities of the primary government for the year ended September 30, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	$ 77,495	$ -	$ -	$ -	$ 77,495
Construction in progress	530,906	288,996	-	(480,836)	339,066
Total	608,401	288,996	-	(480,836)	416,561
Capital assets, being depreciated:					
Land improvements	161,027	-	-	-	161,027
Buildings and improvements	955,201	17,100	-	-	972,301
Machinery and equipment	502,900	15,491	-	-	518,391
Infrastructure	10,315,232	197,700	-	480,836	10,993,768
Total	11,934,360	230,291	-	480,836	12,645,487
Less accumulated depreciation for:					
Land improvements	(106,936)	(9,545)	-	-	(116,481)
Buildings and improvements	(314,688)	(26,480)	-	-	(341,168)
Machinery and equipment	(325,208)	(45,703)	-	-	(370,911)
Infrastructure	(1,210,213)	(210,024)	-	-	(1,420,237)
Total	(1,957,045)	(291,752)	-	-	(2,248,797)
Total capital assets, being depreciated, net	9,977,315	(61,461)	-	480,836	10,396,690
Business-type activities capital assets, net	$ 10,585,716	$ 227,535	$ -	$ -	$ 10,813,251

NOTE 6. CAPITAL ASSETS (CONTINUED)

A. Primary Government (Continued)

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

Business-type activities:	
Stormwater	$ 255,726
Amphitheater	36,026
Total depreciation expense - business-type activities	$ 291,752

B. Discretely Presented Component Unit – Airport Authority

Capital asset activity for the Airport Authority for the year ended September 30, 2013, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Land	$ 7,687,974	$ -	$ -	$ 7,687,974
Construction in progress	133,664	22,486	(156,150)	-
Total	7,821,638	22,486	(156,150)	7,687,974
Capital assets, being depreciated:				
Land improvements	19,754,909	159,150	-	19,914,059
Building and improvements	7,073,107	23,923	-	7,097,030
Equipment	320,016	23,593	(6,765)	336,844
Total	27,148,032	206,666	(6,765)	27,347,933
Less accumulated depreciation for:				
Land improvements	(10,137,602)	(425,084)	-	(10,562,686)
Building and improvements	(2,884,773)	(283,237)	-	(3,168,010)
Equipment	(270,342)	(12,983)	4,623	(278,702)
Total	(13,292,717)	(721,304)	4,623	(14,009,398)
Total capital assets, being depreciated, net	13,855,315	(514,638)	(2,142)	13,338,535
Total capital assets, net	$ 21,676,953	$ (492,152)	$ (158,292)	$ 21,026,509

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, 2013 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	-	356,512
Assets to be disposed of	500,000	-	-	500,000
Total	2,287,836	178,256	-	2,466,092
Capital assets, being depreciated:				
Land improvements	18,300	-	-	18,300
Buildings	1,780,066	-	-	1,780,066
Vehicles	1,092,831	301,679	-	1,394,510
Equipment	1,142,947	21,895	-	1,164,842
Infrastructure	373,776	-	-	373,776
Sewer plants	22,683,886	151,144	-	22,835,030
Pump stations	7,282,083	697,719	-	7,979,802
Pipeline	12,977,671	27,437	-	13,005,108
Total	47,351,560	1,199,874	-	48,551,434
Less accumulated depreciation for:				
Land improvements	(11,895)	(1,830)	-	(13,725)
Buildings	(345,590)	(35,602)	-	(381,192)
Vehicles	(866,055)	(107,320)	-	(973,375)
Equipment	(989,379)	(38,756)	-	(1,028,135)
Infrastructure	(23,788)	(3,668)	-	(27,456)
Sewer plants	(10,079,895)	(915,543)	-	(10,995,438)
Pump stations	(4,324,374)	(367,392)	-	(4,691,766)
Pipeline	(2,974,246)	(259,736)	-	(3,233,982)
Total	(19,615,222)	(1,729,847)	-	(21,345,069)
Total capital assets, being depreciated, net	27,736,338	(529,973)	-	27,206,365
Total capital assets, net	$ 30,024,174	$ (351,717)	$ -	$ 29,672,457

NOTE 6. CAPITAL ASSETS (CONTINUED)

D. Discretely Presented Component Unit – Convention and Visitors Bureau

Capital asset activity for the Convention and Visitors Bureau for the year ended September 30, 2013 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, being depreciated:				
Machinery & equipment	$ 48,347	$ 114,991	$ -	$ 163,338
Total	48,347	114,991	-	163,338
Less accumulated depreciation for:				
Machinery & equipment	(4,835)	(13,502)	-	(18,337)
Total	(4,835)	(13,502)	-	(18,337)
Total capital assets, net	$ 43,512	$ 101,489	$ -	$ 145,001

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 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.

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

General Obligation Bonds (Continued)

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 2003 General Obligation Refunding Bonds

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:

scal year ending September 30,	Principal	Interest	Total
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
	$ 915,000	$ 76,529	$ 991,529

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
2014	$ 330,000	$ 74,550	$ 404,550
2015	350,000	64,350	414,350
2016	375,000	52,725	427,725
2017	385,000	39,275	424,275
2018	405,000	22,475	427,475
2019	425,000	6,375	431,375
	$ 2,270,000	$ 259,750	$ 2,529,750

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

Revenue Bonds

Series 2011 Revenue Bonds

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
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	500,000	74,050	574,050
2019-2022	2,185,000	136,625	2,321,625
	$ 4,705,000	$ 660,425	$ 5,365,425

Series 2013 Revenue Refunding Bonds

On March 1, 2013, the Peachtree City Public Facilities Authority issued $9,395,000 in revenue refunding bonds (Series 2013) with an interest rate of 2.00% - 4.00%. The proceeds are to be used for financing the costs of acquiring, constructing, and installing storm water collection and disposal facilities for Peachtree City, Georgia and to refund the outstanding 2007 series bonds.

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 noted on the following page:

The difference between the cash flows required to service the old debt, 2007 series, and the cash flows required to service the new debt, 2013 series, and complete the refunding totaled $752,664. This resulted in an economic gain of $19,540.

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

Revenue Bonds (Continued)

Fiscal year ending September 30,	Principal	Interest	Total
2014	$ 270,000	$ 346,500	$ 616,500
2015	350,000	340,300	690,300
2016	360,000	331,400	691,400
2017	375,000	320,375	695,375
2018	380,000	310,950	690,950
2019-2023	2,065,000	1,383,150	3,448,150
2024-2028	2,505,000	930,275	3,435,275
2029-2033	3,090,000	318,800	3,408,800
	$ 9,395,000	$ 4,281,750	$ 13,676,750

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
2014	$ 215,264	$ 13,260	$ 228,524
2015	112,761	1,765	114,526
	$ 328,025	$ 15,025	$ 343,050

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

Notes and Capital Leases Payable (Continued)

Georgia Municipal Association Notes Payable (Continued)

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
2014	$ 366,907	$ 50,027	$ 416,934
2015	383,608	33,325	416,933
2016	401,019	15,914	416,933
2017	102,945	1,151	104,096
	$ 1,254,479	$ 100,417	$ 1,354,896

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
2014	$ 70,597	$ 16,283	$ 86,880
2015	75,080	11,800	86,880
2016	79,827	7,053	86,880
2017	63,217	1,962	65,179
	$ 288,721	$ 37,098	$ 325,819

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
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	173,155	56,898	230,053
2019-2023	981,756	168,509	1,150,265
2024 and 2025	278,818	8,748	287,566
	$ 2,059,013	$ 529,083	$ 2,588,096

Capital Leases

The City is obligated under certain leases accounted for as capital leases. Assets under capital leases are as follows at September 30, 2013:

	Cost	Accumulated Depreciation
Machinery and equipment	$ 3,602,232	$ 1,971,478

Depreciation expense on the above assets under capital lease totaled $598,103 at September 30, 2013.

