CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2011

PREPARED BY:

DEPARTMENT OF ADMINISTRATION

CITY OF PERRY, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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I. INTRODUCTORY SECTION

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City of Perry

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December 7, 2011

The Honorable Mayor, Members of the Governing Council and Citizens
of the City of Perry

In accordance with state statues and local charter provisions, we hereby submit the Comprehensive Annual Financial Report of the City of Perry for the fiscal year ended June 30, 2011. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements.

Clifton, Lipford, Hardison & Parker, LLC, have issued an unqualified ("clean") opinion on the City of Perry's financial statements for the fiscal year ended June 30, 2011. The independent auditor's report is located in the front of the financial section of this report. In addition to the audit of the financial records, the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, and the U. S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit organizations. For the fiscal year ended June 30, 2011, the City expended less than $500,000 in federal funds. Therefore, a single audit was not required.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the Independent Auditor's Report.

Profile of the Government

Originally called "Wattsville", Perry is now known as the "Crossroads of Georgia" because the convergence of US 341, US 41, GA 127 and Interstate 75 provides excellent access to regional and national transportation networks. This prime location has encouraged tourism and growth throughout Perry's history. The City of Perry was incorporated in 1824 and reincorporated by the General Assembly of Georgia (1983 Georgia Laws, Act No. 144) by enactment of a charter effective July 1, 1983. The City currently occupies a land area of 27.67 square miles. Perry, the county seat for Houston County, serves a population of 13,839, according to the 2010 census, and offers a variety of municipal services including police and fire protection, maintenance of streets, parks and recreational activities, judicial services, community development, general administration, water, sewer and natural gas utility services and solid waste services. The City of Perry is empowered to levy a property tax on both real and personal property located within its boundaries. It is also empowered by state statue to extend its corporate limits by annexation, which it has done from time to time.

The City of Perry operates under the council-manager form of government. This organizational plan places legislative responsibility for municipal government with the City Council and gives administrative authority to the City Manager. The Council, which consists of the mayor and six council members, levies taxes, enacts ordinances, adopts the annual budget and performs other legislative functions. The Mayor and Council are elected on a staggered non-partisan basis for a term of four years. The mayor is elected citywide. For the purpose of electing council members, the City of Perry is divided into three districts, which consists of two posts each. The members representing each council district shall be elected only by the voters residing in that district and not at large. Upon the recommendation of the mayor, the city council appoints a city manager to manage the government through the development, implementation, and execution of programs and policies established by the Council.

The financial reporting entity of the City of Perry includes all the funds for which the City's elected officials are financially accountable, including its component units. Component units presented are the Perry Area Convention and Visitors Bureau Authority, which promotes tourism for the area, the Downtown Development Authority which supports economic revitalization of the downtown district, and the Perry Industrial Building Authority, which promotes new industry, or expansion of existing industry in the city.

Upon the recommendation of the City Manager and no later than the close of the fiscal year, the City Council adopts the budget for the upcoming fiscal year. The annual budget serves as the foundation for the City's financial plan and assists in the control of the financial stability and health of the government. The budget is prepared by fund, function and department and is closely monitored throughout the year. As conditions change or circumstances are altered, the budget process allows for amendments.

Local Economy

The City's economic future is strongly tied to area economic development including that outside its city limits. Employment of local citizens is balanced between area and local employers, which include the Department of Defense (Robins Air Force Base), Frito Lay, Inc., Houston County, Houston County School System, Houston Hospitals, Perdue Farms Inc., Kroger and Wal-Mart Southeast Division.

Despite the overall economic downturn tourism continues to be a major economic factor for the City of Perry. The Georgia National Fairgrounds and Agricenter attracted 742,635 visitors from January to October 2011 for the GA National Fair and 170 other events. The average economic impact statewide is estimated at $64,052,269 based on $60 per day per individual for a day trip and $112.50 a day per individual for an overnight stay. The 22nd Annual Georgia National Fair attendance (439,931) was down, which was a result of four days of inclement weather.

As the national economic conditions continued to decline and foreclosures increase, the City of Perry issued 115 building permits for new construction starts valued at $23,137,770. Despite challenging times, local manufacturer, Gilmer Warehouse, expanded its operations which valued at $3,797,532.

Long-term Financial Planning

The City met or took into consideration the following fiscal challenges in developing the 2012 budget:

- Millage rate increase required to offset continued decline in digest value resulting from foreclosures.
- Manpower reduction of five positions.
- Approve additional funds for increased cost of health insurance, power usage and fuel consumption based on current expenses and market increases.
- Examine implementation of storm water utility district.
- Proceed with plans to construct Fire Station #2.

Major Initiatives

Led by the Mayor and Council's directions, several tasks were untaken this fiscal year, which included:

- Annexed 4.78 acres into the City.
- Enacted ordinance to collect hotel-motel tax from campgrounds.
- No merit or pay plan adjustments, however, career tracking (non-mandated) training remained in place.
- Purchased vehicles and equipment to replace aging fleet.
- Established general construction fund to pay for multiyear capital projects with monies provided from net proceeds of Jointly Owned Natural Gas revenues.
- Stabilized water and sewerage fund income.
- Reviewed employee pension plan funding.

Acknowledgements

The preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and Clifton, Lipford, Hardison & Parker, LLC. We express appreciation to all staff members who contributed to the preparation of this report. Credit also must be given to the Mayor and City Council for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

R. Lee Gilmour
City Manager

Brenda L. King
Director of Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Perry
Georgia

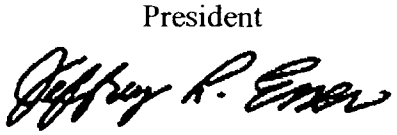
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



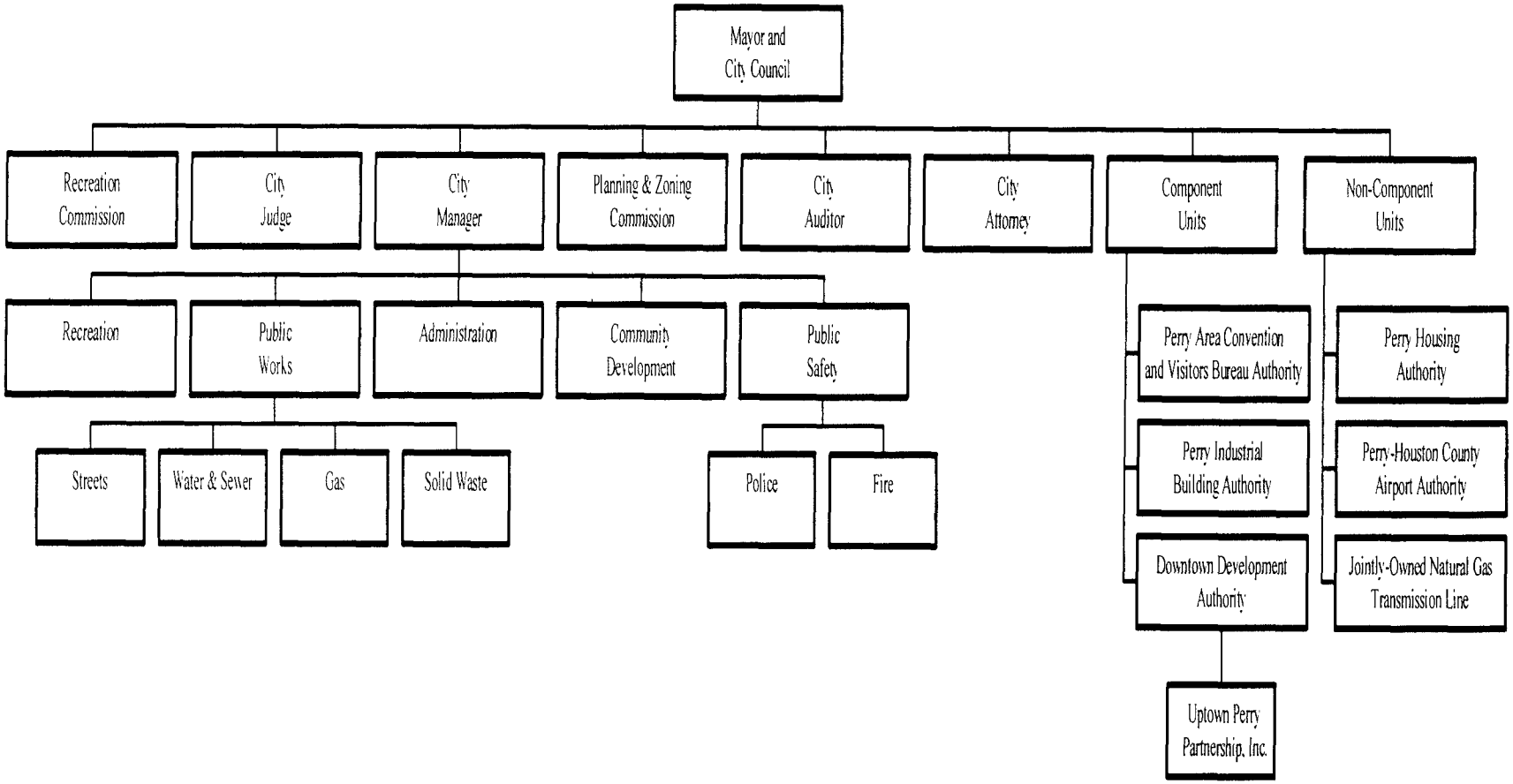


President



Executive Director

CITY OF PERRY, GEORGIA
ORGANIZATIONAL CHART



CITY OF PERRY, GEORGIA

List of Principal Officials
June 30, 2011

TITLE	NAME
Mayor	James E. Faircloth, Jr.
Mayor Pro-Tempore	Randall Walker
Council Members	
District 1	
Post 1	Phyllis A. Bynum-Grace
Post 2	Willie J. King
District 2	
Post 1	Joe Posey
Post 2	William R. Jackson
District 3	
Post 1	Randall Walker
Post 2	Riley Hunt
City Manager	R. Lee Gilmour
City Attorney	David G. Walker
Director of Administration	Brenda L. King
Director of Public Works	Ronnie T. Jones
Director of Community Development	Michael D. Beecham
Director of Public Safety	George A. Potter
Director of Parks and Recreation	Ricky F. Kilgore

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II. FINANCIAL SECTION

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CLH&P CLIFTON, LIPFORD, HARDISON & PARKER, LLC

J. Russell Lipford, Jr., CPA
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Terry I. Parker, CPA
Christopher S. Edwards, CPA
Lynn S. Hudson, CPA
Kevin E. Lipford, CPA

Member of
American Institute of
Certified Public Accountants
Truman W. Clifton (1902-1989)

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of City Council
The City of Perry, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Perry, Georgia as of and for the fiscal year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Perry, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 City of Perry, Georgia, as of June 30, 2011, and the respective changes in financial position, and where applicable cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 7, 2011, on our consideration of the City of Perry's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The management's discussion and analysis information on pages 10 through 18 and the schedule of funding progress on page 59 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Perry, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, statistical tables, and the schedule of projects constructed with special sales tax proceeds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, individual fund schedules and the schedule of projects constructed with special sales tax proceeds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macon, Georgia
December 7, 2011

MANAGEMENT'S DISCUSSION & ANALYSIS

As management of the City of Perry, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Perry for the fiscal year ended June 30, 2011.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2011 by $74,505,344 (net assets). Of this amount $3,880,063 (unrestricted net assets) may be used to meet ongoing obligations to citizens and creditors.
- During the year ended June 30, 2011, the City's net assets increased by $4,082,644.
- As of June 30, 2011, the City's governmental funds reported combined fund balances of $4,006,572, an increase of $982,707 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $1,788,898, or 14.5 percent of total general fund expenditures.
- During fiscal year 2011, the City's capital assets increased by approximately $2,777,916 while the net decrease in long-term debt was $620,123.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases and decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both of the *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that intend to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, fire, law enforcement, public works and recreation. The business-type activities of the City include water and sewerage, natural gas distribution, solid waste operation and a revolving loan fund.

The *government-wide financial statements* include not only the City of Perry itself (known as the primary government), but also entities for which the City is financially accountable. These component units are the Perry Area Convention and Visitors Bureau Authority, the Downtown Development Authority and the Perry Industrial Building Authority. Their financial information is reported separately from that of the primary government.

The government-wide financial statements can be found on pages 19 through 21 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the 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 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 fund financial statements is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains ten individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in the fund balances for the general fund. Data from the other nine governmental funds is presented in a total column termed as "other governmental funds." Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and schedules elsewhere in this report.

The City adopted an annual appropriated budget for all of its funds except the fiduciary funds, which are not budgeted, and the capital project funds, of which project length budgets are adopted. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental funds financial statements can be found on pages 22 through 26 of this report.

Proprietary Funds

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the water and sewerage, natural gas distribution and solid waste operation.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewerage, natural gas distribution operations and solid waste operation which are considered to be major funds of the City. The revolving loan fund is a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 27 through 32 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 statements because the resources of those funds are not available to support the City's own programs. The accounting method used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statement can be found on page 33 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes can be found on pages 34 through 58 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees.

Required supplementary information can be found on page 59 of this report.

The combining statements and individual fund schedules referred to earlier are presented immediately following the required supplementary information on pensions.

Combining statements and individual fund schedules can be found on pages 60 through 69 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by $74,505,344 at the close of the most recent fiscal year.

City of Perry - Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	**2011**	2010	**2011**	2010
Assets						
Current and Other Assets	**$ 4,973,447**	$ 4,694,384	**$ 9,620,804**	$ 9,605,704	**$ 14,594,251**	$ 14,300,088
Capital Assets	**41,717,759**	40,822,187	**39,826,655**	37,994,311	**81,544,414**	78,816,498
	46,691,206	45,516,571	**49,447,459**	47,600,015	**96,138,665**	93,116,586
Liabilities						
Current and Other Liabilities	**957,062**	1,571,125	**448,031**	490,939	**1,405,093**	2,062,064
Long-Term Liabilities	**1,411,411**	1,215,757	**18,816,817**	19,416,065	**20,228,228**	20,631,822
	2,368,473	2,786,882	**19,264,848**	19,907,004	**21,633,321**	22,693,886
Net Assets						
Invested in Capital Assets, Net of Related Debt	**41,158,197**	40,372,191	**26,112,142**	24,782,664	**67,270,339**	65,154,855
Debt Service	**-**	-	**1,509,938**	1,401,716	**1,509,938**	1,401,716
Restricted	**1,782,171**	1,250,369	**62,833**	-	**1,845,004**	1,250,369
Unrestricted	**1,382,365**	1,107,129	**2,497,698**	1,508,631	**3,880,063**	2,615,760
	$ 44,322,733	$ 42,729,689	**$ 30,182,611**	$ 27,693,011	**$ 74,505,344**	$ 70,422,700

The largest portion of the City's net assets (90 percent) reflects its investments in capital assets (i.e., land, infrastructure, buildings, machinery and equipment) less any outstanding debt used to acquire those assets.