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

Notes and Capital Leases Payable (Continued)

Capital Leases (Continued)

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

Fiscal year ending September 30,	
2014	$ 633,905
2015	434,504
2016	327,465
2017	284,736
2018	52,312
Total minimum lease payments	1,732,922
Amount representing interest	45,927
Present value of future minimum lease payments	$ 1,686,995

Component Units – Long-Term Debt

Peachtree City Water and Sewerage Authority

On January 30, 2013, the Authority issued $7,800,000 in 2013A series sewer system revenue bonds with interest rates ranging from 2.0% to 4.0% to fully refund the 2002 Series bonds.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2013. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2014	$ -	$ 300,000	$ 300,000
2015	-	300,000	300,000
2016	-	300,000	300,000
2017	-	300,000	300,000
2018	-	300,000	300,000
2019-2023	1,900,000	1,468,000	3,368,000
2024-2027	5,900,000	484,400	6,384,400
	$ 7,800,000	$ 3,452,400	$ 11,252,400

On January 30, 2013, the Authority issued $20,800,000 in 2013B sewer system revenue bonds with interest rates ranging from .48% to 2.67% in order to advance refund $18,975,000 of outstanding 2005 Series bonds. The proceeds were deposited into an escrow account to provide for the future debt service payments on the 2005 Series bonds. As a result, that portion of the Series 2005 bonds is considered defeased and has been removed from the Authority's financial statements. The outstanding principal of the defeased bonds is $18,975,000 as of September 30, 2013.

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

Component Units – Long-Term Debt (Continued)

Peachtree City Water and Sewerage Authority (Continued)

The difference between the cash flows required to service the old debt, 2002 and 2005 series, and the cash flows required to service the new debt, 2013A and 2013B series, and complete the refunding totaled $3,066,393. This resulted in an economic gain of $2,859,393.

Annual principal installments are due on March 1 and semi-annual interest installments are due on March 1 and September 1, beginning September 1, 2013. The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2014	$ 2,145,000	$ 296,352	$ 2,441,352
2015	2,165,000	284,926	2,449,926
2016	2,185,000	269,689	2,454,689
2017	2,205,000	250,036	2,455,036
2018	2,225,000	223,878	2,448,878
2019-2023	9,875,000	489,135	10,364,135
	$ 20,800,000	$ 1,814,016	$ 22,614,016

The Series 2013A and Series 2013B 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, 2013 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.	$	368,935
Note payable for financing building rennovations, due in monthly installments of $3,613 at 4%. This note is unsecured.		14,186
		383,121
Less current portion		41,878
Long-term portion of notes payable	$	341,243

The debt service requirements to maturity are as follows:

Fiscal year ending September 30,	Principal	Interest	Total
2014	$ 41,878	$ 14,298	$ 56,176
2015	29,084	13,065	42,149
2016	30,269	11,880	42,149
2017	31,502	10,647	42,149
2018	32,785	9,364	42,149
2019--2023	185,085	25,660	210,745
2024	32,518	522	33,040
	$ 383,121	$ 85,436	$ 468,557

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

Changes in Long-Term Liabilities

Primary Government

The following is a summary of long-term debt activity of the primary government for the year ended September 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable					
General obligation bonds	$ 4,130,000	$ -	$ (945,000)	$ 3,185,000	$ 500,000
Revenue bonds	5,190,000	-	(485,000)	4,705,000	495,000
Plus premiums	452,206	-	(93,721)	358,485	-
Total bonds payable	9,772,206	-	(1,523,721)	8,248,485	995,000
Notes payable	4,692,356	-	(762,118)	3,930,238	799,534
Capital leases	1,327,921	1,014,604	(655,530)	1,686,995	610,174
Compensated absences	1,223,150	1,055,393	(1,365,418)	913,125	754,195
OPEB obligation	369,392	-	-	369,392	-
Governmental activity Long-term liabilities	$ 17,385,025	$ 2,069,997	$ (4,306,787)	$ 15,148,235	$ 3,158,903
Business-type activities:					
Revenue bonds	$ 3,070,000	$ 9,395,000	$ (3,070,000)	$ 9,395,000	$ 270,000
Plus premium	-	1,132,262	(25,082)	1,107,180	-
Total bonds payable	3,070,000	10,527,262	(3,095,082)	10,502,180	270,000
Compensated absences	22,904	31,206	(40,126)	13,984	13,984
Business-type activity Long-term liabilities	$ 3,092,904	$ 10,558,468	$ (3,135,208)	$ 10,516,164	$ 283,984

For governmental activities, compensated absences and the OPEB obligation are generally liquidated by the General Fund.

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

Changes in Long-Term Liabilities (Continued)

Component Units

Water and Sewerage Authority

The following is a summary of long-term debt activity of the Water and Sewerage Authority for the year ended September 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds	$ 29,630,000	$ 28,600,000	$ (29,630,000)	$ 28,600,000	$ 2,145,000
Deferred charges, net	(1,072,010)	2,416,896	(57,191)	1,287,695	-
Revenue bonds, net	28,557,990	31,016,896	(29,687,191)	29,887,695	2,145,000
Compensated absences	103,181	73,380	(68,617)	107,944	107,944
Long-term liabilities	$ 28,661,171	$ 31,090,276	$ (29,755,808)	$ 29,995,639	$ 2,252,944

Airport Authority

The following is a summary of long-term debt activity of the Airport Authority for the year ended September 30, 2013:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes payable	$ 451,567	$ -	$ (68,446)	$ 383,121	$ 41,878

NOTE 8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of September 30, 2013 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 1,790,002
Nonmajor Governmental Funds	General Fund	304,021
Amphitheater Fund	General Fund	31
		$ 2,094,054

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

Due from/to primary government and component units:

Receivable Entity	Payable Entity	Amount
Primary government - General Fund	Component unit - Convention and Visitors Bureau	$ 82,525
Primary government - Amphitheater Fund	Component unit - Convention and Visitors Bureau	27,922
		$ 110,447
Component unit - Convention and Visitors Bureau	Primary government - General Fund	$ 8,324
Component unit - Convention and Visitors Bureau	Primary government - Hotel/Motel Tax Fund	65,432
Component unit - Convention and Visitors Bureau	Primary government - Amphitheater Fund	4,132
		$ 77,888

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	$ 364,962
Debt Service Fund	General Fund	2,513,486
Nonmajor Governmental Funds	General Fund	451,475
		$ 3,329,923

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 $191,804 at September 30, 2013.

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, 2013, the date of the most recent actuarial valuation, there were 371 participants consisting of the following:

Retirees and beneficiaries currently receiving benefits	66
Vested terminated employees not yet receiving benefits	95
Nonvested accrued benefits	46
Active employees	164
Total	371

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 15.1% of annual covered payroll.

The annual required contribution for the current year was determined as part of the January 1, 2012, 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, 2013
Annual required contribution (ARC)	$ 1,660,833
Contribution made	1,660,833
Change in NPA	-
NPA at beginning of year	-
NPA at end of year	$ -

Schedule of Employer Contributions

Fiscal Period Ending	Annual Pension Cost	Percentage Contributed	Net Pension Asset
9/30/2013	$ 1,660,833	100 %	$ -
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

NOTE 10. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

C. Contributions (Continued)

As of the most recent valuation date, January 1, 2013, 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)
1/1/2013	$ 21,076,108	$ 25,748,603	$ 4,672,495	81.9 %	$ 10,959,836	42.6 %

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, 2013.

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, 2013, there were eight 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, 2013, the City’s contributions to the Plan were $32,313. 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, 2013, there were 149 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, 2013, the City's contributions to the Plan were $133,892. 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, 2013 was $103,248. 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 $6,618 for the year ended September 30, 2013.

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 2013, 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 2013, $25,686 was paid directly for claims on behalf of eligible retirees (beneficiaries are not eligible); $13,507 was paid for insurance administrative services on behalf of eligible retirees; and no payments were made to a plan trust. Retirees contributed $991 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 OPEB 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, 2013, 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, 2013, the City received $949,294 in hotel/motel taxes. Of this amount, $949,294 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, the Stormwater Fund, and the Amphitheater Fund because it is expected to be liquidated with expendable available financial resources.

Reconciliation of changes in the aggregate liabilities for claims:

	2013	2012
Claims liability, beginning of year	**$ 107,246**	$ 95,911
Incurred claims (including IBNRs)	**2,511,591**	2,396,352
Claims paid	**(2,471,466)**	(2,385,017)
Claims liability, end of year	**$ 147,371**	$ 107,246

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 and the Grants and Donations Fund each had a deficit fund balance of $294,821 and $11,848, respectively, at September 30, 2013 which are expected to be reduced by additional funding sources in fiscal year 2014.

NOTE 19. DISCRETELY PRESENTED COMPONENT UNITS

The following represents condensed statements of net position for the City's discretely presented component units as of and for the year ended September 30, 2013:

	Water and Sewerage Authority	Airport Authority	Convention and Visitors Bureau	Total Component Units
Due from primary government	$ -	$ -	$ 77,888	$ 77,888
Other assets	13,093,712	971,298	82,154	14,147,164
Capital assets:				
Non-depreciable	2,466,092	7,687,974	-	10,154,066
Depreciable, net of accumulated depreciation	27,206,365	13,338,535	145,001	40,689,901
Total assets	42,766,169	21,997,807	305,043	65,069,019
Deferred refunding loss	2,339,720	-	-	2,339,720
Total deferred outflows of resources	2,339,720	-	-	2,339,720
Due to primary government	-	-	110,447	110,447
Other current liabilities	374,540	203,141	4,085	581,766
Long-term liabilities:				
Due within one year	2,145,000	41,878	-	2,186,878
Due in more than one year	27,742,695	346,243	-	28,088,938
Total liabilities	30,262,235	591,262	114,532	30,968,029
Net position:				
Net investment in capital assets	1,072,457	20,643,388	145,001	21,860,846
Restricted for:				
Other	-	42,934	45,510	88,444
Debt service	182,687	-	-	182,687
Unrestricted	13,588,510	720,223	-	14,308,733
Total net position	$ 14,843,654	$ 21,406,545	$ 190,511	$ 36,440,710

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, 2013:

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating and Capital Grants and Contributions	Water and Sewerage Authority	Airport Authority	Convention and Visitors Bureau	Totals
Water and Sewerage Authority							
Depreciation expense	$ 1,729,847	$ -	$ -	$ (1,729,847)	$ -	$ -	$ (1,729,847)
Other expenses	5,887,816	9,361,172	-	3,473,356	-	-	3,473,356
Total Water and Sewerage Authority	7,617,663	9,361,172	-	1,743,509	-	-	1,743,509
Airport Authority							
Depreciation expense	721,304	-	-	-	(721,304)	-	(721,304)
Other expenses	1,812,743	1,883,692	14,238	-	85,187	-	85,187
Total Airport Authority	2,534,047	1,883,692	14,238	-	(636,117)	-	(636,117)
Convention and Visitors Bureau							
Depreciation expense	13,502	-	-	-	-	(13,502)	(13,502)
Other expenses	575,719	28,588	592,459	-	-	45,328	45,328
Total CVB	589,221	28,588	592,459	-	-	31,826	31,826
Total component units	$ 10,740,931	$ 11,273,452	$ 606,697	$ 1,743,509	$ (636,117)	$ 31,826	$ 1,139,218
General revenues							
Other nontax general revenues				32,568	99,290	-	131,858
Total general revenues				32,568	99,290	-	131,858
Change in net position				1,776,077	(536,827)	31,826	1,271,076
Net position, beginning of year, as restated				13,067,577	21,943,372	158,685	35,169,634
Net position, end of year				$ 14,843,654	$ 21,406,545	$ 190,511	$ 36,440,710

NOTE 20. RESTATEMENTS

The City has determined that a restatement to beginning net position of the Governmental Activities was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65 through which bond issuance costs are expensed in the period incurred. This adjustment resulted in changes to beginning net position of Governmental Activities as follows:

	Governmental Activities
Net position, as previously reported	$ 73,428,485
Recognition of bond issuance costs in accordance with GASB 65	(320,680)
Net position, as restated	$ 73,107,805

The City has determined that a restatement to beginning net position of the Stormwater Fund and Business-Type Activities was required to recognize the change in accounting principle for implementation of Governmental Accounting Standards Board (GASB) Statement No. 65, through which bond issuance costs are expensed in the period incurred. This adjustment resulted in changes to beginning net position of the Stormwater Fund as follows:

	Stormwater Fund
Net position, as previously reported	$ 8,980,927
Recognition of bond issuance costs in accordance with GASB 65	(44,689)
Net position, as restated	$ 8,936,238

The above restatement also caused an adjustment to beginning net position of Business-type Activities:

	Business-Type Activities
Net position, as previously reported	$ 9,781,805
Recognition of bond issuance costs in accordance with GASB 65	(44,689)
Net position, as restated	$ 9,737,116

REQUIRED SUPPLEMENTARY INFORMATION

PEACHTREE CITY, GEORGIA
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES 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
1/1/2013	$ 21,076,108	$ 25,748,603	$ 4,672,495	81.9 %	$ 10,959,836	42.6 %
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

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Capital Project Funds

2005 SPLOST FUND – To account for the one percent Special Purpose Local Option Sales Tax (SPLOST) funds collected by Fayette County and disbursed to the City. The funds are used for capital projects as approved by voter referendum.

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.

PEACHTREE CITY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Special Revenue Funds			
ASSETS	**Association Fees Fund**	**Neighborhood Parks Fund**	**DARE Program Fund**	**State/Federal Seizure Fund**
Cash	$ 29,531	$ 11,512	$ 1,256	$ 120,371
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Intergovernmental receivabl	-	-	-	-
Due from other funds	-	-	-	105,855
Total assets	$ 29,531	$ 11,512	$ 1,256	$ 226,226
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 9,556	$ 126	$ -	$ 57,410
Retainage payable	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Due to component units	-	-	-	-
Total liabilities	9,556	126	-	57,410
FUND BALANCES (DEFICIT)				
Restricted for:				
Culture and recreation	19,975	11,386	-	-
Public safety	-	-	1,256	168,816
Public works	-	-	-	-
Capital projects	-	-	-	-
Assigned to:				
Capital projects	-	-	-	-
Unassigned:	-	-	-	-
Total fund balances (deficit	19,975	11,386	1,256	168,816
Total liabilities and fund balances	$ 29,531	$ 11,512	$ 1,256	$ 226,226

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.
$ 1,453	$ 4,282	$ 1,940	$ 5,669	$ 4,952	$ 1	$ 22,491
-	-	-	124,702	-	-	-
-	-	-	-	-	8,719	2,776
-	-	-	-	47,284	-	-
-	-	-	-	-	-	-
$ 1,453	$ 4,282	$ 1,940	$ 130,371	$ 52,236	$ 8,720	$ 25,267
$ -	$ -	$ -	$ -	$ 125	$ 8,720	$ 849
-	-	-	-	-	-	-
-	-	-	-	20,320	-	-
-	-	-	64,939	43,639	-	-
-	-	-	65,432	-	-	-
-	-	-	130,371	64,084	8,720	849
-	-	693	-	-	-	-
1,453	4,282	1,247	-	-	-	-
-	-	-	-	-	-	24,418
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	(11,848)	-	-
1,453	4,282	1,940	-	(11,848)	-	24,418
$ 1,453	$ 4,282	$ 1,940	$ 130,371	$ 52,236	$ 8,720	$ 25,267