The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt are expected to be provided from other sources, since there are no plans to liquidate these assets.

Two percent of the City's net assets represent resources that are subject to external restrictions on how they may be used. The remaining balance of the City's net assets is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported positive balances in all categories of net assets for the government as a whole. The City's net assets increased by $4,082,644 during the current fiscal year. The reason for such increase is discussed in greater detail as part of the governmental activities.

The following table summarizes changes in net assets for the governmental and business-type activities:

City of Perry - Changes in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues						
Program Revenues						
Charges for services	$ 4,535,016	$ 3,517,078	$ 10,170,783	$ 9,764,655	$ 14,705,799	$ 13,281,733
Operating Grants and Contributions	353,326	59,660	76,228	-	429,554	59,660
Capital Grants and Contributions	1,874,479	2,362,756	1,347,008	365,288	3,221,487	2,728,044
General Revenues						
Property Taxes	5,858,558	5,553,366	-	-	5,858,558	5,553,366
Hotel/Motel Taxes	720,652	676,347	-	-	720,652	676,347
Franchise Taxes	963,109	898,714	-	-	963,109	898,714
Alcoholic Beverage Taxes	245,627	255,007	-	-	245,627	255,007
Insurance Premium Taxes	516,893	532,365	-	-	516,893	532,365
Occupational Taxes	159,777	130,721	-	-	159,777	130,721
Unrestricted Investment Earnings	6,269	9,426	39,096	66,493	45,365	75,919
	15,233,706	13,995,440	11,633,115	10,196,436	26,866,821	24,191,876
Expenses						
General Government	5,400,595	4,909,398	-	-	5,400,595	4,909,398
Public Safety	4,822,567	4,668,275	-	-	4,822,567	4,668,275
Public Works	2,938,046	3,077,136	-	-	2,938,046	3,077,136
Recreation	754,375	1,214,175	-	-	754,375	1,214,175
Interest on Long-Term Debt	26,979	24,206	-	-	26,979	24,206
Water and Sewerage System	-	-	4,726,726	4,435,805	4,726,726	4,435,805
Gas System	-	-	3,018,220	3,288,164	3,018,220	3,288,164
Solid Waste	-	-	1,095,164	1,032,283	1,095,164	1,032,283
Revolving Loan Fund	-	-	1,505	-	1,505	-
	13,942,562	13,893,190	8,841,615	8,756,252	22,784,177	22,649,442
Increase in Net Assets, before transfers	1,291,144	102,250	2,791,500	1,440,184	4,082,644	1,542,434
Transfers	301,900	138,127	(301,900)	(138,127)	-	-
	301,900	138,127	(301,900)	(138,127)	-	-
Change in Net Assets	1,593,044	240,377	2,489,600	1,302,057	4,082,644	1,542,434
Net Assets - Beginning	42,729,689	42,489,312	$ 27,693,011	26,390,954	70,422,700	68,880,266
Net Assets - Ending	$ 44,322,733	$ 42,729,689	$ 30,182,611	$ 27,693,011	$ 74,505,344	$ 70,422,700

Governmental Activities

Governmental activities increased the City's net assets by $1,291,144. The increase in capital grants and contributions was a result of infrastructure accepted by the City.

Business-Type Activities

Business-type activities increased the City's net assets by $2,791,500. The increase in charges for services and capital contributions was the primary reason for the increase. All proprietary funds ended the year with positive net assets.

Financial Analysis of the City's Major Funds

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

Governmental Funds

The focus of the City's governmental fund financial statements is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At June 30, 2011, the City's governmental funds reported combined fund balances of $4,006,572, an increase of $982,706 over the prior year. Approximately 45 percent of the combined fund balances, ($1,788,898) is classified as unassigned. The remaining amounts are classified as nonspendable ($27,462), restricted ($1,782,171) and assigned ($408,041). Additional revenues received from property taxes, franchise fees, intergovernmental revenue from Houston County as well as a reduction in the recreation were major factors of the increase in fund balance.

The general fund is the chief operating fund of the City. At June 30, 2011, the unassigned fund balance of the general fund was $1,788,898, while total fund balance was $2,233,684. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 14.5 percent of total fund expenditures, while total fund balance represents 18 percent of the same amount.

During the current fiscal year, the fund balance of the general fund increased by $425,518. More detail is provided under budgetary highlights.

Proprietary Funds

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

Unrestricted net assets of proprietary funds ended on a positive note in the amount of $2,497,698. Other factors concerning the finances of these funds have been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

During fiscal year 2011, the primary differences between the original and the final amended budget can be summarized as follows:

- Adjustment for capital lease proceeds for additional equipment cost
- Adjustment for additional property tax, fines and forfeitures and franchise tax revenue
- Adjustment for Ball Street expenditures and 06 SPLOST reimbursements from Houston County
- Adjustment for health insurance specific reimbursements

- Adjustment for health insurance cost increase
- Adjustment for fire hydrant maintenance contract
- Adjustment for stormwater control cost
- Adjustment for Big Indian Creek Walking Trail Phase donations, grant income and expenditures
- Adjustment for animal adoption, tree replacement and lot mowing charges
- Adjustment for general liability insurance premium reduction

Capital Assets and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2011 total $81,544,414 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, construction in progress, infrastructure, machinery and equipment, structures, equipment and lines, and furniture and fixtures. The total increase in the City's investment in capital assets for the current period was $2,727,916. Detailed information regarding the capital asset activity for 2011 can be found on pages 43 and 44 of this report.

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

- Various governmental capital asset projects with a total value of $2,664,438 were completed or acquired during the year. The total value of governmental capital assets under construction at year-end was $1,929,979.
- Various business-type capital asset projects with a total value of $7,034,725 were completed during the year. The total value of business-type capital assets under construction at year-end was $7,973.
- The government and business-type activities acquired infrastructure due to donations from developments.

City of Perry - Capital Assets (Net of Accumulated Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	**2011**	2010	**2011**	2010
Land	$ **9,136,442**	$ 8,794,051	$ **294,479**	$ 294,479	$ **9,430,921**	$ 9,088,530
Land improvements	**278,145**	261,863	-	-	**278,145**	261,863
Buildings and Improvements	**2,861,798**	2,368,465	-	-	**2,861,798**	2,368,465
Infrastructure	**26,449,709**	25,076,232	-	-	**26,449,709**	25,076,232
Machinery and Equipment	**1,061,686**	1,038,399	-	-	**1,061,686**	1,038,399
Structures, Equipment and Lines	-	-	**39,524,203**	31,230,521	**39,524,203**	31,230,521
Construction in Progress	**1,929,979**	3,283,177	**7,973**	6,469,311	**1,937,952**	9,752,488
	$ **41,717,759**	$ 40,822,187	$ 39,826,655	$ 37,994,311	$ **81,544,414**	$ 78,816,498

Long-Term Debt

At June 30, 2011, the City had total long-term debt outstanding of $19,688,271 as compared to $20,308,394 at the end of the prior year. This amount is comprised of $15,570,000 in water and sewerage system revenue bonds, $3,118,485 in capital lease agreements, $599,786 in GEFA loans and $400,000 loan from the Houston County Development Authority.

City of Perry - Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	**2011**	2010	**2011**	2010
Revenue Bonds	$ -	$ -	**$ 15,570,000**	$ 15,960,000	**$ 15,570,000**	$ 15,960,000
Loans	**400,000**	500,000	**599,786**	680,849	**999,786**	1,180,849
Capital Leases	**559,562**	449,996	**2,558,923**	2,717,549	**3,118,485**	3,167,545
	$ 959,562	$ 949,996	**$ 18,728,709**	$ 19,358,398	**$ 19,688,271**	$ 20,308,394

Debt issued in 2011 amounted to $641,224 compared to $519,107 in the previous year. The capital leases the City entered into were for purchase of machinery and equipment for the public works operations and the administrative department.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of real and personal property. The City has not issued any general obligation debt since 1970 and has had none outstanding since 1990. The amount of general obligation debt legally allowable for the City is $41,084,234.

Additional information on the City's long-term debt can be found in Note 3-E on pages 45 through 49 of this report.

Economic Factors and Current Year Budget and Rates

As the national economy continued in a dismal state, growth remained constant when compared to the previous year for the City of Perry. Building permits issued for new starts and additions were 123 residential and 22 commercial and accessory structures.

As of June 30, 2011, the unemployment rate for Houston County was 8 percent compared to the State of Georgia rate of 9.9 percent. According to the 2010 Census the population for the City is 13,839.

The following factors were considered in preparation of the City budget for 2011:

- Continuation of nationwide economic conditions resulting in a reduction in revenues
- Manpower reduction
- Replace aging fleet
- Adjustment of fees and charges
- Millage rate increase

Request for Information

This financial report is designed to provide a general overview of the City's finances for those with an interest in our government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Perry Finance Department, P. O. Box 2030, Perry, Georgia 31069.

BASIC FINANCIAL STATEMENTS

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CITY OF PERRY, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2011

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
ASSETS						
Cash and cash equivalents	$ 1,879,661	$ 980,711	$ 2,860,372	$ 243,102	$ 61,298	$232,792
Investments	2,366,581	1,136,767	3,503,348	-	-	-
Receivables, net of allowance	628,298	997,705	1,626,003	45,645	1,380	-
Mortgages receivable	26,316	-	26,316	-	-	-
Loans receivable	-	57,445	57,445	-	-	-
Internal balances	68,200	(68,200)	-	-	-	-
Inventories	4,391	-	4,391	-	-	-
Prepaid items	-	41,100	41,100	-	-	-
Deferred charges	-	231,995	231,995	-	-	-
Restricted assets:						
Cash and cash equivalents	-	82,325	82,325	-	-	-
Investments	-	5,567,874	5,567,874	-	-	-
Investment in Jointly-Owned Natural Gas Transmission Line	-	593,082	593,082	-	-	-
Capital assets:						
Nondepreciable	11,066,421	302,452	11,368,873	492,893	160,700	-
Depreciable, net	30,651,338	39,524,203	70,175,541	448,020	153,772	-
Total assets	46,691,206	49,447,459	96,138,665	1,229,660	377,150	232,792
LIABILITIES						
Accounts payable and other current liabilities	725,899	273,979	999,878	9,362	329	-
Other accrued expenses	221,717	-	221,717	-	-	-
Accrued interest payable	9,446	174,052	183,498	-	-	-
Noncurrent liabilities:						
Due within one year	463,643	935,126	1,398,769	3,064	-	-
Due in more than one year	947,768	17,881,691	18,829,459	2,992	-	-
Total liabilities	2,368,473	19,264,848	21,633,321	15,418	329	-
NET ASSETS						
Invested in capital assets, net of related debt	41,158,197	26,112,142	67,270,339	940,913	314,472	-
Restricted for:						
Capital outlay	1,361,655	-	1,361,655	-	-	-
Grantors and contributors	74,660	-	74,660	-	-	-
Debt Service	-	1,509,938	1,509,938	-	-	-
Loans receivable	-	62,833	62,833	-	-	-
Public Safety	275,554	-	275,554	-	-	-
Grant Subrecipients	70,302	-	70,302	-	-	-
Unrestricted	1,382,365	2,497,698	3,880,063	273,329	62,349	232,792
Total net assets	$ 44,322,733	$ 30,182,611	$74,505,344	$ 1,214,242	$ 376,821	$232,792

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	$ 5,400,595	$ 2,977,195	$ 244,499	$ 108,805
Public safety	4,822,567	745,912	83,155	189,333
Public works	2,938,046	727,413	-	1,485,578
Recreation	754,375	84,496	25,672	90,763
Interest on long-term debt	26,979	-	-	-
Total governmental activities	13,942,562	4,535,016	353,326	1,874,479
Business-type Activities:				
Water and sewerage	4,726,726	5,503,160	-	1,347,008
Gas	3,018,220	3,565,558	-	-
Solid waste	1,095,164	1,114,365	-	-
Revolving Loan Fund	1,505	-	63,928	-
Total business-type activities	8,841,615	10,183,083	63,928	1,347,008
Total Primary Government	$ 22,784,177	$ 14,718,099	$ 417,254	$ 3,221,487
Component Units:				
Perry Area Convention and Visitors Bureau	$ 396,434	$ 302,222	$ -	$ -
Perry Downtown Development Authority	55,862	-	48,398	-
Total component units	$ 452,296	$ 302,222	$ 48,398	$ -
General revenues:				
Property taxes				
Franchise taxes				
Insurance premium taxes				
Occupational taxes				
Hotel/Motel taxes				
Alcoholic beverage taxes				
Investment earnings				
Transfers				
Total general revenues and transfers				
Special item - donation of capital assets				
Change in net assets				
Net assets - Beginning of year				
Net assets - End of year				

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

	Net (Expense) Revenue and Changes in Net Assets					
	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Perry Area Convention and Visitors Bureau	Perry Downtown Development Authority	Perry Industrial Building Authority
	$ (2,070,096)	$ -	$ (2,070,096)			
	(3,804,167)	-	(3,804,167)			
	(725,055)	-	(725,055)			
	(553,444)	-	(553,444)			
	(26,979)	-	(26,979)			
	(7,179,741)	-	(7,179,741)			
	-	2,123,442	2,123,442			
	-	547,338	547,338			
	-	19,201	19,201			
	-	62,423	62,423			
	-	2,752,404	2,752,404			
	(7,179,741)	2,752,404	(4,427,337)			
				$ (94,212)	$ -	$ -
				-	(7,464)	-
				(94,212)	(7,464)	-
	5,858,558	-	5,858,558	-	-	-
	963,109	-	963,109	-	-	-
	516,893	-	516,893	-	-	-
	159,777	-	159,777	-	-	-
	720,652	-	720,652	-	-	-
	245,627	-	245,627	-	-	-
	6,269	39,096	45,365	1,334	567	3,540
	301,900	(301,900)	-	-	-	-
	8,772,785	(262,804)	8,509,981	1,334	567	3,540
	-	-	-	-	(250,842)	-
	1,593,044	2,489,600	4,082,644	(92,878)	(257,739)	3,540
	42,729,689	27,693,011	70,422,700	1,307,120	634,560	229,252
	$ 44,322,733	$ 30,182,611	$ 74,505,344	$ 1,214,242	$ 376,821	$ 232,792