PEACHTREE CITY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2013

	Capital Projects Funds				
ASSETS	**Impact Fee Fund**	**Public Improvement Fund**	**Facilities Authority Fund**	**2005 SPLOST Fund**	**Total Nonmajor Governmental Funds**
Cash	$ 449,954	$ 1,646,629	$ 297,739	$ 1,025,188	$ 3,622,968
Taxes receivable	-	-	-	-	124,702
Accounts receivable	10,509	-	-	-	22,004
Intergovernmental receivabl	-	-	-	-	47,284
Due from other funds	198,166	-	-	-	304,021
Total assets	$ 658,629	$ 1,646,629	$ 297,739	$ 1,025,188	$ 4,120,979
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ 260,022	$ 60,652	$ 24,303	$ 421,763
Retainage payable	-	8,131	30,416	-	38,547
Unearned revenue	-	-	-	-	20,320
Due to other funds	8,127	1,673,297	-	-	1,790,002
Due to component units	-	-	-	-	65,432
Total liabilities	8,127	1,941,450	91,068	24,303	2,336,064
FUND BALANCES (DEFICIT)					
Restricted for:					
Culture and recreation	-	-	-	-	32,054
Public safety	-	-	-	-	177,054
Public works	-	-	-	-	24,418
Capital projects	650,502	682,072	206,671	695,885	2,235,130
Assigned to:					
Capital projects	-	105,650	-	305,000	410,650
Unassigned	-	(1,082,543)	-	-	(1,094,391)
Total fund balances (deficit	650,502	(294,821)	206,671	1,000,885	1,784,915
Total liabilities and fund balances	$ 658,629	$ 1,646,629	$ 297,739	$ 1,025,188	$ 4,120,979

PEACHTREE CITY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Special Revenue Funds			
	Association Fees Fund	Neighborhood Parks Fund	DARE Program Fund	State/Federal Seizure Fund
Revenues:				
Taxes	$ -	$ -	$ -	$ -
Intergovernmenta	-	-	-	134,985
Charges for services	-	-	-	-
Contributions and donations	-	1,000	1,215	-
Interest	25	8	1	289
Total revenues	25	1,008	1,216	135,274
Expenditures:				
Current:				
Public safety	-	-	1,995	42,343
Culture and recreation	-	126	-	-
Capital outlay	22,960	-	-	-
Debt service:				
Issuance costs	-	-	-	-
Total expenditures	22,960	126	1,995	42,343
Excess (deficiency) of revenues over (under) expenditure	(22,935)	882	(779)	92,931
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(22,935)	882	(779)	92,931
Fund balances (deficit), beginning of year	42,910	10,504	2,035	75,885
Fund balances (deficit), end of year	$ 19,975	$ 11,386	$ 1,256	$ 168,816

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.
$ -	$ -	$ -	$ 949,294	$ -	$ 39,993	$ -
-	-	-	-	50,146	-	-
-	-	14	-	-	-	90,386
-	-	-	-	250	-	-
1	3	2	-	7	-	-
1	3	16	949,294	50,403	39,993	90,386
-	-	205	-	74,431	-	-
-	-	442	592,459	-	39,993	73,933
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	647	592,459	74,431	39,993	73,933
1	3	(631)	356,835	(24,028)	-	16,453
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	(356,835)	-	-	-
-	-	-	(356,835)	-	-	-
1	3	(631)	-	(24,028)	-	16,453
1,452	4,279	2,571	-	12,180	-	7,965
$ 1,453	$ 4,282	$ 1,940	$ -	$ (11,848)	$ -	$ 24,418

PEACHTREE CITY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2013

	Capital Projects Funds				
	Impact Fee Fund	Public Improvement Fund	Facilities Authority Fund	2005 SPLOST Fund	Total Nonmajor Governmental Funds
Revenues:					
Taxes	$ -	$ -	$ -	$ -	$ 989,287
Intergovernmenta	-	-	100,000	316,622	601,753
Charges for services	82,246	-	-	-	172,646
Contributions and donations	-	300,000	-	-	302,465
Interest	251	491	1,132	821	3,031
Total revenues	82,497	300,491	101,132	317,443	2,069,182
Expenditures:					
Current:					
Public safety	-	-	-	-	118,974
Culture and recreation	-	-	-	-	706,953
Capital outlay	-	1,410,622	1,447,068	582,944	3,463,594
Debt service:					
Issuance costs	-	-	2,162	-	2,162
Total expenditures	-	1,410,622	1,449,230	582,944	4,291,683
Excess (deficiency) of revenues over (under) expenditure	82,497	(1,110,131)	(1,348,098)	(265,501)	(2,222,501)
Other financing sources (uses)					
Capital leases	-	1,014,604	-	-	1,014,604
Transfers in	-	146,475	-	305,000	451,475
Transfers out	(8,127)	-	-	-	(364,962)
Total other financing sources (uses)	(8,127)	1,161,079	-	305,000	1,101,117
Net change in fund balances	74,370	50,948	(1,348,098)	39,499	(1,121,384)
Fund balances (deficit), beginning of year	576,132	(345,769)	1,554,769	961,386	2,906,299
Fund balances (deficit), end of year	$ 650,502	$ (294,821)	$ 206,671	$ 1,000,885	$ 1,784,915

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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest	$ -	$ 25	$ 25
Total revenues	-	25	25
Expenditures:			
Capital outlay	42,911	22,960	19,951
Total expenditures	42,911	22,960	19,951
Net change in fund balances	(42,911)	(22,935)	19,976
Fund balances, beginning of year	42,910	42,910	-
Fund balances, end of year	$ (1)	$ 19,975	$ 19,976

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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Donations	$ -	$ 1,000	$ 1,000
Interest	-	8	8
Total revenues	-	1,008	1,008
Expenditures:			
Culture and recreation	10,503	126	10,377
Total expenditures	10,503	126	10,377
Net change in fund balances	(10,503)	882	11,385
Fund balances, beginning of year	10,504	10,504	-
Fund balances, end of year	$ 1	$ 11,386	$ 11,385

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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Donations	$ -	$ 1,215	$ 1,215
Interest	-	1	1
Total revenues	-	1,216	1,216
Expenditures:			
Public safety	2,035	1,995	40
Total expenditures	2,035	1,995	40
Net change in fund balances	(2,035)	(779)	1,256
Fund balances, beginning of year	2,035	2,035	-
Fund balances, end of year	$ -	$ 1,256	$ 1,256

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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest	$ -	$ 289	$ 289
Intergovernmental revenu	-	134,985	134,985
Total revenues	-	135,274	135,274
Expenditures:			
Public safety	75,885	42,343	33,542
Total expenditures	75,885	42,343	33,542
Net change in fund balances	(75,885)	92,931	168,816
Fund balances, beginning of year	75,885	75,885	-
Fund balances, end of year	$ -	$ 168,816	$ 168,816

PEACHTREE CITY, GEORGIA

HAZMAT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest	$ -	$ 1	$ 1
Total revenues	-	1	1
Expenditures:			
Public safety	1,452	-	1,452
Total expenditures	1,452	-	1,452
Net change in fund balances	(1,452)	1	1,453
Fund balances, beginning of year	1,452	1,452	-
Fund balances, end of year	$ -	$ 1,453	$ 1,453

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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Interest	$ -	$ 3	$ 3
Total revenues	-	3	3
Expenditures:			
Public safety	4,279	-	4,279
Total expenditures	4,279	-	4,279
Net change in fund balances	(4,279)	3	4,282
Fund balances, beginning of year	4,279	4,279	-
Fund balances, end of year	$ -	$ 4,282	$ 4,282

PEACHTREE CITY, GEORGIA

YOUTH FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR FISCAL ENDED SEPTEMBER 30, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Charges for services	$ -	$ 14	$ 14
Interest	-	2	2
Total revenues	-	16	16
Expenditures:			
Public safety	1,452	205	1,247
Culture and recreation	1,120	442	678
Total expenditures	2,572	647	1,925
Net change in fund balances	(2,572)	(631)	1,941
Fund balances, beginning of year	2,571	2,571	-
Fund balances, end of year	$ (1)	$ 1,940	$ 1,941

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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	$ 949,294	$ 949,294	$ -
Total revenues	949,294	949,294	-
Expenditures:			
Culture and recreation	592,460	592,459	1
Total expenditures	592,460	592,459	1
Excess of revenues over expenditures	356,834	356,835	1
Other financing uses:			
Transfers out	(356,834)	(356,835)	(1)
Total other financing uses	(356,834)	(356,835)	(1)
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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Intergovernmental	$ 79,011	$ 50,146	$ (28,865)
Donations	-	250	250
Interest	-	7	7
Total revenues	79,011	50,403	(28,608)
Expenditures:			
Public safety	91,191	74,431	16,760
Total expenditures	91,191	74,431	16,760
Net change in fund balances	(12,180)	(24,028)	(11,848)
Fund balances, beginning of year	12,180	12,180	-
Fund balances, end of year	$ -	$ (11,848)	$ (11,848)

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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	$ 37,200	$ 39,993	$ 2,793
Total revenues	37,200	39,993	2,793
Expenditures:			
Culture and recreation	37,200	39,993	(2,793)
Total expenditures	37,200	39,993	(2,793)
Net change in fund balances	-	-	-
Fund balances, beginning of year	-	-	-
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, 2013

	Final Budget	Actual	Variance With Final Budget
Revenues:			
Taxes	$ 732,438	$ 735,408	$ 2,970
Interest	-	375	375
Total revenues	732,438	735,783	3,345
Expenditures:			
Current:			
General government	2,164	1,700	464
Debt service:			
Principal retirement	3,126,752	2,847,648	279,104
Interest	591,036	513,088	77,948
Total expenditures	3,719,952	3,362,436	357,516
Deficiency of revenues under expenditures	(2,987,514)	(2,626,653)	360,861
Other financing sources:			
Transfers in	2,870,538	2,513,486	(357,052)
Total other financing sources	2,870,538	2,513,486	(357,052)
Net change in fund balances	(116,976)	(113,167)	3,809
Fund balances, beginning of year	394,001	394,001	-
Fund balances, end of year	$ 277,025	$ 280,834	$ 3,809

PEACHTREE CITY, GEORGIA

SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION SALES TAX FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

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	445,960	-	445,960
Roadways	6,321,901	6,596,263	6,412,920	349,654	6,762,574
Streetscape/Paths	1,112,793	3,954,803	3,459,379	233,290	3,692,669
	$ 12,025,984	$ 11,239,749	$ 10,428,216	$ 582,944	$ 11,011,160

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, 2013

	Municipal Court Fund	Landscape Deposit Fund	Flexible Spending Account Fund	Totals
ASSETS				
Cash	$ 160,657	$ 106,315	$ -	$ 266,972
Accounts receivable	-	-	4,823	4,823
Prepaid items	-	-	2,927	2,927
	$ 160,657	$ 106,315	$ 7,750	$ 274,722
LIABILITIES				
Cash bonds held	$ 121,664	$ -	$ -	$ 121,664
Accounts payable	-	-	714	714
Due to other	38,993	-	7,036	46,029
Deposits held	-	106,315	-	106,315
Total liabilities	$ 160,657	$ 106,315	$ 7,750	$ 274,722

PEACHTREE CITY, GEORGIA

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

	Balance October 1, 2012	Additions	Deductions	Balance September 30, 2013
MUNICIPAL COURT FUND				
Assets:				
Cash	$ 109,691	$ 1,819,281	$ 1,768,315	$ 160,657
Liabilities:				
Cash bonds held	$ 80,980	$ 1,350,541	$ 1,309,857	$ 121,664
Due to other	28,711	382,851	372,569	38,993
	$ 109,691	$ 1,733,392	$ 1,682,426	$ 160,657
LANDSCAPE DEPOSIT FUND				
Assets:				
Cash	$ 102,300	$ 4,015	$ -	$ 106,315
Liabilities:				
Deposits held	$ 102,300	$ 4,015	$ -	$ 106,315
FLEXIBLE SPENDING ACCOUNT FUND				
Assets:				
Cash	$ 296	$ 124,513	$ 124,809	$ -
Accounts receivable	-	5,800	977	4,823
Prepaid - Swerdlir	-	4,698	4,698	-
Prepaid - Evolution Benefi	2,927	-	-	2,927
	$ 3,223	$ 135,011	$ 130,484	$ 7,750
Liabilities:				
Accounts payable	$ 1,118	$ 2,095	$ 2,499	$ 714
Due to other	-	8,698	4,836	3,862
Medical Care FSA	1,911	111,971	111,309	2,573
Dependent Care FSA Liabilit	194	9,673	9,266	601
	$ 3,223	$ 132,437	$ 127,910	$ 7,750
TOTALS - ALL AGENCY FUNDS				
Assets:				
Cash	$ 212,287	$ 1,947,809	$ 1,893,124	$ 266,972
Accounts receivable	-	5,800	977	4,823
Prepaid items	2,927	4,698	4,698	2,927
	$ 215,214	$ 1,958,307	$ 1,898,799	$ 274,722
Liabilities:				
Cash bonds held	$ 80,980	$ 1,350,541	$ 1,309,857	$ 121,664
Accounts payable	1,118	2,095	2,499	714
Due to other	30,816	513,193	497,980	46,029
Deposits held	102,300	4,015	-	106,315
Total liabilities	$ 215,214	$ 1,869,844	$ 1,810,336	$ 274,722

STATISTICAL SECTION

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 ..... **99 - 107**

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 ..... **108 - 112**

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

Debt Capacity ..... **113 - 116**

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 ..... **117 and 118**

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 ..... **119 - 121**

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.

PEACHTREE CITY, GEORGIA

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental activities										
Invested in capital assets net of related debt (1)	$ 67,359	$ 67,510	$ 62,390	$ 61,499	$ 63,714	$ 61,595	$ 60,517	$ 61,998	$ 60,414	$ 62,081
Restricted	6,585	3,820	2,958	3,280	3,126	3,703	5,490	4,791	3,646	2,749
Unrestricted	4,715	9,304	9,451	12,005	9,797	8,460	8,521	8,350	9,369	10,031
Total governmental activities net position	78,659	80,634	74,799	76,784	76,637	73,758	74,528	75,139	73,429	74,861
Business-type activities (2)(4)										
Invested in capital assets, net of related debt (1)	-	-	8,117	7,621	7,369	8,120	8,239	8,240	8,321	9,429
Restricted (3)	-	-	-	344	1,029	1,051	1,298	983	1,029	177
Unrestricted	-	-	80	383	114	275	46	436	431	498
Total business-type activities net position	-	-	8,197	8,348	8,512	9,446	9,583	9,659	9,781	10,104
Primary government										
Invested in capital assets, net of related debt	67,359	67,510	70,507	69,120	71,083	69,715	68,756	70,238	68,735	71,509
Restricted (3)	6,585	3,820	2,958	3,624	4,155	4,754	6,788	5,774	4,675	2,927
Unrestricted	4,715	9,304	9,531	12,388	9,911	8,735	8,567	8,786	9,800	10,529
Total primary government net position	$ 78,659	$ 80,634	$ 82,996	$ 85,132	$ 85,149	$ 83,204	$ 84,111	$ 84,798	$ 83,210	$ 84,965

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

(3) 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.