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalent	$ 587,766	$ 1,291,895	$ 1,879,661
Investments	2,087,082	279,499	2,366,581
Taxes receivable	28,053	50,532	78,585
Due from other funds	267,159	120,675	387,834
Intergovernmental receivables	2,638	282,005	284,643
Mortgages receivable	26,316	-	26,316
Other receivables	248,860	16,210	265,070
Inventories	4,391	-	4,391
Total assets	$ 3,252,265	$ 2,040,816	$ 5,293,081
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 721,527	$ 3,122	$ 724,649
Due to other funds	57,420	262,214	319,634
Deferred revenues	19,259	-	19,259
Other accrued liabilities	219,125	2,592	221,717
Deposits	1,250	-	1,250
Total liabilities	1,018,581	267,928	1,286,509
Fund balances:			
Nonspendable	27,462	-	27,462
Restricted	49,986	1,732,185	1,782,171
Assigned	367,338	40,703	408,041
Unassigned	1,788,898	-	1,788,898
Total fund balances	2,233,684	1,772,888	4,006,572
Total liabilities and fund balances	$ 3,252,265	$ 2,040,816	$ 5,293,081

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances per balance sheet of governmental funds	$ 4,006,572
Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:	
Capital Assets	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Cost of the assets	61,830,302
Accumulated depreciation	(20,112,543)
Revenues	
Some of the government's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are deferred in the funds.	19,259
Long-term Liabilities	
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities both current and long-term are reported in the Statement of Net Assets. Long-term liabilities at year-end consist of the following:	
Accrued interest	(9,446)
Compensated absences	(249,385)
Net pension obligation	(202,464)
Capital leases	(559,562)
Note payable	(400,000)
Total net assets of governmental activities.	$ 44,322,733

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	General	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes:			
Property	$ 5,941,516	$ -	$ 5,941,516
Franchise	963,109	-	963,109
Insurance premium	516,893	-	516,893
Occupational	159,777	-	159,777
Hotel/motel	-	720,652	720,652
Alcoholic beverage	245,627	-	245,627
License and permits	182,226	-	182,226
Impact fees	-	46,200	46,200
Intergovernmental	734,048	1,338,872	2,072,920
Fines and forfeitures	539,297	42,728	582,025
Charges for services	1,588,335	-	1,588,335
Administrative	476,623	-	476,623
Contributions from private sources	49,757	-	49,757
Investment earnings	5,399	1,728	7,127
Miscellaneous	685,856	260,379	946,235
Total revenues	12,088,463	2,410,559	14,499,022
EXPENDITURES			
Current:			
General government	4,160,018	1,080,299	5,240,317
Public safety	4,683,774	74,879	4,758,653
Public works	2,567,801	-	2,567,801
Recreation	672,863	-	672,863
Debt service:			
Principal	279,709	100,000	379,709
Interest and other charges	11,257	9,100	20,357
Capital outlay	-	582,958	582,958
Total expenditures	12,375,422	1,847,236	14,222,658
Excess (deficiency) of revenues over (under) expenditures	(286,959)	563,323	276,364
OTHER FINANCING SOURCES (USES)			
Transfers in	311,927	5,337	317,264
Transfers out	(3,893)	(11,471)	(15,364)
Capital leases	389,275	-	389,275
Sale of capital assets	15,168	-	15,168
Total other financing sources (uses)	712,477	(6,134)	706,343
Net change in fund balances	425,518	557,189	982,707
Fund balances - Beginning of year	1,808,166	1,215,699	3,023,865
Fund balances - End of year	$ 2,233,684	$ 1,772,888	$ 4,006,572

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Excess (Deficit) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses Per Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances.		$ 982,707
Amounts reported for governmental activities in the Statement of Activities differ from amounts reported in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances due to the following:		
Capital Assets		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives and reported as depreciation expense.		
Total capital outlays	$ 1,710,093	
Total depreciation	(1,589,717)	120,376
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, annexing) is to increase net assets.		775,195
Long-term Debt		
Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The adjustments for these items are as follows:		
Issuance of long-term debt		(389,275)
Repayment of principal		379,709
Net pension obligation		(202,464)
Interest on long-term debt		(6,622)
Compensated absences		16,376
Revenues		
Because some revenues will not be collected for several months after the government's fiscal year end, they are not considered available revenues and are deferred in the governmental funds.		
Deferred revenues decreased by this amount during the fiscal year.		(82,958)
Change in Net Assets of Governmental Activities.		$ 1,593,044

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Taxes:				
Property	$ 5,736,900	5,780,200	$ 5,941,516	$ 161,316
Franchise	893,300	963,100	963,109	9
Insurance premium	532,300	516,800	516,893	93
Occupational	123,700	158,400	159,777	1,377
Alcoholic beverage	266,000	245,600	245,627	27
Licenses and permits	169,800	171,200	182,226	11,026
Intergovernmental	-	729,700	734,048	4,348
Fines and forfeitures	474,200	545,000	539,297	(5,703)
Charges for Services	1,527,500	1,520,000	1,588,335	68,335
Administrative	413,000	478,300	476,623	(1,677)
Contributions from private sources	-	46,000	49,757	3,757
Investment earnings	5,100	5,000	5,399	399
Miscellaneous	131,200	487,100	685,856	198,756
Total revenues	10,273,000	11,646,400	12,088,463	442,063
EXPENDITURES				
Current:				
General government				
Mayor	17,200	24,200	24,112	88
City Council	89,600	84,300	84,216	84
City Attorney	45,900	63,100	63,089	11
Municipal Court	257,100	327,600	327,576	24
Administrative	2,626,600	3,024,800	3,023,954	846
City Manager	226,400	241,500	241,404	96
Community Development	345,900	396,100	395,627	473
Elections	-	100	40	60
Public safety	4,637,500	4,685,000	4,683,774	1,226
Public works	1,637,300	2,568,500	2,567,801	699
Recreation	594,000	674,200	672,863	1,337
Debt service:				
Principal	279,800	280,000	279,709	291
Interest and other charges	11,200	11,500	11,257	243
Total expenditures	10,768,500	12,380,900	12,375,422	5,478
Excess (deficiency) of revenue over (under) expenditure	(495,500)	(734,500)	(286,959)	447,541
OTHER FINANCING SOURCES (USES)				
Transfers in	190,200	311,900	311,927	27
Transfers out	-	(3,100)	(3,893)	(793)
Capital leases	436,500	389,200	389,275	75
Sale of capital assets	-	2,500	15,168	12,668
Total other financing sources (uses)	626,700	700,500	712,477	11,977
Net change in fund balances	$ 131,200	$ (34,000)	425,518	$ 459,518
Fund balances - Beginning of year			1,808,166	
Fund balances - End of year			$ 2,233,684	

The notes to the financial statements are an integral part of this statement.

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CITY OF PERRY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Business-type Activities - Enterprise Funds				
	Water and Sewerage System	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 607,523	$ 197,808	$ 175,380	$ -	$ 980,711
Investments	336,694	800,073	-	-	1,136,767
Accounts receivable, net	670,692	213,267	113,714	32	997,705
Loans receivable, current portion	-	-	-	12,500	12,500
Due from other funds	-	-	51,531	5,889	57,420
Prepaid items	23,371	6,920	10,809	-	41,100
Total current assets	1,638,280	1,218,068	351,434	18,421	3,226,203
Noncurrent assets:					
Restricted assets					
Cash and cash equivalents	79,324	3,001	-	-	82,325
Investments	5,567,874	-	-	-	5,567,874
Deferred charges	231,995	-	-	-	231,995
Loans receivable	-	-	-	44,945	44,945
Investment in Jointly-Owned Natural Gas Transmission Line	-	593,082	-	-	593,082
Capital assets:					
Land and easements	142,419	62,165	89,895	-	294,479
Structures, equipment and lines	51,521,501	3,761,960	558,375	-	55,841,836
Construction in progress	7,973	-	-	-	7,973
Less accumulated depreciation	(14,032,327)	(1,925,964)	(359,342)	-	(16,317,633)
Total noncurrent assets	43,518,759	2,494,244	288,928	44,945	46,346,876
Total assets	$ 45,157,039	$ 3,712,312	$ 640,362	$ 63,366	$49,573,079

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011
(CONTINUED)

	Business-type Activities - Enterprise Funds				
LIABILITIES	Water and Sewerage System	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Total
Current liabilities:					
Accounts payable	$ 3,000	$ 131,409	$ 125,240	$ 533	$ 260,182
Salaries payable	-	1,991	2,727	-	4,718
Developer's deposit	1,742	-	-	-	1,742
Accrued interest payable	173,603	-	449	-	174,052
Due to other funds	82,013	43,607	-	-	125,620
Compensated absences	-	5,107	4,144	-	9,251
Customer deposits payable	4,324	3,013	-	-	7,337
Landfill postclosure care costs	-	-	3,500	-	3,500
Revenue bond payable-current	410,000	-	-	-	410,000
Capital leases and notes payable-current	405,389	4,259	102,727	-	512,375
Total current liabilities	1,080,071	189,386	238,787	533	1,508,777
Noncurrent liabilities:					
Compensated absences	-	2,793	1,974	-	4,767
Revenue bonds, net of unamortized refunding costs	15,148,137	-	-	-	15,148,137
Capital leases and notes payable	2,513,521	11,648	121,165	-	2,646,334
Net pension obligation	-	-	17,190	-	17,190
Landfill postclosure care costs	-	-	65,263	-	65,263
Total noncurrent liabilities	17,661,658	14,441	205,592	-	17,881,691
Total liabilities	18,741,729	203,827	444,379	533	19,390,468
NET ASSETS					
Invested in capital assets, net of related debt	24,164,852	1,882,254	65,036	-	26,112,142
Restricted for debt service	1,509,938	-	-	-	1,509,938
Restricted for loans receivable	-	-	-	62,833	62,833
Unrestricted	740,520	1,626,231	130,947	-	2,497,698
Total net assets	$ 26,415,310	$ 3,508,485	$ 195,983	$ 62,833	$30,182,611

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds				
	Water and Sewerage System	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Total
Operating revenues:					
Charges for sales and services	$ 5,502,242	3,565,558	$ 1,114,365	$ -	$10,182,165
Miscellaneous	918	-	-	63,928	64,846
Total operating revenues	5,503,160	3,565,558	1,114,365	63,928	10,247,011
Operating expenses:					
Cost of sales and services	2,984,497	2,835,155	968,705	1,505	6,789,862
Administration	284,047	115,661	56,875	-	456,583
Depreciation	1,198,916	67,404	66,222	-	1,332,542
Total operating expenses	4,467,460	3,018,220	1,091,802	1,505	8,578,987
Operating income (loss)	1,035,700	547,338	22,563	62,423	1,668,024
Nonoperating revenues (expenses):					
Net income from joint venture	-	23,209	-	-	23,209
Interest income - nonrestricted assets	1,718	2,049	205	-	3,972
Interest income - restricted assets	11,505	-	-	410	11,915
Interest expense	(259,266)	-	(3,362)	-	(262,628)
Total nonoperating revenues (expenses)	(246,043)	25,258	(3,157)	410	(223,532)
Income before contributions and transfers	789,657	572,596	19,406	62,833	1,444,492
Capital contributions	1,347,008	-	-	-	1,347,008
Transfers in	120,144	-	-	-	120,144
Transfers out	-	(422,044)	-	-	(422,044)
Total other financing sources (uses)	1,467,152	(422,044)	-	-	1,045,108
Change in net assets	2,256,809	150,552	19,406	62,833	2,489,600
Total net assets - Beginning of year	24,158,501	3,357,933	176,577	-	27,693,011
Total net assets - End of year	$26,415,310	$ 3,508,485	$ 195,983	$ 62,833	$30,182,611

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Business-type Activities - Enterprise Funds				
	Water and Sewerage System	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Total
Cash Flows from Operating Activities:					
Receipts from customers and users	$ 5,392,813	$ 3,519,970	$ 1,116,480	$ 64,306	$ 10,093,569
Payments to suppliers	(3,187,879)	(2,680,482)	(662,489)	-	(6,530,850)
Payments to employees	(284,047)	(243,571)	(325,738)	(64,716)	(918,072)
Net Cash Provided (used) by Operating Activities	1,920,887	595,917	128,253	(410)	2,644,647
Cash Flows from Noncapital Financing Activities:					
Transfer from other funds	120,144	-	-	-	120,144
Transfer to other funds	-	(422,044)	-	-	(422,044)
Net Cash Provided (used) by Noncapital Financing Activities	120,144	(422,044)	-	-	(301,900)
Cash Flows from Capital and Related Financing Activities:					
Principal paid on capital debt	(806,468)	-	(56,064)	-	(862,532)
Interest paid on capital debt	(818,535)	-	(3,792)	-	(822,327)
Acquisition and construction of capital assets	(1,063,112)	(15,907)	(165,472)	-	(1,244,491)
Proceeds from capital debt	51,463	15,907	165,472	-	232,842
Net Cash Provided (used) by Capital and Related Financing Activities	(2,636,652)	-	(59,856)	-	(2,696,508)
Cash Flows From Investing Activities:					
Proceeds from sales and maturities of investments	567,612	23,209	-	-	590,821
Interest received	13,223	2,049	205	410	15,887
Purchases of investments	-	(400,763)	-	-	(400,763)
Net Cash Provided (Used) by Investing Activities	580,835	(375,505)	205	410	205,945

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

	Business-type Activities - Enterprise Funds				
	Water and Sewerage System	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Total
Net increase (decrease) in cash and cash equivalents	$ (14,786)	$ (201,632)	$ 68,602	$ -	$ (147,816)
Cash and cash equivalents - beginning	701,633	402,441	106,778	-	1,210,852
Cash and cash equivalents - ending	$ 686,847	$ 200,809	$ 175,380	$ -	$ 1,063,036
Classified as:					
Current Assets	$ 607,523	$ 197,808	$ 175,380	$ -	$ 980,711
Restricted Assets	79,324	3,001	-	-	82,325
Total cash and cash equivalents	$ 686,847	$ 200,809	$ 175,380	$ -	$ 1,063,036

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

	Business-type Activities - Enterprise Funds				
	Water and Sewerage System	Gas System	Solid Waste	(Nonmajor) Revolving Loan Fund	Total
Reconciliation of Operating Income (Loss) to Net Cash provided (used) by Operating Activities:	$ 1,035,700	$ 547,338	$ 22,563	$ 62,423	$ 1,668,024
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	1,198,916	67,404	66,222	-	1,332,542
Change In:					
Accounts receivable, net	(110,347)	(22,385)	2,115	(57,477)	(188,094)
Due from other funds	-	358	(51,531)	(5,889)	(57,062)
Investment in JOTL	-	(23,209)	-	-	(23,209)
Prepaid expenses	(1,341)	(872)	(1,477)	-	(3,690)
Inventories	-	-	120	-	120
Deferred charges	18,847	-	-	-	18,847
Accounts payable	(166,573)	(1,086)	125,240	533	(41,886)
Due to other funds	(52,151)	26,794	(51,320)	-	(76,677)
Accrued liabilities	-	616	950	-	1,566
Compensated absences	-	953	595	-	1,548
Net pension obligation	-	-	17,190	-	17,190
Landfill postclosure care costs	-	-	(2,414)	-	(2,414)
Customers' meter deposits	(2,164)	6	-	-	(2,158)
Total Adjustments	885,187	48,579	105,690	(62,833)	976,623
Net cash provided (used) by operating activities	$ 1,920,887	$ 595,917	$ 128,253	$ (410)	$ 2,644,647
Noncash investing, capital and financing activities:					
Contributions from developers	$ 1,347,008	$ -	$ -	$ -	
Assets acquired through assumption of a liability	51,463	15,907	165,472	-	

The notes to the financial statements are an integral part of this statement.

CITY OF PERRY, GEORGIA

STATEMENT OF FIDUCIARY ASSETS AND LIABILITY
FIDUCIARY FUND
JUNE 30, 2011

	Agency Fund
ASSETS	
Cash	$ 6,808
Total assets	$ 6,808
LIABILITY	
Payable from Assets	
Confiscated assets pending disposition	$ 6,808

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting entity

The City of Perry, Georgia (hereinafter the City) was reincorporated by the General Assembly of Georgia 1983 Georgia Laws, Act No. 444) by the enactment of a charter effective July 1, 1983. The City was originally chartered in 1824.

City government is conducted by a nonpartisan mayor and council. The council is composed of six elected members, two from each of three districts. Members serve staggered four-year terms. Council selects a city manager who oversees day-to-day operations of the City.

The City provides numerous municipal services authorized by its charter and operates three major utilities.

The accompanying financial statements presents the City and it's discretely presented component units, entities for which the City is considered to be financially accountable. The criteria used to determine financial accountability is evidenced by the following:

1. Ability to impose will on an organization by being able to significantly influence the programs, projects or activities of, or the level of services performed or provided by, the organization.

2. Financial benefit to or burden on the primary government including responsibility for financing debts, entitlements to surpluses and guarantees or moral responsibility for debt.

3. Fiscal dependency for matters including authority over funds and budgetary appropriations.

4. Ability of the primary government to appoint a voting majority of an organization's governing body.

Each discretely presented component unit is reported in a separate column in the government-wide financial statements and is accountable under all the criteria listed.

Discretely Presented Component Units

The Perry Area Convention and Visitors Bureau (hereinafter the Visitors Bureau) was created to promote tourism, trade and conventions for the City. The governing board consists of nine regular members and four ex-officio members. Five of these members must be recommended by the Perry Area Chamber of Commerce board of directors. The ex-officio members are the executive director of the authority, the city manager, the executive director of the Perry Area Chamber of Commerce and the executive director of the Georgia National Fairgrounds and Agricenter. The Visitors Bureau is reported as a governmental fund type.

The Perry Downtown Development Authority (hereinafter the Authority) was created to revitalize and redevelop the central business district of the City, to develop and promote for the public good and general welfare, trade, commerce, industry and employment opportunities. The Authority is governed by seven directors appointed by the mayor and city council. The Authority is reported as a governmental fund type.

The Perry Industrial Building Authority (hereinafter the Building Authority) was created to encourage and promote the expansion and development of industrial and commercial facilities in the City. The Building Authority is governed by two directors appointed by the mayor and city council and three ex-officio members, the mayor, the chairman of the Houston County Board of Commissioners and the president of the Perry Area Chamber of Commerce. The Building Authority's financial statements consist of a general fund only and it is reported as a governmental fund type. The Authority has not issued separate financial statements for this fiscal year.

Complete financial statements for the Visitors Bureau and the Authority may be obtained at the entity's administrative offices:

Perry Area Convention and Visitors Bureau
101 Courtney Hodges Boulevard
Perry, Georgia 31069

Perry Downtown Development Authority
1211 Washington Street
Perry, Georgia 31069

B. Government-wide and fund financial statements

The government-wide financial statements (Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are 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 customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes, investment earnings 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 flow of economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Fiduciary funds are reported using the accrual basis of accounting and have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 with 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, special purpose local option sales taxes, franchise taxes, other taxes, licenses and permits, intergovernmental revenues, investment earnings and charges for services 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 revenues are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund – 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 City reports the following major proprietary funds:

Water and Sewerage System – accounts for the operations and maintenance of the City's water and wastewater services to the residents and businesses of the City.

Gas System – accounts for the operations and maintenance of the City's natural gas services to the residents and businesses of the City.

Solid Waste Fund – accounts for the operation and maintenance of the City's trash, leaf and limb collections to the residents and businesses of the City.

Additionally, the City reports the following fund type:

Fiduciary Fund – accounts for money confiscated and held pending disposition by courts.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards to not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's public utilities and various other functions of the government. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges for services or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Other revenue sources not properly included with program revenues are reported as general revenues of the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 City's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Deposits and Investments

Deposits

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the City are reported at fair value.

E. Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received including property taxes, amounts due from other funds and grants.

In the fund financial statements, deferred revenue accounts are used to offset receivables to the extent revenue is not recognized under the City's policy.

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

F. Interfund Receivables, Payables and Transfers

In the fund financial statements balances that are representative of lending/borrowing arrangements, outstanding at the end of the fiscal year, are referred to as "interfund receivables/interfund payables." In the government-wide financial statements these balances are netted and reported as "internal balances."

G. Inventories

In the government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expensed when used (i.e., the consumption method).

In the fund financial statements, inventories of governmental funds are stated at cost. Cost is determined on a first-in, first-out basis.

H. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Restricted Assets

Resources set aside in proprietary funds for repayment of bonds, emergency uses and renewal or extension in the amounts of $1,509,938 are classified as restricted assets because their use is limited by bond covenants. A corresponding portion of net assets is segregated by its classification as "restricted for debt service."

Customers' meter deposits are classified as restricted assets because their use is limited. Customers' meter deposits for the Water and Sewerage System and Gas System are $4,324 and $3,013, respectively.

J. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns 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. Preliminary and interim costs incurred by governmental funds for capital projects are reported as "construction in progress." Cost related to abandoned projects are expensed when the project is abandoned.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. The City contracted with a third party appraiser for the initial recording of these assets through historical costs and city records. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the estimated fair value of the item at the date of donation.

Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed, if material.

Capital assets are depreciated over their estimated useful lives using the straight-line method. These estimated useful lives are as follows:

Asset Class	Years
Furniture and Fixtures	5-7
Machinery and equipment	3-10
Lines and Mains	50
Buildings	10-50
Land Improvements	10-25
Infrastructure	50

K. Compensated Absences

Annual leave is earned by all permanent city employees and may be accumulated and carried over to a maximum of 160 hours per employee (244 hours for firefighters). In accordance with GASB Statement 16, the City accrues the cost of annual leave when the leave is earned. This cost is accrued in the government-wide and proprietary fund financial statements.

Sick leave is earned by all full-time city employees and 640 hours may be accumulated (896 hours for firefighters). Employees leaving the City are not entitled to payment for accumulated sick leave. In accordance with GASB Statement 16, the City does not

accrue sick leave because employees do not receive "termination payments" upon leaving the City.

L. Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

The costs related to long-term debt (whose proceeds are used for purposes other than refunding) are shown as deferred charges. The costs related to long-term debt (whose proceeds are used for refunding) are characterized as deferred refunding costs and are netted against outstanding long-term debt. Deferred charges are amortized over the life of the debt, and deferred refunding costs are amortized over the shorter of the remaining life of the refunded debt or the life of the new debt. Deferred issuance and refunding costs are amortized using the effective interest method.

M. Deferred Revenue

In the fund financial statements, deferred revenue consists of property tax receivable not collected within 60 days after the end of the fiscal year.

N. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in Spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of reserves by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of Mayor and Council. Mayor and Council approve committed resources through a motion and vote during the voting session of Council meetings.
- Assigned – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. The intent is expressed by Mayor and Council.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes with the General Fund.

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:

- Committed
- Assigned
- Unassigned

The City does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of June 30, 2011:

	General Fund	Nonmajor Governmental Funds	Total
Fund Balances:			
Nonspendable			
Inventory	$ 4,391	$ -	$ 4,391
Long term receivables	23,071	-	23,071
Restricted for:			
Public safety	-	275,554	275,554
Grantors and contributors	49,986	24,674	74,660
Grantees	-	70,302	70,302
Capital Improvements	-	1,361,655	1,361,655
Assigned:			
Self Insurance	276,506	-	276,506
Culture and beautification	8,492	37,616	46,108
Administrative	5,962	-	5,962
Capital outlay	76,378	3,087	79,465
Unassigned	1,788,898	-	1,788,898
Total fund balances	$ 2,233,684	$ 1,772,888	$ 4,006,572

O. Allocation of administrative costs

At the governmental fund level, the City allocates administrative costs to the various departments and funds for which services are provided as allowable by the benefiting fund. The allocations are based upon the City's estimate of each fund's share of the services.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary information

An annual appropriated budget is adopted by ordinance for all fund types except fiduciary funds, which are not budgeted and capital projects fund which have project length budgets. Budgets are prepared on the modified accrual basis for governmental fund types and on the accrual basis for proprietary fund types and are consistent with generally accepted accounting principles. All annual appropriations lapse at the end of the fiscal year with the exception of the capital projects funds.

On or before the last day of February of each year, all departments of the government submit requests for appropriations to the city manager so that a budget may be prepared. Appropriated budgets are compiled by the city manager, finance officer and department heads. Before the first day of May, the proposed budget is presented to the mayor and council for review. After holding a public hearing, a final budget is prepared and adopted no later than June 30.

Budgetary control is maintained at the department level. Department heads, with the approval of the city manager, may transfer appropriations within their department. Interdepartmental transfers require the approval of city council.

B. Compliance

In the prior years, the City's Water and Sewerage Fund borrowed funds from the 2007 revenue bond proceeds. These funds are restricted for projects approved in the bond ordinance. The City was not in compliance with the bond documents.

NOTE 3 – DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

As of June 30, 2011, the City had the following investments:

Investment Type	Maturities (Days)	Fair Value
Office of the State Treasurer	24	$ 7,636,284
U.S. Treasury Bills	92	1,434,938
Total Fair Value		$ 9,071,222
Portfolio Weighted Average Maturity	35	

Interest Rate Risk. The City 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.

Credit Risk. Georgia laws (O.C.G.A. 36-83-4 and 36-82-7) limit investments of the City. The City has no investment policy that would further limit its investment choices. As of June 30, 2011, the City's investment in the Office of the State Treasurer was rated AAAm by Standard and Poor's. Shares sold and redeemed are based on $1.00 per share. The reported value of the pool is the same as the fair value of the pool shares.

Custodial Credit Risk – Deposits. The custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits may not be recovered. The City's bank balances of deposits as of June 30, 2011, are entirely insured or collateralized with securities held by the City's agent in the City's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

B. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Governmental Activities:					
Capital assets not being depreciated					
Land and Land Improvemnts	$ 8,794,051	$ 341,751	$ (37,404)	$ 38,044	$ 9,136,442
Construction in Progress	3,283,177	1,311,240	-	(2,664,438)	1,929,979
Total capital assets, not being depreciated	12,077,228	1,652,991	(37,404)	(2,626,394)	11,066,421
Capital assets, being depreciated					
Buildings and Improvements	3,762,876	-	(5,302)	587,861	4,345,435
Land Improvements	887,249	-	-	60,650	947,899
Furniture and fixtures	34,991	-	(550)	-	34,441
Machinery and equipment	4,095,981	394,875	(210,797)		4,280,059
Infrastructure	38,698,294	479,870	-	1,977,883	41,156,047
Total capital assets being depreciated	47,479,391	874,745	(216,649)	2,626,394	50,763,881
Less accumulated depreciation for:					
Buildings and Improvements	(1,394,411)	(89,226)	-	-	(1,483,637)
Land Improvements	(625,386)	(44,368)	-	-	(669,754)
Furniture and fixtures	(34,991)	-	550	-	(34,441)
Machinery and equipment	(3,057,582)	(371,847)	211,056	-	(3,218,373)
Infrastructure	(13,622,062)	(1,084,276)	-	-	(14,706,338)
Total accumulated depreciation	(18,734,432)	(1,589,717)	211,606	-	(20,112,543)
Total capital assets, being depreciated, net	28,744,959	(714,972)	(5,043)	2,626,394	30,651,338
Governmental activities capital assets, net	$ 40,822,187	$ 938,019	$ (42,447)	$ -	$ 41,717,759

	Beginning Balance	Increases	Decreases	Reclassifications	Ending Balance
Business-Type Activities:					
Capital assets not being depreciated:					
Land and easements	$ 294,479	$ -	$ -	$ -	$ 294,479
Construction in progress	6,469,311	573,387	-	(7,034,725)	7,973
Total capital assets, not being depreciated	6,763,790	573,387	-	(7,034,725)	302,452
Capital assets, being depreciated:					
Structures, equipment and lines	46,437,612	2,591,499	(222,000)	7,034,725	55,841,836
Less accumulated depreciation for:					
Structures, equipment and lines	(15,207,091)	(1,332,542)	222,000	-	(16,317,633)
Total capital assets, being depreciated, net	31,230,521	1,258,957	-	7,034,725	39,524,203
Business-type activities capital assets, net	$ 37,994,311	$ 1,832,344	$ -	$ -	$ 39,826,655

Depreciation expense was charged to functions/programs of the governmental activities as follows:

Governmental Activities:	
General government	$ 74,716
Public safety	257,862
Public works	1,163,941
Recreation	93,198
Total governmental activities depreciation expense	$ 1,589,717
Business-Type Activities:	
Water and Sewerage System	$ 1,198,916
Gas System	67,404
Solid Waste	66,222
Total business-type activities depreciation expense	$ 1,332,542

C. Interfund receivables, payables and transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Receivable Fund	Payable Fund	Amount
General	Gas System	$ 43,607
	Water and Sewerage System	82,013
	Nonmajor governmental funds	141,539
Solid Waste System	General Fund	51,531
Revolving Loan Fund	General Fund	5,889
Nonmajor governmental fund	Nonmajor governmental funds	120,675
Total		$ 445,254

The General fund pays the majority of accounts payable for the City. Most of these payables are remitted back to the general fund by the borrowing fund on a weekly basis.