(4) 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 POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses										
Governmental activities:										
General government (1)	$ 2,504	$ 2,771	$ 2,898	$ 3,056	$ 3,081	$ 3,992	$ 2,783	$ 3,411	$ 5,088	$ 4,368
Health and welfare	132	157	150	171	171	164	147	142	121	200
Public safety (2)	8,379	9,078	9,921	10,810	11,133	13,053	13,008	14,053	14,530	14,093
Public works (3)	4,741	4,445	6,068	6,641	7,866	5,375	4,927	4,498	6,390	4,898
Culture and recreation (4)	4,949	5,340	6,811	5,722	5,630	5,460	5,126	5,182	4,525	5,021
Housing and development	1,001	1,129	1,116	1,065	1,095	1,010	999	937	985	392
Interest on long-term debt	645	672	634	650	635	715	751	595	588	430
Total governmental activities expenses	22,351	23,592	27,598	28,115	29,611	29,769	27,741	28,818	32,227	29,402
Business-type activities:										
Stormwater (5)	-	-	605	1,262	1,317	1,324	1,163	1,225	1,193	1,518
Amphitheater (6)	-	-	-	-	-	1,285	893	776	776	782
Total business-type activities expenses	-	-	605	1,262	1,317	1,324	2,056	2,001	1,969	2,300
Total primary government expenses	22,351	23,592	28,203	29,377	30,928	31,093	29,797	30,819	34,196	31,702
Program Revenues										
Governmental activities:										
Charges for services:										
General government (7)	1,515	1,625	1,462	1,523	1,207	638	730	810	1,015	1,004
Health and Welfare (8)	-	-	-	-	-	-	-	32	-	-
Public safety (7)	272	310	266	318	303	1,536	1,807	1,822	1,750	1,612
Public works (9)	4	5	6	7	13	8	2	4	-	-
Culture and recreation (10)	564	814	797	762	732	644	677	780	847	844
Housing and development (11)	849	504	739	627	485	457	372	329	261	343
Operating grants and contributions	243	292	590	375	294	249	452	438	1,067	762
Capital grants and contributions (12)	3,570	223	700	426	2,373	1,817	1,357	150	54	417
Total governmental activities program revenues	7,017	3,773	4,560	4,038	5,407	5,349	5,397	4,365	4,994	4,982
Business-type activities:										
Charges for services:										
Stormwater (5)	-	-	641	1,294	1,307	1,328	1,331	1,329	1,345	1,832
Amphitheater (6)	-	-	-	-	-	734	556	697	744	829
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	2,661
Total primary government program revenues	7,017	3,773	5,639	5,361	6,719	7,672	7,495	6,391	7,083	7,643
Net (expense)/revenue										
Governmental activities	(15,334)	(19,819)	(23,038)	(24,077)	(24,204)	(24,420)	(22,344)	(24,453)	(27,233)	(24,420)
Business-type activities	-	-	474	61	61	999	42	25	120	361
Total primary government net expense	(15,334)	(19,819)	(22,564)	(24,016)	(24,143)	(23,421)	(22,302)	(24,428)	(27,113)	(24,059)

PEACHTREE CITY, GEORGIA

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(accrual basis of accounting)

(amounts expressed in thousands)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes (14)	8,004	8,548	9,096	9,786	10,435	10,592	10,580	12,447	12,342	13,109
Sales taxes (15)	6,342	7,152	9,140	9,349	6,707	5,874	6,497	6,406	6,693	6,519
Hotel/motel taxes (16)	977	1,006	1,034	933	1,067	760	801	854	885	949
Alcoholic beverage taxes	628	625	649	691	690	707	697	692	732	752
Franchise taxes	1,886	2,013	2,126	2,225	2,360	2,474	2,404	2,571	2,656	2,543
Insurance premium taxes	1,499	1,582	1,655	1,726	1,768	1,751	1,700	1,612	1,712	1,773
Other taxes	333	419	452	469	466	458	424	449	449	469
Unrestricted investment earnings (17)	162	411	720	883	564	120	89	54	54	59
Gain on sale of capital assets	-	38	43	-	-	-	-	16	-	-
Miscellaneous revenues	-	-	-	-	-	-	12	-	-	-
Transfers (18)	-	-	(7,712)	-	-	(1,196)	(90)	(37)	-	-
Total governmental activities	19,831	21,794	17,203	26,062	24,057	21,540	23,114	25,064	25,523	26,173
Business-type activities:										
Unrestricted investment earnings	-	-	8	86	90	12	5	3	2	6
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 (20)	-	-	7,723	90	169	1,220	96	52	2	6
Total primary government	$ 4,497	$ 1,975	$ 2,362	$ 2,136	$ 83	$ (661)	$ 908	$ 688	$ (1,588)	$ 2,120
Change in Net Position										
Governmental activities	$ 4,497	$ 1,975	$ (5,835)	$ 1,985	$ (147)	$ (2,880)	$ 770	$ 611	$ (1,710)	$ 1,753
Business-type activities	-	-	8,197	151	230	2,219	138	77	122	367
Total primary government	$ 4,497	$ 1,975	$ 2,362	$ 2,136	$ 83	$ (661)	$ 908	$ 688	$ (1,588)	$ 2,120

See notes following page.

PEACHTREE CITY, GEORGIA

CHANGES IN NET POSITION
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 fewer 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.

(20) The Stormwater Utility Fund billing structure was amended in fiscal year 2013 to semi-annual and rates were increased due to a Revenue Bond issued to finance infrastructure repairs and maintenance.

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) (6)	Alcoholic Beverage Taxes	Franchise Taxes (4)	Insurance Premium Taxes (5)	Other Taxes	Total
2004	8,004	6,342	977	628	1,886	1,499	333	$ 18,004
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
2013	13,108	6,519	949	752	2,543	1,773	469	26,113

(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 fewer 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)

	2004	2005	2006	2007	2008	2009	2010 (4)	2011	2012	2013
General fund										
Reserved	$ 207	$ 232	$ 246	$ 350	$ 371	$ 329	$ -	$ -	$ -	$ -
Unreserved-designated (1)	1,298	1,144	450	853	1,147	451	-	-	-	-
Unreserved	8,238	8,863	8,977	9,755	8,944	9,097	-	-	-	-
Non-spendable	-	-	-	-	-	-	357	326	297	339
Committed (2)	-	-	-	-	-	-	2,618	3,595	5,210	5,052
Assigned	-	-	-	-	-	-	-	-	-	924
Unassigned	-	-	-	-	-	-	5,459	5,394	5,418	5,571
Total general fund	9,743	10,239	9,673	10,958	10,462	9,877	8,434	9,315	10,925	11,886
All other governmental funds										
Reserved (3)	6,585	3,820	600	625	652	137				
Unreserved, reported in:							-	-	-	-
Special Revenue funds	47	68	94	104	146	619	-	-	-	-
Debt service funds	-	-	-	-	-	-				
Capital projects funds	-	-	3,727	5,506	3,394	3,566	-	-	-	-
Restricted for:										
Public Safety	-	-	-	-	-	-	327	398	97	177
Public Works	-	-	-	-	-	-	-	10	8	24
Culture and recreation	-	-	-	-	-	-	82	93	55	32
Capital projects	-	-	-	-	-	-	4,939	3,783	3,092	2,235
Debt service	-	-	-	-	-	-	142	507	394	281
Assigned to:										
Debt service (5)	-	-	-	-	-	-	479	-	-	-
Capital projects funds	-	-	-	-	-	-	111	602	-	411
Unassigned (6) (7)	-	-	-	-	-	-	-	(116)	(346)	(1,094)
Total all other governmental funds	6,632	3,888	4,421	6,235	4,192	4,322	6,080	5,277	3,300	2,066
Total all governmental funds	$ 16,375	$ 14,127	$ 14,094	$ 17,193	$ 14,654	$ 14,199	$ 14,514	$ 14,592	$ 14,225	$ 13,952

(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.