Interfund transfers for the year ended June 30, 2011, is as follows:

	Transfers in:			
Transfers out:	General Fund	Water and Sewerage System	Nonmajor Governmental Funds	Total
General Fund	$ -	$ -	$ 3,893	$ 3,893
Non-Major governmental funds	10,027	-	1,444	11,471
Gas System	301,900	120,144	-	422,044
	$ 311,927	$ 120,144	$ 5,337	$ 437,408

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 2) close out funds no longer needed by the City and 3) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

D. Landfill Postclosure Care Costs

The City has closed its Chapel Road/Ford Creek landfill site and has received a closure certificate from the Georgia Environmental Protection Division (EPD). State and federal laws and regulations require the City to perform certain maintenance and monitoring functions for 30 years after closure. The EPD approved total assured costs for this fiscal year are $68,763 and are reported as a current and noncurrent liability in the Solid Waste enterprise fund. Actual costs may be higher than estimates due to inflation, changes in technology or regulations. During 2011, the City increased/adjusted these closure costs for inflation by $2,414 and expended $4,535 for maintenance and monitoring costs during this fiscal year.

E. Long-term debt

Primary Government

Capital Leases

The City has entered into lease agreements as lessee for financing the acquisition of equipment and for system expansion and refunding. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease date as of the date of their inceptions. Interest rates vary from 2.57% to 4.72%. Total cost of assets acquired under these capital leases as of June 30, 2011 is $6,071,366. Cost of equipment included in the governmental activities statement of net assets is $894,509. Cost of equipment and system expansion and refunding included in the business-type activities statement of net assets is $5,176,857.

Annual debt service requirements to maturity for these capital leases are as follows:

Fiscal Year Ending June 30,	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	$ 226,848	$ 18,398	$ 245,246	$ 428,118	$ 94,603	$ 522,721
2013	151,024	7,238	158,262	386,714	76,149	462,863
2014	120,359	3,516	123,875	401,447	61,417	462,864
2015	61,331	592	61,923	381,342	46,225	427,567
2016	-	-	-	360,430	31,812	392,242
2017-2020	-	-	-	600,872	20,178	628,387
Total	$ 559,562	$ 29,744	$ 589,306	$ 2,558,923	$ 330,384	$ 2,889,307

Although the City is not obligated to make annual appropriations under these leases, failure to do so will result in forfeiture of the assets acquired with these lease proceeds.

Note Payable

In 2010, the City entered into a promissory note with the Houston County Development Authority for the City's contribution to the Go Fish Project by the State of Georgia in the amount of $500,000. Interest will accrue on the unpaid balance at 56% of the prime rate. Any payment made ten days after the respective due date of May 31st, shall accrue a late fee of 5% of the respective payment amount. The annual debt service requirements for this note payable are as follows:

Fiscal Year Ending June 30,	Governmental Activities Principal
2012	$ 100,000
2013	100,000
2014	100,000
2015	100,000
	$ 400,000

Loans-General Obligation Debt

The City's business-type activity, the Water and Sewerage System, has two loans with the Georgia Environmental Facilities Authority for system expansion. These loans are in the original amount of $1,445,204 with interest rates varying from 3.75% to 4%. The City has agreed to establish a schedule of rents, rates, fees, and charges and other sources of revenue sufficient to pay the cost of acquiring, constructing, equipping, operating, maintaining, replacing, renewing and repairing the facilities of the City's Water and Sewerage System. This general obligation debt is paid solely from revenues generated by fund activities.

Annual debt service requirements to maturity for these loans are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2012	$ 84,257	$ 21,791	$ 106,048
2013	87,579	18,470	106,049
2014	91,031	15,017	106,048
2015	94,620	11,428	106,048
2016	58,081	8,098	66,179
2017-2020	184,218	14,117	198,335
Total	$ 599,786	$ 88,921	$ 688,707

Revenue Bonds

The City's business type activity, the Water and Sewerage System has revenue bonds payable solely from revenues generated by fund activities. The bond indentures contain restrictions on the use of the bond proceeds and fund revenues as well as providing for sinking funds, renewal and extension funds and minimum fund operating requirements (revenue bond coverage).

On November 1, 1998, the City issued $5,000,000 in Series 1998 Revenue Bonds to advance refund outstanding 1992 Revenue Bonds and provide for system expansion. The interest rates vary from 3.7% to 4.6%. The remaining 1998 Revenue Bonds mature in fiscal years 2009 through 2019.

On January 4, 2005, the City issued $3,880,000 in Series 2005 Revenue Bonds to provide for system expansion. The interest rate is 4.62%. The first principal payment is due in 2013.

On September 18, 2007, the City issued $9,445,000 in Series 2007 Revenue Bonds to provide for system expansion. The interest rate varies from 3.6% to 4.0%.

The 1998, 2005 and 2007 revenue bonds are parity bonds in that they both have a first lien on water and sewerage system assets and revenues. The following summarizes the debt service requirements of the revenue bonds, excluding unamortized deferred refunding costs of the Series 1998 Revenue Bonds in the amount of $11,863:

Fiscal Year Ending June 30,	1998 Revenue Bonds		2005 Revenue Bonds	
	Principal	Interest	Principal	Interest
2012	$ 380,000	$ 94,433	$ -	$ 179,256
2013	395,000	78,000	-	179,256
2014	230,000	64,465	165,000	179,256
2015	240,000	54,183	170,000	167,706
2016	250,000	43,340	180,000	159,621
2017-2021	830,000	58,081	1,625,000	636,521
2022-2026	-	-	1,740,000	122,892
Total	$ 2,325,000	$ 392,502	$ 3,880,000	$ 1,624,508

	2007 Revenue Bonds		Total	
	Principal	Interest	Principal	Interest
2012	$ 30,000	$ 381,561	$ 410,000	$ 655,250
2013	30,000	380,481	425,000	637,737
2014	50,000	379,041	445,000	622,762
2015	50,000	377,241	460,000	599,130
2016	50,000	375,441	480,000	578,402
2017-2021	300,000	1,845,946	2,755,000	2,540,548
2022-2026	1,690,000	1,726,856	3,430,000	1,849,748
2027-2031	4,205,000	1,067,272	4,205,000	1,067,272
2032-2034	2,960,000	190,050	2,960,000	190,050
Total	$ 9,365,000	$ 6,723,889	$ 15,570,000	$ 8,740,899

Changes in Long-term liabilities

Long-term liability activity for the fiscal year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Notes payable	$ 500,000	$ -	$ (100,000)	$ 400,000	$ 100,000
Capital leases payable	449,996	389,275	(279,709)	559,562	226,848
Compensated absences	265,761	249,385	(265,761)	249,385	136,795
Net penson obligation	-	202,464	-	202,464	-
	$ 1,215,757	$ 841,124	$ (645,470)	$ 1,411,411	$ 463,643
Business-Type activities:					
Revenue bonds	$ 15,960,000	$ -	$ (390,000)	$ 15,570,000	$ 410,000
Less deferred refunding costs	(25,979)	14,116	-	(11,863)	-
	15,934,021	14,116	(390,000)	15,558,137	410,000
Notes payable	680,849	-	(81,063)	599,786	84,257
Capital leases payable	2,717,549	232,843	(391,469)	2,558,923	428,118
Compensated absences	12,469	10,661	(9,112)	14,018	9,251
Net pension obligation	-	17,190	-	17,190	-
Landfill postclosure care costs	71,177	-	(2,414)	68,763	3,500
	3,482,044	260,694	(484,058)	3,258,680	525,126
Total business-type activities	$ 19,416,065	$ 274,810	$ (874,058)	$ 18,816,817	$ 935,126

The governmental activities, compensated absences are generally liquidated by the general fund. For business-type activities, compensated absences are liquidated by the proprietary funds. The landfill postclosure care costs are generally paid for by the solid waste fund.

F. Property Taxes

State law requires that property taxes be based on assessed value, which is 40% of market value. All real and personal property (including motor vehicles) is valued as of January 1 of each year and must be returned for tax purposes on March 1. With the exception of motor vehicles and the property of public utilities, which are valued by the State Revenue Department, all assessments are made by the Board of Tax Assessors of Houston County.

Exemptions are permitted for certain inventories. A homestead exemption is allowed for each taxpayer that is a homeowner and resides in the household as of January 1. There are other exemptions provided by state and local laws.

Upon completion of all assessments and tax returns, the information is turned over to the County Tax Commissioner for compilation of the tax digest. The completed tax digest must be submitted to the State Revenue Commissioner for approval. The State Revenue Commissioner must ascertain that real property on the tax digest has been assessed at the state mandated forty percent (40%) of fair market value. The Commissioner has the option to withhold certain state funding if the mandated 40% level is not reached.

The City distributes tax notices and collects tax payments. Motor vehicle taxes are due based upon the birthday of the owner. The 2010 property taxes were mailed (levied) as of October 19, 2010, with a due date of December 20, 2010. Unpaid property taxes attach as an enforceable lien on property as of March 25th (lien date). If attempts to collect delinquent taxes are unsuccessful, a fi.fa. is recorded with the Clerk of Superior Court 60 days after the due date. Foreclosure proceedings are commenced within 90 days of delinquency.

Property taxes receivable have been reduced to their estimated net realizable value. Estimated uncollectible amounts are based upon historical experience rates and result in a direct reduction of the related revenue amount at the end of the period.

G. Hotel/Motel Taxes

The City levies and collects an 8% lodging tax which is reported in the Hotel/Motel Tax special revenue fund. The City retains approximately 60% of the funds collected. A summary of the hotel/motel excise tax receipts and expenditures for the fiscal year ended June 30, 2011 is as follows:

Expenditure by Purpose	Tax Receipts	Percentage
Perry Area Convention and Visitors Bureau	$ 284,845	40%
General Fund	435,807	60%
Total expenditures	$ 720,652	100%

The schedule above reflects current year revenues and expenditures relative to current year revenues. The City does not transfer the entire 60% of hotel/motel excise tax receipts to the general fund. Therefore, the fund reports a year-end fund balance.

H. Pension Plan

Plan Description

The City's defined benefit pension plan, City of Perry Retirement Plan, (the Plan) provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by City Council. The Plan is affiliated with the Georgia Municipal Employees Benefit System (GMEBS) an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303-3606.

Significant Accounting Policies

Basis of Accounting. The City of Perry financial statements are prepared using the modified accrual basis. Employer contributions are recognized in the period that the contributions are due.

Funding Policy

The plan members are not required to contribute to the Plan. The City is required to contribute at an actuarially determined rate; the current rate is 9.14% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

Annual Pension Cost

The City's annual pension costs for the last three years are as follows:

Three-Year Trend Information for the Plan

Year Ended	Annual Required Contribution	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2011	$ 398,983	$ 429,749	108%	$ 219,654
6/30/2010	721,957	478,045	66%	250,420
6/30/2009	388,557	382,049	98%	6,508

For the fiscal year, the City's annual pension cost of was $429,749.

The required contribution was determined as part of the January 1, 2011 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases of 3.5% per year and (c) 3.5% cost of living adjustments. The Plan's unfunded actuarial accrued liability is level dollar over 30 years for the initial unfunded accrued liability, 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods.

Funded Status and Funding Progress

The funded status of the plan as of January 1, 2011 , the most recent actuarial valuation date, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2011	$10,143,001	$ 10,550,575	$ 407,574	96.14%	$ 4,663,472	8.74%

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2011.

Additional Information

Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2011	
Actuarial cost method	Projected unit	
Amortization method	Level dollar closed	
Remaining amortization period	N/A	
Asset valuation method	Sum of actuarial value at the beginning of the year and the cash flows during the year, plus the assumed investment return adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of the year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years .	
Actuarial assumptions:		
Investment rate-of-return	7.75%	
Projected salaries increases	3.50%	plus age and service based merit increases
Cost of living adjustments	3.50%	
Membership of the Plan:		
Retirees and beneficiaries receiving benefits	71	
Terminated plan members entitiled to, but not yet receiving benefits	96	
Active plan members	129	
Total	296	

The City's annual pension costs and net pension obligation (asset) for the current year were determined as follows:

Normal Costs	$	339,181
Payment on unfunded actuarial accrued liability		59,802
Annual required contribution		398,983
Contribution made		429,749
Increase (decrease) in net penson obligation		(30,766)
Net pension obligation (asset) June 30, 2010		250,420
Net pension obligation (asset) June 30, 2011	$	219,654

I. Risk Management

The City is exposed to various risks of loss related to torts, personal property (i.e., theft, damage and destruction) and injury to employees. The City has insurance coverage with the Georgia Interlocal Risk Management Agency (GIRMA). Losses relative to these risks are limited to a $1,000 to $5,000 deductible provided for in the GIRMA contracts. During the past three years, settlements have not exceeded the coverages.

The City provides a self-insured health and dental plan for its employees. This plan is accounted for in the general fund and funded accordingly to the historical cost of health and dental benefits provided to city employees. The City purchases specific and aggregate stop loss insurance to protect itself in unusual circumstances. Claims payable consists of claims incurred but not yet paid as of June 30, 2011 and were estimated based on the Loss Analysis Report provided by the third-party administrator and pending specific stop loss reimbursements.

Changes in claims payable are as follows:

	Year Ended June 30,		
	2011	2010	2009
Beginning	$ 33,643	$ 93,709	$ 175,394
Claims Incurred	1,339,212	983,861	1,076,004
Claims Paid	(1,268,870)	(1,043,927)	(1,157,689)
Ending	$ 103,985	$ 33,643	$ 93,709

The City has joined with other municipalities in the state as part of GIRMA and the Worker's Compensation Self-Insurance Fund (WCSIF), public entity risk pools currently operating as a common risk management and insurance programs for member local governments. The Georgia Municipal Association administers both risk pools. 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 pools' 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 pools' 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 governments' contract and in accordance with the Workers' Compensation laws of Georgia. The funds are to pay all costs taxed against members in any legal proceedings defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

J. Contracts

The City has a contract with the Perry Area Convention and Visitors Bureau whereby the Authority will staff and maintain a facility for tourism development, visitor information, and a rest area for travelers and for the general promotion of the City. During the term of the contract, the City is required to pay to the Authority approximately 52 percent of all hotel/motel tax revenues collected by the City. The contract may be canceled by either party upon a 90-day notice.

The City has a contract with the Perry Area Chamber of Commerce whereby the Chamber will promote and publicize the City of Perry. Under the terms of this agreement, the City pays the Chamber $6,000 a year ($500 monthly). The term of this contract is from July 1 to June 30 and is reconsidered yearly.

The City has entered into various contracts relative to natural gas supply whereby the City along with other participating municipalities is jointly and severally liable for costs under these contracts.

K. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

L. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the eleven county middle Georgia area, is a member of the Middle Georgia Regional Commission (RC) and is required to pay annual dues thereto. Membership in an RC is required by O.C.G.A. 50-8-34 which provides for the organization structure of the RC in Georgia. RC board membership includes the chief elected official of each county and municipality of the area. O.C.G.A. 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:

Middle Georgia Regional Commission
175 C Emery Highway
Macon, Georgia 31217

The City of Perry, together with the cities of Warner Robins, Hawkinsville and Cochran, Georgia, formed the Jointly-Owned Natural Gas Transmission Line in 1953. The JOTL was established to provide maintenance and related services for a natural gas transmission line serving the above cities and their customers. A board of directors, composed of one member from each of the cities, manages the JOTL. The JOTL's major source of revenue consists of reimbursements for operating expenses and capital outlays from member cities. The JOTL's financial records are maintained on a fiscal year ending September 30 of each year. A separately issued financial report is available and may be obtained from:

Jointly-Owned Natural Gas
P.O. Box 1545
Warner Robins, Georgia 31099

The following is a summary schedule of the JOTL's basic financial statements for the year ended September 30, 2010:

Cash and cash equivalents	$	32,045
Other assets		3,984,699
Total assets	$	4,016,744
Liabilities	$	609,323
Net assets-unreserved		3,407,421
Total liabilities and net assets	$	4,016,744

As of June 30, 2011, the City has an approximate 17 percent equity interest in the JOTL. This equity interest is recorded in the proprietary funds statement of net assets.

In March 1994, the Perry-Houston County Airport Authority was created by renaming the Perry-Fort Valley Airport Authority (H.B. No. 2027, Act No. 718 of the Georgia

General Assembly). On May 17, 2004, H.B. No. 1684, Act No. 755 was passed by the Georgia General Assembly amending the membership requirements. Members of the Authority consist of the mayor of the City of Perry and the chairman of the Houston County Commissioners or their respective designee and five additional members appointed by the council and commissioners. Appointment of a majority of Authority members alternates between Perry and Houston County. Separate financial statements may be obtained from:

Perry-Houston County Airport Authority
P.O. Box 1572
Perry, Georgia 31069

The City does not have an equity interest in the Perry-Houston County Airport Authority. The City has an ongoing financial interest due to the fact that the Authority's continued operations at current levels depend on the City's financial support. For the fiscal year 2011, the City contributed $48,990 relative to this support.

M. Related Organizations

The Mayor of the City of Perry, Georgia is responsible for appointing the members of the Perry Housing Authority. The Perry Housing Authority has a six-member board with staggered terms. The City of Perry is also responsible for appointing board members to the Houston County Library Board. The City's accountability for these organizations does not extend beyond making the appointments.

N. Commitments

As of June 30, 2011, the City has commitments relative to various construction projects as follows:

A Transportation Enhancement Grant awarded to the City by the Georgia Department of Transportation (DOT) in the original amount of $400,000. During 2011, the City did not drawdown any funds relative this project.

A Transportation Enhancement Grant (TEE) awarded to the City by the Georgia DOT in the original amount of $250,000. The City has a local match requirement of 20% of the projects total cost. As of June 30, 2011, no funds have been drawn down or expended on this project.

The City of Perry is committed to fund its portion of operating expenses and capital outlay for the Jointly-Owned Transmission Line System. This cost is not determinable at this time.

O. Invested in Capital Assets, Net of Related Debt

Invested in Capital Assets, net of related debt on the Government-wide statement of net assets as of June 30, 2011 are as follows:

Invested in capital assets, net of related debt:	Governmental Activities	Business Type Activities
Cost of capital assets	$ 61,830,302	$ 56,144,288
Less accumulated depreciation	(20,112,543)	(16,317,633)
Book value	41,717,759	39,826,655
Less all capital related debt	(559,562)	(18,728,709)
Add unspent bond proceeds	-	5,014,196
Invested in capital assets, net of related debt	$ 41,158,197	$ 26,112,142

P. Special Item

Component Unit

During the current fiscal year, the Downtown Development Authority, a component unit of the City of Perry, donated the Commerce Street parking lot to the City with a net book value of $250,842.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF PERRY, GEORGIA

RETIREMENT PLAN

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2011	$ 10,143,001	$ 10,550,575	$ 407,574	96.1%	$ 4,663,472	8.7%
1/1/2010	9,567,428	9,988,702	421,274	95.8%	4,662,654	9.1%
7/1/2009	7,539,814	10,949,407	3,409,593	68.9%	4,504,954	75.7%

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS

Year Ended	Annual Required Contribution	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
6/30/2011	$ 398,983	$ 429,749	108%	$ 219,654
6/30/2010	721,957	478,045	66%	250,420
6/30/2009	388,557	382,049	98%	6,508

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Confiscated Assets Fund – This fund accounts for cash received from the sale of confiscated assets and confiscated assets that are no longer subject to court jurisdiction.

Hotel/Motel Tax Fund – This fund accounts for the hotel/motel taxes collected and expenditures relative to tourism.

System of Care Fund – This fund accounts for revenues received under a grant from the Governor's Office for Children and Families. These funds are passed through the City to various subrecipients, per the agreement.

2008 CDBG Fund – This fund accounts for revenues received under a grant from the Georgia Department of Community Affairs for the Grace Recovery Center, a phase II addition to the Homeless Shelter.

Judicial Assistance Grant Fund – This fund accounts for revenues received under a grant from the U.S. Department of Justice for public safety operations.

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Capital Projects Fund – This fund accounts for capital projects of the City that are not required to be reported in a separate fund.

Impact Fees Fund – This fund accounts for impact fees charges per the City of Perry Development Impact Fee Ordinance for system improvements for public safety (fire) and parks.

SPLOST Construction Fund 2006 – This fund is used to account for the construction and improvements in accordance with the 2006 sales tax referendum.

TE Construction Fund – This fund accounts for the activities related to the Transportation Enhancement Project.

CITY OF PERRY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds					
	Confiscated Assets	Hotel/Motel Tax	System of Care Grant	2008 CDBG	Judicial Assistance Grant	Total
ASSETS						
Cash and cash equivalents	$ 7,287	$ 85,558	$ 33,575	$ 3,133	$ -	$ 129,553
Investments	279,499	-	-	-	-	279,499
Due from other funds	-	-	-	-	1,444	1,444
Due from other governments	-	-	46,363	-	151	46,514
Taxes receivable	-	50,532	-	-	-	50,532
Other receivables	-	16,210	-	-	-	16,210
Total assets	$ 286,786	$ 152,300	$ 79,938	$ 3,133	$ 1,595	$ 523,752
LIABILITIES						
Accounts payable	1,872	$ -	$ -	$ 1,250	$ -	$ 3,122
Accrued liabilities	-	2,592	-	-	-	2,592
Due to other funds	9,360	87,418	9,636	-	1,595	108,009
Total liabilities	11,232	90,010	9,636	1,250	1,595	113,723
FUND BALANCES						
Restricted	275,554	24,674	70,302	1,883	-	372,413
Assigned	-	37,616	-	-	-	37,616
Total fund balances	275,554	62,290	70,302	1,883	-	410,029
Total liabilities and fund balances	$ 286,786	$ 152,300	$ 79,938	$ 3,133	$ 1,595	$ 523,752

CITY OF PERRY, GEORGIA

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011
(CONTINUED)

Capital Projects Fund					
Capital Projects	Impact Fees	SPLOST Construction 2006	TE Construction	Total	Total Nonmajor Governmental Funds
$ 122,318	$ -	$ 1,040,024	$ -	$ 1,162,342	$ 1,291,895
-	-	-	-	-	279,499
-	90,683	-	28,548	119,231	120,675
-	-	235,491	-	235,491	282,005
-	-	-	-	-	50,532
-	-	-	-	-	16,210
122,318	$ 90,683	$ 1,275,515	$ 28,548	$ 1,517,064	$ 2,040,816
$ -	$ -	$ -	$ -	$ -	$ 3,122
-	-	-	-	-	2,592
119,231	-	34,974	-	154,205	262,214
119,231	-	34,974	-	154,205	267,928
-	90,683	1,240,541	28,548	1,359,772	1,732,185
3,087	-	-	-	3,087	40,703
3,087	90,683	1,240,541	28,548	1,362,859	1,772,888
$ 122,318	$ 90,683	$ 1,275,515	$ 28,548	$ 1,517,064	$ 2,040,816

CITY OF PERRY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Special Revenue Funds					
	Confiscated Assets	Hotel/Motel Tax	System of Care Grant	2008 CDBG	Judicial Assistance Grant	Total
REVENUES						
Other taxes	$ -	$ 720,652	$ -	$ -	$ -	$ 720,652
Intergovernmental	-	-	238,704	108,805	64,865	412,374
Fines and forfeitures	42,728	-	-	-	-	42,728
Impact fees	-	-	-	-	-	-
Investment earnings	650	56	36	-	-	742
Miscellaneous	-	254,913	5,465	-	-	260,378
Total revenues	43,378	975,621	244,205	108,805	64,865	1,436,874
EXPENDITURES						
Current:						
General government	-	811,446	249,860	3,750	-	1,065,056
Public safety	17,765	-	-	-	57,114	74,879
Debt Service:						
Principal	-	100,000	-	-	-	100,000
Interest	-	9,100	-	-	-	9,100
Capital outlay	53,681	-	-	105,772	10,002	169,455
Total expenditures	71,446	920,546	249,860	109,522	67,116	1,418,490
Excess (deficiency) of revenues over (under) expenditures	(28,068)	55,075	(5,655)	(717)	(2,251)	18,384
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	2,251	2,251
Transfers out	(11,471)	-	-	-	-	(11,471)
Total other financing sources (uses)	(11,471)	-	-	-	2,251	(9,220)
Net change in fund balances	(39,539)	55,075	(5,655)	(717)	-	9,164
Fund balances - Beginning of year	315,093	7,215	75,957	2,600	-	400,865
Fund balances - End of year	$ 275,554	$ 62,290	$ 70,302	$ 1,883	$ -	$ 410,029

CITY OF PERRY, GEORGIA

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011
(CONTINUED)

Capital Project Funds					Total Nonmajor Governmental Funds
Capital Projects	Impact Fees	SPLOST Construction 2006	TE Construction	Total	
$ -	$ -	$ -	$ -	$ -	$ 720,652
-	-	926,498	-	926,498	1,338,872
-	-	-	-	-	42,728
-	46,200	-	-	46,200	46,200
1	118	858	9	986	1,728
-	-	-	-	-	260,378
1	46,318	927,356	9	973,684	2,410,558
-	15,243	-	-	15,243	1,080,299
-	-	-	-	-	74,879
-	-	-	-	-	100,000
-	-	-	-	-	9,100
-	-	413,503	-	413,503	582,958
-	15,243	413,503	-	428,746	1,847,236
1	31,075	513,853	9	544,938	563,322
3,086	-	-	-	3,086	5,337
-	-	-	-	-	(11,471)
3,086	-	-	-	3,086	(6,134)
3,087	31,075	513,853	9	548,024	557,188
-	59,608	726,688	28,539	814,835	1,215,700
$ 3,087	$ 90,683	$ 1,240,541	$ 28,548	$ 1,362,859	$ 1,772,888

CITY OF PERRY, GEORGIA

CONFISCATED ASSETS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Fines and forfeitures	$ 40,800	$ 42,728	$ 1,928
Investment earnings	600	650	50
Total revenues	41,400	43,378	1,978
EXPENDITURES			
Current			
Public safety	17,800	17,765	35
Capital outlay	53,700	53,681	19
Total expenditures	71,500	71,446	54
Excess (deficiency) of revenues over (under) expenditures	(30,100)	(28,068)	2,032
OTHER FINANCING SOURCES (USES)			
Transfer out	(11,600)	(11,471)	129
Total other financing sources (uses)	(11,600)	(11,471)	129
Net change in fund balances	(41,700)	(39,539)	2,161
Fund balances - Beginning of year	315,093	315,093	-
Fund balances - End of year	$ 273,393	$ 275,554	$ 2,161

CITY OF PERRY, GEORGIA

HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Taxes	$ 720,600	$ 720,652	$ 52
Investment earnings	-	56	56
Miscellaneous	254,700	254,913	213
Total revenues	975,300	975,621	321
EXPENDITURES			
Current			
General government	811,900	811,446	454
Debt service:			
Principal	100,000	100,000	-
Interest	9,100	9,100	-
Total expenditures	921,000	920,546	454
Excess (deficiency) of revenues over (under) expenditures	54,300	55,075	775
OTHER FINANCING SOURCES (USES)			
Transfer out	-	-	-
Net change in fund balances	54,300	55,075	775
Fund balances - Beginning of year	7,215	7,215	-
Fund balances - End of year	$ 61,515	$ 62,290	$ 775

CITY OF PERRY, GEORGIA

SYSTEM OF CARE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Intergovernmental	$ 192,300	$ 238,704	$ 46,404
Miscellaneous	5,400	5,465	65
Investment earnings	-	36	36
Total revenues	197,700	244,205	46,505
EXPENDITURES			
Current			
General government	250,000	249,860	140
Total expenditures	250,000	249,860	140
Excess (deficiency) of revenues over (under) expenditures	(52,300)	(5,655)	46,645
Fund balances - Beginning of year	75,957	75,957	-
Fund balances - End of year	$ 23,657	$ 70,302	$ 46,645

CITY OF PERRY, GEORGIA

2008 CDBG SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Intergovernmental	$ 108,800	$ 108,805	$ 5
Total revenues	108,800	108,805	5
EXPENDITURES			
Current			
General government	3,800	3,750	50
Capital outlay	105,800	105,772	28
Total expenditures	109,600	109,522	78
Excess (deficiency) of revenues over (under) expenditures	(800)	(717)	83
Fund balances - Beginning of year	2,600	2,600	-
Fund balances - End of year	$ 1,800	$ 1,883	$ 83

CITY OF PERRY, GEORGIA

JUDICIAL ASSISTANCE GRANT SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Final Budgeted Amounts	Actual Amounts	Variance With Final Budget
REVENUES			
Intergovernmental	$ 64,800	$ 64,865	$ 65
Total revenues	64,800	64,865	65
EXPENDITURES			
Current			
Public safety	57,200	57,114	86
Capital outlay	10,100	10,002	98
Total expenditures	67,300	67,116	184
Excess (deficiency) of revenues over (under) expenditures	(2,500)	(2,251)	249
OTHER FINANCING SOURCES (USES)			
Transfers in	1,400	2,251	851
Net change in fund balances	(1,100)	-	1,100
Fund balances - Beginning of year	-	-	-
Fund balances - End of year	$ (1,100)	$ -	$ 1,100