(7) The decrease in unassigned fund balance on fiscal year 2013 is due primarily to the expiration of the sales tax funding from the SPLOST capital projects

PEACHTREE CITY, GEORGIA

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues										
Taxes (1)	$ 19,654	$ 21,351	$ 24,116	$ 25,416	$ 23,418	$ 22,559	$ 23,169	$ 25,073	$ 25,471	$ 26,132
Licenses and permits	841	792	1,042	926	828	817	679	727	685	741
Intergovernmental (2)	512	465	482	601	2,394	2,030	1,807	532	1,101	877
Charges for services	1,241	1,312	1,245	1,269	1,124	1,330	1,502	1,584	1,894	1,995
Fines	1,078	1,053	949	992	1,074	1,105	1,266	1,349	1,131	922
Donations	38	35	26	26	59	29	101	31	16	302
Interest earned (3)	162	411	720	883	564	120	89	74	59	60
Miscellaneous (4)	44	116	36	50	244	38	54	123	161	145
Total revenues	23,570	25,535	28,616	30,163	29,705	28,028	28,667	29,493	30,518	31,174
Expenditures										
General government	2,336	2,428	2,901	2,888	2,986	3,026	3,118	3,852	4,242	4,086
Health and welfare (5)	132	156	151	170	169	170	151	132	184	199
Public safety	7,691	8,366	9,158	9,985	10,995	11,832	12,997	11,877	13,267	13,109
Public works	3,716	3,753	4,577	3,806	3,884	3,797	3,228	3,130	3,506	3,476
Culture and recreation	4,501	4,786	5,111	5,152	5,237	4,782	4,728	4,412	3,840	3,905
Housing and development	978	1,103	1,095	1,029	1,068	960	1,018	892	989	886
Capital outlay (6)	2,044	5,174	4,053	5,786	5,308	2,130	3,403	2,277	5,818	3,464
Debt service										
Principal retirement (7)	1,242	2,168	1,848	2,045	2,109	2,087	2,399	2,207	2,208	2,848
Interest charges	617	679	638	643	746	711	829	615	740	513
	-	-	-	-	-	-	-	-	-	2
Total expenditures	23,257	28,613	29,532	31,504	32,502	29,495	31,871	29,394	34,794	32,488
Excess (deficiency) of revenues over expenditures	313	(3,078)	(916)	(1,341)	(2,797)	(1,467)	(3,204)	99	(4,276)	(1,314)
Other financing sources (uses)										
Issuance of long-term debt (7)	5,789	792	822	4,432	-	1,108	3,565	-	3,714	1,015
Transfers in	2,694	4,050	4,023	3,460	2,765	2,343	3,642	3,634	2,694	3,330
Transfers out	(2,694)	(4,050)	(4,023)	(3,460)	(2,765)	(2,620)	(3,732)	(3,671)	(2,694)	(3,330)
Proceeds from sale of capital assets (8)	-	38	61	8	258	181	44	16	194	26
Total other financing sources (uses)	5,789	830	883	4,440	258	1,012	3,519	(21)	3,908	1,041
Net change in fund balances	$ 6,102	$ (2,248)	$ (33)	$ 3,099	$ (2,539)	$ (455)	$ 315	$ 78	$ (368)	$ (273)
Debt service as a percentage of non-capital expenditures	8.76%	12.15%	9.76%	9.53%	10.50%	10.22%	10.62%	10.76%	9.01%	11.32%

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 (3)	Alcoholic Beverage Taxes	Franchise Taxes	Insurance Premium Taxes	Other Taxes	Total
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
2013	13,125	6,519	949	752	2,503	1,773	469	26,090

(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.

(3) Hotel/Motel Taxes increased in fiscal year 2013 due to an increase in the percentage rate by 2%.

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
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%
2013	2012	1,482,158	226,159	106,338	-	105,410 (2)	1,709,245	7.178 (7)	4,536,638 (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
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
2013	2012	7.178	(4)	5.714	21.450	0.20	34.592

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.
(4) Includes both 6.756 for General Fund and 0.422 for Debt Service Fund for Fiscal year 2013.

PEACHTREE CITY, GEORGIA

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

Taxpayer	Fiscal Year 2013 Taxable Assessed Value (1)	Rank	Percentage of Taxable Assessed Value	Fiscal Year 2004 Taxable Assessed Value	Rank	Percentage of Taxable Assessed Value
Hoshizaki America Inc.	$ 13,523	1	0.79%	$ -		-
Cooper Lighting	12,821	2	0.75%	-		-
Dixie Aerospace	11,227	3	0.66%	-		-
Camden Summit Partnership	9,865	4	0.58%	-		-
Sany America	9,184	5	0.54%	-		-
CP Venture Five - APC LLC	8,457	6	0.49%	7,387	10	0.50%
Amcor Packaging	7,516	7	0.44%	-		-
Kroger Kedron Village	7,488	8	0.44%	-		-
Avery Dennison	7,450	9	0.44%	-		-
G & E Aprtment REIT Kedron	5,400	10	0.32%	-		-
NCR Corporation	-		-	33,333	1	2.26%
Matsushita Comm	-		-	24,914	2	1.69%
Summit Properties	-		-	11,108	3	0.75%
Photocircuits	-		-	9,952	5	0.68%
Alcan Packaging	-		-	9,231	6	0.63%
Amli at Peachtree City	-		-	8,526	7	0.58%
P B Leasing Corp.	-		-	8,017	8	0.54%
Balmoral Group	-		-	7,455	9	0.51%
	$ 92,931		5.45%	$ 119,923		8.14%

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
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%
2013	2012	11,506	11,350	98.64%	113	11,463	99.63%

(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)

	Governmental Activities				Business-Type Activities			
Fiscal Year	General Obligation Bonds	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
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	506.33
2012	4,130	5,190	4,692	1,328	3,070	18,410	N/A	530.93
2013	3,185	4,705	3,930	1,687	9,395	22,902	N/A	663.85

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)
2004	9,430	27	9,403	0.64%	268.66
2005	8,755	-	8,755	0.56%	244.46
2006	8,040	600	7,440	0.45%	205.77
2007	7,305	625	6,680	0.38%	184.26
2008	6,535	636	5,899	0.32%	160.99
2009	5,990	137	5,853	0.31%	158.74
2010	5,425	621	4,804	0.25%	139.80
2011	4,830	507	4,323	0.24%	125.46
2012	4,130	386	3,744	0.21%	107.97
2013	3,185	281	2,904	0.17%	84.18

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, 2013
(amounts expressed in thousands)

	Debt Outstanding	Percentage Applicable to Peachtree City (1)	Amount Applicable to Peachtree City
Direct debt:			
General obligation bonds	$ 3,185	100.00%	$ 3,185
Revenue bonds	4,705	100.00%	4,705
Notes payable	3,930	100.00%	3,930
Capital leases	1,687	100.00%	1,687
Total direct debt	13,507		13,507
Overlapping debt:			
Fayette County Board of Education	65,408	40.32%	26,373
Fayette County Board of Commissioners	38,190	40.32%	15,398
Total overlapping debt	103,598		41,771
Total direct and overlapping debt	$ 117,105		$ 55,278