CITY OF PERRY, GEORGIA

STATEMENT OF CHANGES IN ASSETS AND LIABILITY
AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	June 30, 2010	Additions	Deletions	June 30, 2011
Police Pre-Confiscated Assets Fund				
ASSETS				
Cash	$ 6,436	$ 14,862	$ 14,490	$ 6,808
Total assets	$ 6,436	$ 14,862	$ 14,490	$ 6,808
LIABILITY				
Payable from assets				
Confiscated assets pending disposition	$ 6,436	$ 14,862	$ 14,490	$ 6,808

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STATISTICAL SECTION

This part of the City of Perry's comprehensive annual financial reports 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.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	70-77
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	78-84
Debt Capacity 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.	85-89
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	90-93
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the County provides and the activities it performs.	94-95

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

City of Perry, Georgia
Net Assets by Component, Last Nine Fiscal years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities									
Invested in capital assets, net of related debt	$ 9,584,331	$ 10,217,006	$ 22,831,902	$ 20,177,671	$ 21,101,737	$ 24,520,365	$ 39,638,909	$ 40,372,191	$ 41,158,197
Restricted	-	-	-	-	69,207	522,379	617,583	1,250,369	1,782,171
Unrestricted	2,712,226	2,505,579	2,562,389	3,217,689	3,496,938	2,796,782	2,232,820	1,107,129	1,382,365
Total governmental activities net assets	$ 12,296,557	$ 12,722,585	$ 25,394,291	$ 23,395,360	$ 24,667,882	$ 27,839,526	$ 42,489,312	$ 42,729,689	$ 44,322,733
Business-type activities									
Invested in capital assets, net of related debt	$ 8,602,578	$ 9,031,346	$ 9,379,934	$ 9,887,570	$ 11,245,295	$ 14,956,655	$ 23,957,133	$ 24,782,664	$ 26,112,142
Restricted	725,739	771,604	842,004	947,450	1,020,843	1,530,836	1,297,318	1,401,716	1,572,771
Unrestricted	1,544,608	1,324,677	1,401,840	1,517,544	2,053,888	2,207,294	1,136,503	1,508,631	2,497,698
Total business-type activities net assets	$ 10,872,925	$ 11,127,627	$ 11,623,778	$ 12,352,564	$ 14,320,026	$ 18,694,785	$ 26,390,954	$ 27,693,011	$ 30,182,611
Primary government									
Invested in capital assets, net of related debt	$ 18,186,909	$ 19,248,352	$ 32,211,836	$ 30,065,241	$ 32,347,032	$ 39,477,020	$ 63,596,042	$ 65,154,855	$ 67,270,339
Restricted	725,739	771,604	842,004	947,450	1,090,050	2,053,215	1,914,901	2,652,085	3,354,942
Unrestricted	4,256,834	3,830,256	3,964,229	3,217,689	5,550,826	5,004,076	3,369,323	2,615,760	3,880,063
Total primary government net assets	$ 23,169,482	$ 23,850,212	$ 37,018,069	$ 34,230,380	$ 38,987,908	$ 46,534,311	$ 68,880,266	$ 70,422,700	$ 74,505,344

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.
In fiscal year 2009 capital assets for governmental and business-type activities increased due to the City's acceptance of donated infrastructure from developers.

City of Perry, Georgia
Changes in Net Assets, Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Governmental activities:									
General government	$ 3,430,487	$ 3,321,206	$ 2,786,595	$ 3,020,811	$ 3,830,972	$ 4,782,640	$ 5,005,881	$ 4,909,398	$ 5,400,595
Fire	678,434	718,830	841,229	-	-	-	-	-	-
Law enforcement	2,160,042	2,134,229	2,529,471	-	-	-	-	-	-
Public safety	-	-	-	3,580,667	4,101,653	4,521,696	4,948,762	4,668,275	4,822,567
Public works	1,090,730	1,139,680	1,078,384	1,993,266	2,022,636	3,058,101	3,502,393	3,077,136	2,938,046
Recreation	494,603	545,860	504,217	547,300	600,695	604,578	762,759	1,214,175	754,375
Interest on long-term debt	65,268	53,596	30,016	33,942	43,377	38,424	30,390	24,206	26,979
Depreciation-unallocated	-	-	711,729	-	-	-	-	-	-
Total governmental activities expenses	7,919,564	7,913,401	8,481,641	9,175,986	10,599,333	13,005,439	14,250,185	13,893,190	13,942,562
Business-type activities:									
Water and sewerage system	2,815,130	2,990,582	3,035,856	3,416,440	3,723,435	4,289,140	4,711,813	4,435,805	4,726,726
Gas system	3,388,774	3,527,018	4,146,531	5,006,767	3,606,156	4,136,258	4,045,331	3,288,164	3,018,220
Solid Waste	697,006	709,161	741,258	758,342	923,453	1,070,990	1,113,804	1,032,283	1,095,164
Revolving Loan Fund	-	-	-	-	-	-	-	-	1,505
Total business-type activities expense	6,900,910	7,226,761	7,923,645	9,181,549	8,253,044	9,496,388	9,870,948	8,756,252	8,841,615
Total primary government expenses	$14,820,474	$15,140,162	$16,405,286	$18,357,535	$18,852,377	$22,501,827	$24,121,133	$22,649,442	$22,784,177
Program Revenues:									
Governmental activities:									
Charges for services:									
General government	$ 1,068,526	$ 924,520	$ 785,134	$ 949,719	$ 1,979,950	$ 2,280,826	$ 2,824,202	$ 2,576,860	$ 2,977,195
Public safety	876,129	613,151	581,416	645,073	1,167,014	843,957	668,410	832,034	745,912
Public works	140,760	171,726	191,115	158,649	7,668	20,733	28,864	36,589	727,413
Recreation	96,031	84,107	74,829	78,698	79,348	52,798	59,982	71,595	84,496
Operating grants and contributions	223,855	233,612	30,186	213,682	-	-	39,611	59,660	353,326
Capital grants and contributions	846,349	839,229	5,000	295,049	486,254	4,217,924	12,888,756	2,362,756	1,874,479
Total governmental activities program revenues	3,251,650	2,866,345	1,667,680	2,340,870	3,720,234	7,416,238	16,509,825	5,939,494	6,762,821

City of Perry, Georgia
Changes in Net Assets, Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Charges for services:									
Water and sewerage	2,371,231	2,814,742	3,438,578	4,164,438	4,690,505	4,015,826	3,840,234	4,748,904	5,503,160
Gas	3,401,203	3,720,156	4,155,094	4,932,443	4,355,278	4,582,797	4,198,216	3,865,318	3,553,258
Solid waste	619,938	653,789	751,487	828,672	943,459	970,881	1,108,597	1,150,433	1,114,365
Revolving Loan fund	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	76,228
Capital grants and contributions	-	-	-	-	190,032	4,145,450	8,430,059	365,288	1,347,008
Total business-type activities program revenues	6,392,372	7,188,687	8,345,159	9,925,553	10,179,274	13,714,954	17,577,106	10,129,943	11,594,019
Total primary government program revenues	$ 9,644,022	$ 10,055,032	$ 10,012,839	$ 12,266,423	$ 13,899,508	$ 21,131,192	$ 34,086,931	$ 16,069,437	$ 18,356,840
Net (Expenses)/Revenue									
Governmental activities	$ (4,667,914)	$ (5,047,056)	$ (6,813,961)	$ (6,835,116)	$ (6,879,099)	$ (5,589,201)	$ 2,259,640	$ (7,953,696)	$ (7,179,741)
Business-type activities	(508,538)	(38,074)	421,514	744,004	1,926,230	4,218,566	7,706,158	1,373,691	2,752,404
Total primary government net (expense)/revenue	$ (5,176,452)	$ (5,085,130)	$ (6,392,447)	$ (6,091,112)	$ (4,952,869)	$ (1,370,635)	$ 9,965,798	$ (6,580,005)	$ (4,427,337)
General Revenue and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes	$ 2,866,071	$ 3,090,599	$ 3,511,302	$ 3,765,951	$ 4,420,608	$ 5,018,453	$ 5,388,329	$ 5,553,366	$ 5,858,558
Sales taxes	-	-	652,045	786,583	925,377	915,829	-	-	-
Occupational taxes	-	-	114,982	122,273	126,372	135,256	136,652	130,721	159,777
Franchise taxes	815,713	815,715	788,386	770,168	787,041	868,100	940,461	898,714	963,109
Insurance premium taxes	-	412,455	446,989	480,902	503,143	524,835	537,407	532,365	516,893
Hotel motel taxes	582,703	615,510	665,560	684,496	680,236	744,570	661,485	676,347	720,652
Alcoholic beverage taxes	236,752	248,868	259,068	254,392	256,111	263,447	266,795	255,007	245,627
Grants and contributions not restricted	164,625	166,718	230,287	12,554	-	-	-	-	-
Interest revenue	34,599	17,928	46,200	96,784	116,545	115,489	30,823	9,426	6,269
Miscellaneous	72,245	77,803	281,005	248,910	-	-	-	-	-
Gain on sale of capital assets	27,869	-	-	15,114	437,522	-	-	-	-
Transfers	(43,442)	27,488	27,459	98,275	124,513	174,866	172,434	138,127	301,900
Total governmental activities	4,757,135	5,473,084	7,132,450	4,836,185	8,377,468	8,760,845	8,134,386	8,194,073	8,772,785

City of Perry, Georgia
Changes in Net Assets, Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Business-type activities:									
Interest revenue	73,294	59,556	53,147	78,979	107,845	331,059	162,445	66,493	39,096
Miscellaneous	233,645	260,708	12,258	4,078	-	-	-	-	-
Transfers	43,442	(27,488)	(27,459)	(98,275)	(124,513)	(174,866)	(172,434)	(138,127)	(301,900)
Total business-type activities	350,381	292,776	74,637	(15,218)	(16,668)	156,193	(9,989)	(71,634)	(262,804)
Total primary government	$ 5,107,516	$ 5,765,860	$ 7,207,087	$ 4,820,967	$ 8,360,800	$ 8,917,038	$ 8,124,397	$ 8,122,439	$ 8,509,981
Change in Net Assets									
Governmental activities	$ 89,221	$ 426,028	$ 318,489	$ (1,998,931)	$ 1,498,369	$ 3,171,644	$10,394,026	$ 240,377	$ 1,593,044
Business-type activities	(158,157)	254,702	496,151	728,786	1,909,562	4,374,759	7,696,169	1,302,057	2,489,600
Total primary government	$ (68,936)	$ 680,730	$ 814,640	$ (1,270,145)	$ 3,407,931	$ 7,546,403	$18,090,195	$ 1,542,434	$ 4,082,644

Notes: The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.
In fiscal year 2006, the City combined fire and law enforcement into one function/program, public safety.
In fiscal year 2009, grants and contributions increased for governmental and business-type activates due to the City's acceptance of donated infrastructure from developers.
In fiscal year 2009, the City began reporting sales taxes received from Houston County as intergovernmental revenue.

City of Perry, Georgia
Program Revenues by Function/Program
Last Nine Fiscal Years
(accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function/Program									
Governmental activities:									
General government	$ 2,006,820	$ 1,956,477	$ 789,362	$ 1,418,164	$ 2,155,620	$ 2,456,921	$ 2,888,938	$ 2,576,860	$ 3,330,499
Fire	382,695	-	-	-	-	-	-	-	-
Law enforcement	580,340	631,319	599,520	-	-	-	-	-	-
Public safety	-	-	-	664,887	1,319,266	889,272	955,828	1,165,993	1,018,400
Public works	170,876	190,397	198,912	179,121	150,310	3,940,097	12,458,044	2,003,189	2,212,991
Recreation	110,919	88,152	79,886	78,698	95,038	129,948	207,015	193,452	200,931
Subtotal governmental activities	3,251,650	2,866,345	1,667,680	2,340,870	3,720,234	7,416,238	16,509,825	5,939,494	6,762,821
Business-type activities:									
Water and Sewerage system	2,371,231	2,814,742	3,438,578	4,164,438	4,880,537	8,161,276	12,270,293	5,114,192	6,850,168
Gas system	3,401,203	3,720,156	4,155,094	4,932,443	4,355,278	4,582,797	4,198,216	3,865,318	3,565,558
Solid Waste	619,938	653,789	751,487	828,672	943,459	970,881	1,108,597	1,150,433	1,114,365
Revolving Loan Fund	-	-	-	-	-	-	-	-	63,928
Subtotal business-type activities	6,392,372	7,188,687	8,345,159	9,925,553	10,179,274	13,714,954	17,577,106	10,129,943	11,594,019
Total primary government	$ 9,644,022	$ 10,055,032	$ 10,012,839	$ 12,266,423	$ 13,899,508	$ 21,131,192	$ 34,086,931	$ 16,069,437	$ 18,356,840

Notes: In fiscal year 2006, the City combined fire and law enforcement into one function/program, public safety, on the statement of activities.
The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.
In fiscal year 2009, public works and water and sewerage system includes contributions from developers accepted by the City.
In fiscal year 2010, development in the City of Perry slowed down dramatically.
In fiscal year 2011, the City received a grant from GEFA for a revolving loan fund.