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)

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt limit	$ 164,574	$ 174,454	$ 185,373	$ 192,954	$ 198,088	$ 202,294	$ 191,852	$ 189,295	$ 181,466	$ 187,035
Total net debt applicable to limit	9,403	8,755	7,440	6,680	5,899	5,853	4,804	4,323	4,323	2,904
Legal debt margin	$ 155,171	$ 165,699	$ 177,933	$ 186,274	$ 192,189	$ 196,441	$ 187,048	$ 184,972	$ 177,143	$ 184,131
Total net debt applicable to the limit as a percentage of debt limit	5.71%	5.02%	4.01%	3.46%	2.98%	2.89%	2.50%	2.28%	2.38%	1.55%

Legal Debt Margin Calculation for Taxable Year 2013

Assessed value	$ 1,741,965
Plus exempt property	128,387
Total assessed value	$ 1,870,352
Debt limit (10% of total assessed value)	$ 187,035
Debt applicable to limit:	
General obligation bonds	3,185
Less: Amount set aside for repayment of general obligation debt	(281)
Total net debt applicable to limit	2,904
Legal debt margin	$ 184,131

PEACHTREE CITY, GEORGIA

PLEDGED-REVENUE COVERAGE
LAST SEVEN FISCAL YEARS

Fiscal Year	(1) Operating Revenue	(2) Operating Expense	Net Available Revenue	Principal		Interest	Coverage
2007	1,293,497	1,018,057	275,440	-		-	N/A
2008	1,306,556	959,230	347,326	125,000		154,448	1.24
2009	1,328,057	950,679	377,378	130,000		143,380	1.38
2010	1,330,696	796,409	534,287	135,000		121,602	2.08
2011	1,328,753	827,425	501,328	140,000		138,087	1.80
2012	1,340,481	799,254	541,227	145,000		131,985	1.95
2013	1,824,204	845,681	978,523	3,070,000	(3)	185,884	0.30

NOTES:

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

(1) Operating revenue includes fees and interest of the stormwater utility fund.

(2) Operating expenses do not include interest, depreciation, or amortization expense.

(3) City refunded the 2007 series bonds and issued the 2013 series bonds.

Note: There was no pledged revenue prior to May 2007.

PEACHTREE CITY, GEORGIA

DEMOGRAPHIC AND ECONOMIC STATISTICS (1)
LAST TEN YEARS

Fiscal Year	Population (1)	Median Household Income (2) (in thousands)	Per Capita Personal Income (2)	Median Age (2)	Percentage of Population Age 25 and Older with Greater than 12 Years of Formal Schooling (2)	School Enrollment (3)	Unemployment Rate (4)
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%
2013	34,499	93,044	40,241	40.8	96.3%	20,318	7.0%

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.

(4) Source: Georgia Department of Labor.

PEACHTREE CITY, GEORGIA

PRINCIPAL EMPLOYERS
CURRENT YEAR AND SEVEN YEARS AGO

	2013 Calendar Year			2006 Calendar Year		
Employer	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	5.15%	773	2	5.00%
Cooper Lighting	750	2	5.10%	630	3	4.07%
NCR Corporation	650	3	4.42%	400	4	2.59%
Hoshizaki America, Inc.	339	4	2.30%	309	6	2.00%
Panasonic	338	5	2.30%			
Alenco	312	6	2.12%	218	9	1.41%
Wal-Mart Supercenter #3461	235	7	1.60%	350	5	2.26%
Southland	198	8	1.35%			
Avery Dennison	178	9	1.21%			
Kedron Kroger	161	10	1.09%			
World Airways				262	7	1.69%
City of Peachtree City				244	8	1.58%
Matsushita Communication Corporation				909	1	5.88%
Target Store T-2129				200	10	1.29%
	3,919		26.63%	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

	2004	2005	2006 (1)	2007 (2)	2008 (3)	2009	2010 (4)	2011	2012 (5)	2013
Function										
General government	19	21	25	26	28	29	26	25	24	22
Health and welfare	1	1	1	1	1	1	1	1	0	0
Public Safety										
Police										
Officers	54	57	57	61	64	64	66	65	65	66
Civilians	4	5	4	4	4	4	4	4	4	4
Fire										
Firefighters/EMTs	42	46	46	52	58	58	64	64	64	64
Civilians	2	2	2	2	2	2	2	2	2	2
Public Works	51	54	54	57	58	55	39	38	50	50
Culture and recreation	38	38	39	39	39	38	33	31	19	19
Housing and development	14	14	15	14	14	14	9	8	8	7
Total Budgeted Positions	225	238	243	256	268	265	244	238	236	234

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 13 positions added in fiscal year 2007 were for Public Safety.
(3) Nine of the 12 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 29 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

	2004	2005	2006	2007	2008	2009	2010	2011 (1)	2012 (2)	2013
Function										
General Administration										
Court cases closed	9,073	8,319	7,828	7,340	6,780	5,613	7,294	7,071	6,038	5,090
Purchase orders processed	2,373	2,745	2,879	3,082	3,086	3,164	2,934	2,731	2,748	2,475
Checks processed	12,164	12,073	13,119	13,182	13,434	13,645	13,671	13,811	13,937	13,875
Computer incidents supported	1,539	1,315	1,312	1,127	1,282	1,309	1,251	1,338	1,942	1,325
New business licenses issued	306	336	364	340	115	225	257	220	239	184
Police										
Total arrests	2,034	2,079	2,210	2,192	1,324	2,058	2,003	1,660	1,252	1,208
Traffic citations issued	9,583	7,834	6,786	7,038	6,900	6,647	7,622	7,322	5,938	6,044
Traffic accidents investigated	1,133	1,218	1,153	1,185	1,165	1,060	776	793	865	807
Fire/EMS										
Number of calls answered	2,386	2,704	2,642	2,741	2,735	2,023	2,142	3,013	3,076	3,139
Total EMS patients	1,746	1,947	2,126	2,142	2,006	2,020	2,162	1,384	1,322	1,136
Highways and streets										
Vehicle and equipment maintained	520	550	656	682	648	543	516	539	574	595
Miles of City multi-use paths constructed (new)	-	3.4	0.3	0.6	-	0.05	-	-	-	-
Culture and recreation										
Adult athletic program participants	11,902	9,589	12,164	13,715	14,360	16,701	15,433	3,544	1,975	3,597
Classes/programs participants	25,523	19,812	29,783	26,044	17,509	16,854	19,947	10,532	11,240	12,456
Special event participants	26,000	25,626	33,818	34,000	22,897	22,688	24,921	37,055	33,287	27,651
Library patrons	20,507	24,289	23,847	28,543	32,315	35,525	38,225	39,423	50,544	46,075
Library reference assistance	6,389	3,570	8,620	12,000	12,494	17,079	19,450	18,176	18,552	14,759
Housing and development										
Building permits	1,065	895	899	879	730	654	876	577	558	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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Function										
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	61,440	68,875	75,526	75,000	80,466	97,190	96,006	98,793	98,844	100,895

Source: Various City Departments.

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

COMPLIANCE SECTION

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, in accordance with the auditing standards general accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 26, 2014. Our report includes a reference to the changes in accounting principle resulting from the implementation of Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* and Statement No. 65, *Items Previously Reported as Assets and Liabilities.* Our report also includes a reference to other auditors who audited the financial statements of the Peachtree City Airport Authority, as described in our report on the City's financial statements. 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..

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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.*

Purpose of this Report

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

Mauldin & Jenkins, LLC

Macon, Georgia
March 26, 2014

PEACHTREE CITY, GEORGIA

SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2013

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
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, 2013 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.

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