City of Perry, Georgia
Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund									
Reserved	$ 48,983	$ 25,670	$ 37,731	$ 31,208	$ 44,799	$ 40,427	$ 32,629	$ 21,165	$ -
Unreserved	2,178,893	2,039,253	2,397,224	2,797,089	3,446,767	3,210,623	2,257,538	1,787,001	-
Nonspendable	-	-	-	-	-	-	-	-	27,462
Restricted	-	-	-	-	-	-	-	-	49,986
Assigned	-	-	-	-	-	-	-	-	367,338
Unassigned	-	-	-	-	-	-	-	-	1,788,898
Total General Fund	$ 2,227,876	$ 2,064,923	$ 2,434,955	$ 2,828,297	$ 3,491,566	$ 3,251,050	$ 2,290,167	$ 1,808,166	$ 2,233,684
All Other Governmental Funds									
Reserved	$ 57,291	$ 42,760	$ 45,997	$ 48,098	$ 24,408	$ 413,827	$ 584,954	$ 1,229,204	$ -
Unreserved:									
Special Revenue Funds	37,291	47,477	61,972	67,312	432,139	32,602	41,342	(13,504)	-
Capital Projects Funds	430,545	399,883	12,464	333,403	(276,631)	(303,850)	-	-	-
Debt Service Fund	52,640	56,982	59,481	62,896	64,657	68,125	-	-	-
Restricted	-	-	-	-	-	-	-	-	1,732,185
Assigned	-	-	-	-	-	-	-	-	40,703
Total all other governmental funds	$ 520,476	$ 547,102	$ 179,914	$ 511,709	$ 244,573	$ 210,704	$ 626,296	$ 1,215,700	$ 1,772,888

Notes: In 2007, the General Fund unreserved fund balance increase was due to additional property tax revenues received due to reassessments.
In 2007, the Special Revenue fund balance increase was due to increased fines and forfeitures received from major case being solved.
Deficit in Capital Projects fund balance resulted from expenditures incurred prior to receipt of 06 SPLOST funds.
Information above has been presented as of the date of GASB 34 Implementation.
In 2009, the debt service fund was closed.
The City implemented GASB 54 during 2011, prior years have not been restated

City of Perry, Georgia
Changes in Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues									
Property taxes	$ 2,798,764	$ 3,030,212	$ 3,440,818	$ 3,827,785	$ 4,465,123	$ 4,953,388	$ 5,292,733	$ 5,633,582	$ 5,941,516
Sales taxes	-	-	-	-	925,377	915,829	-	-	-
Other taxes	2,126,308	2,280,702	2,274,985	2,312,231	2,352,903	2,536,208	2,542,800	2,493,154	2,606,058
Licenses and permits	116,745	169,507	219,697	407,822	482,776	348,795	208,075	232,539	182,226
Impact fees	-	-	-	-	-	-	-	59,534	46,200
Charges for services	370,006	409,744	440,698	463,399	804,398	1,311,747	1,637,319	1,413,291	1,588,335
Administrative	573,431	551,481	397,546	329,417	377,926	369,646	629,966	407,827	476,623
Intergovernmental	1,070,679	750,311	861,250	1,108,449	473,520	604,118	1,713,841	1,399,561	2,072,920
Contributions from private sources	19,557	7,379	10,191	12,554	12,734	41,532	98,183	48,022	49,757
Fines and forfeitures	446,239	517,111	474,572	515,913	1,045,739	660,217	515,697	655,688	582,025
Investment earnings	34,599	17,928	46,200	96,784	116,545	115,489	30,823	9,426	7,127
Other revenues	400,724	288,939	376,896	361,604	523,140	489,730	590,401	536,518	946,235
Total revenues	7,957,052	8,023,314	8,542,853	9,435,958	11,580,181	12,346,699	13,259,838	12,889,142	14,499,022
Expenditures									
General government	3,009,897	3,044,074	2,617,844	2,897,604	3,698,682	4,302,030	4,881,075	4,850,229	4,113,182
Fire	593,866	609,980	728,832	-	-	-	-	-	-
Law Enforcement	2,023,588	2,021,961	2,280,288	-	-	-	-	-	-
Public Safety	-	-	-	3,301,474	3,834,182	4,251,243	4,746,345	4,401,840	4,758,653
Public Works	953,943	959,581	1,038,822	1,175,482	1,303,550	1,873,886	2,424,146	1,930,565	2,567,801
Recreation	408,902	463,729	395,868	458,311	508,089	508,473	667,007	1,117,245	672,863
Debt service									
Principal	317,739	470,716	374,128	354,017	363,285	391,033	449,827	343,427	379,709
Interest	56,695	51,782	37,384	30,162	43,377	38,424	30,390	21,382	20,357
Capital outlay	1,347,048	825,219	1,363,244	1,251,678	2,157,499	1,836,662	1,011,443	784,545	1,710,093
Miscellaneous	4,941	1,012	1,272	-	16,211	12,549	-	-	-
Pass-through grants	169,594	25,000	-	-	-	-	-	-	-
Total expenditures	8,886,213	8,473,054	8,837,682	9,468,728	11,924,875	13,214,300	14,210,233	13,449,233	14,222,658
Excess of revenues over (under) expenditures	(929,161)	(449,740)	(294,829)	(32,770)	(344,694)	(867,601)	(950,395)	(560,091)	276,364

City of Perry, Georgia
Changes in Fund Balances, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other Financing Sources (Uses)									
Transfers from other funds	705,388	219,083	213,002	253,618	372,811	567,338	441,767	430,262	317,264
Transfers to other funds	(236,045)	(191,595)	(185,543)	(155,343)	(248,298)	(392,472)	(269,333)	(292,135)	(15,364)
Sale of capital assets	28,000	31,388	85,023	15,125	635,070	13,760	16,475	10,260	15,168
Capital leases	498,197	197,246	185,191	644,507	207,091	404,590	216,195	19,107	389,275
Issuance of debt	-	-	-	-	-	-	-	500,000	-
Total other financing sources (uses)	995,540	256,122	297,673	757,907	966,674	593,216	405,104	667,494	706,343
Net change in fund balances	$ 66,379	$ (193,618)	$ 2,844	$ 725,137	$ 621,980	$ (274,385)	$ (545,291)	$ 107,403	$ 982,707
Debt service as a percentage of noncapital expenditures	5.0%	6.8%	5.5%	4.7%	4.2%	3.77%	3.64%	2.88%	3.20%

Notes: Information above has been presented as of the date of GASB 34 Implementation.
In fiscal year 2009, the City began reporting sales taxes received from Houston County as intergovernmental revenues.
In fiscal year 2010, the City began charges for impact fees.

City of Perry, Georgia
Tax Revenues by Source, Governmental Funds
Last Nine Fiscal Years
(modified accrual basis of accounting)

	Tax Revenues								
Fiscal Year	General Property	Franchise	Insurance Premium	Occupational	Alcoholic Beverage	Hotel/ Motel	Sales Tax	Other	Total
2003	$ 2,798,764	$ 815,713	$ 382,695	$ 84,387	$ 236,752	$ 582,793	$ 461,592	$ 24,058	$ 5,386,754
2004	3,030,212	815,715	412,455	112,047	248,868	615,510	522,232	76,107	5,833,146
2005	3,440,818	788,386	446,989	114,982	259,068	665,560	652,045	-	6,367,848
2006	3,827,785	770,168	480,902	122,273	254,392	684,496	786,583	-	6,926,599
2007	4,465,123	787,041	503,143	126,372	256,111	680,236	925,377	-	7,743,403
2008	4,953,388	868,100	524,835	135,256	263,447	744,570	915,829	-	8,405,425
2009	5,292,733	940,461	537,406	136,652	266,795	661,485	-	-	7,835,532
2010	5,633,582	898,714	532,365	130,721	255,007	676,347	-	-	8,126,736
2011	5,941,516	963,109	516,863	159,777	245,627	720,652	-	-	8,547,544
Change 2003-2011	112.3%	18.1%	35.1%	89.3%	3.7%	23.7%	-100.0%	-100.0%	58.7%

Notes: Property tax increase due to reassessments.
Other revenues zero in 2005, 2006 and 2007 due to change in grouping.
Information above has been presented as of the date of GASB 34 Implementation.
In fiscal year 2009, the City began reporting sales taxes received from Houston County as intergovernmental revenues.

City of Perry, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2002	$ 157,859,786	$ 78,104,846	$ 20,619,234	$ 215,345,398	13.45	$ 589,911,580	36.505%
2003	160,777,699	76,031,754	18,644,324	218,165,129	13.44	592,023,632	36.851%
2004	185,201,889	40,359,080	4,195,150	221,365,819	13.38	563,902,422	39.256%
2005	200,156,129	58,897,388	6,449,156	252,604,361	14.34	647,633,793	39.004%
2006	208,865,890	59,090,357	13,912,759	254,043,488	14.33	669,890,617	37.923%
2007	269,436,514	67,734,337	11,471,386	325,699,465	13.05	842,927,128	38.639%
2008	306,613,840	78,560,801	12,518,981	372,655,660	13.01	962,936,603	38.700%
2009	338,403,541	80,328,285	12,700,789	406,031,037	13.01	1,046,829,565	38.787%
2010	352,257,662	77,828,489	17,061,821	413,024,330	13.01	1,075,215,378	38.413%
2011	350,456,427	76,679,917	18,216,629	408,919,715	13.81	1,067,840,860	38.294%

Source: Based on information obtained from Houston County Tax Assessor's Office.

Notes: Property in the City is reassessed once every five years on average. The City assesses property at 40 percent of actual value for commercial, industrial and residential property.

City of Perry, Georgia
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	City Direct Rates			Overlapping Rates			
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct Rate	State of Georgia	Houston County	School System	Total
2002	13.45	0.00	13.45	0.25	9.06	11.78	34.54
2003	13.44	0.00	13.44	0.25	9.94	11.76	35.39
2004	13.38	0.00	13.38	0.25	9.31	13.67	36.61
2005	14.34	0.00	14.34	0.25	9.28	13.63	37.50
2006	14.33	0.00	14.33	0.25	9.82	13.48	37.88
2007	13.05	0.00	13.05	0.25	9.32	12.50	35.12
2008	13.01	0.00	13.01	0.25	9.45	12.47	35.18
2009	13.01	0.00	13.01	0.25	9.45	12.47	35.18
2010	13.01	0.00	13.01	0.25	10.45	13.34	37.05
2011	13.81	0.00	13.81	0.25	9.95	13.34	37.35

Source: Houston County Tax Commissioner's Office

Notes: The City's basic property tax rate is established by the City Council each year in July.
The overlapping rates are those of State and County governments that apply to property owners within the City.

City of Perry, Georgia
Principal Property Tax Payers
Current Year and Seven Years Ago

	2004			2011		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Valuation
Tolleson Lumber Co	$ 5,674,846	1	2.56%	$ 3,559,450	7	0.87%
Graphic Packaging, Inc	5,164,150	2	2.33%	13,891,605	1	3.40%
Alltel GA Communications	4,556,565	3	2.06%	-		0.00%
Excel Realty Trust, Inc	3,376,800	4	1.53%	-		0.00%
American Real Estate Investments	3,289,644	5	1.49%	7,157,992	3	1.75%
HT Perry WM, LLC	2,982,480	6	1.35%	4,898,247	4	1.20%
Wal-Mart	2,590,078	7	1.17%	-		0.00%
North Hampton Development	2,438,523	8	1.10%	-		0.00%
Georgia Power Company	2,362,652	9	1.07%	3,220,811	9	0.79%
Donald J. Svoboda	2,043,840	10	0.92%	-		0.00%
Houston Lake Apartments, LLC	-		0.00%	7,864,560	2	1.92%
Woodland Property Partners, Inc	-		0.00%	3,488,680	8	0.85%
Advanced Drainage Systems, Inc	-		0.00%	3,593,406	6	0.88%
Galileo Apollo IV Sub LLC	-		0.00%	3,014,490	10	0.74%
Mulberry-Hampton/Winslow Pl	-		0.00%	4,273,320	5	1.05%
Total	$ 34,479,578		15.58%	$ 54,962,561		13.44%

Source: Based on information obtained from the Houston County Tax Assessor's Office.
Notes: Information above is presented with a comparison to 2004, information for years prior to 2004 is unavailable.

City of Perry, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years

Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	$ 2,896,396	$ 2,862,325	98.82%	$ 8,241	$ 2,870,566	99.11%
2003	2,932,139	2,881,431	98.27%	14,227	2,895,658	98.76%
2004	2,961,876	2,941,637	99.32%	10,358	2,951,995	99.67%
2005	3,387,802	3,319,988	98.00%	23,014	3,343,002	98.68%
2006	3,839,605	3,828,157	99.70%	10,547	3,838,704	99.98%
2007	4,250,908	4,209,774	99.03%	21,277	4,231,051	99.53%
2008	4,902,917	4,768,840	97.27%	55,039	4,823,879	98.39%
2009	5,282,265	5,054,162	95.68%	124,985	5,179,147	98.05%
2010	5,458,340	5,244,733	96.09%	178,526	5,423,259	99.36%
2011	5,673,974	5,645,733	99.50%	-	5,645,733	99.50%

Source: Based on information obtained from the Houston County Tax Assessors' Office.

City of Perry, Georgia
Taxable Sales by Category
Last Eight Fiscal Years

	2004	2005	2006	2007	2008	2009	2010	2011
Food/Bar	$ 3,732,909	$ 4,008,971	$ 4,803,632	$ 4,895,056	$ 5,461,198	$ 4,727,703	$ 3,965,041	$ 3,683,588
Apparel	339,258	384,512	395,314	423,596	474,055	495,419	235,240	-
General Merchandise	3,258,615	3,303,606	3,664,725	3,606,384	3,898,290	3,825,492	3,972,158	3,682,705
Accommodations	-	-	-	-	-	-	211,664	268,864
Automotive	3,089,382	3,333,644	3,351,086	2,942,864	3,230,691	3,755,849	2,803,430	2,640,637
Home	880,583	973,690	1,012,129	895,746	991,129	988,571	402,067	-
Home Furnishings	-	-	-	-	-	-	1,218,091	1,734,592
Lumber	1,755,266	1,995,345	2,317,922	1,912,085	2,068,930	1,605,587	537,436	-
Construction	-	-	-	-	-	-	61,701	92,418
Miscellaneous Service	778,553	738,168	825,695	811,950	887,104	947,422	1,708,119	1,320,676
Manufacturers	540,799	578,959	667,972	600,161	637,046	714,017	931,572	1,098,305
Utilities	1,763,752	2,107,551	2,211,689	2,156,136	2,326,061	2,636,011	2,380,863	1,945,292
Wholesale	-	-	-	-	-	-	878,678	1,618,654
Miscellaneous Other-Retail	1,030,029	1,318,361	1,551,123	1,458,975	1,591,049	1,449,586	1,793,066	3,337,212
Total	$ 17,169,146	$ 18,742,807	$ 20,801,287	$ 19,702,953	$ 21,565,553	$ 21,145,657	$ 21,099,126	$ 21,422,943

Source: Georgia Dept of Revenue, Local Government Services Division

Notes: Since the City of Perry does not have a city sales tax, all sales tax reported to the Georgia Department of Revenue is accumulated by commodity as Houston County. The above numbers are taken from commodity reports issued by theGeorgia Department of Revenue for Houston County and represents the county as a whole.

Category reporting format changed in May 2010.

City of Perry, Georgia
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Houston County
2002	0.00%	7.00%
2003	0.00%	7.00%
2004	0.00%	7.00%
2005	0.00%	7.00%
2006	0.00%	7.00%
2007	0.00%	7.00%
2008	0.00%	7.00%
2009	0.00%	7.00%
2010	0.00%	7.00%
2011	0.00%	7.00%

Source: Local sales tax is imposed countywide (Houston County).

Notes: In 2001 the citizens voted to imposed a 1% SPLOST. A portion of this 1% is shared by all the cities in Houston County.

City of Perry, Georgia
Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities				Business-type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Participation	Capital Leases	Note Payable	Water/Sewer Revenue Bonds	Water/Sewer Georgia Revolving Loan	Capital Leases	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
2002	$ -	$ 700,000	$ 442,044	$ -	$ 5,100,000	$ 1,600,041	$ 948,252	$ 8,790,337	2.86%	703
2003	-	615,000	707,502	-	4,840,000	1,491,220	1,294,670	8,948,392	3.12%	834
2004	-	525,000	524,032	-	4,570,000	1,377,442	1,185,733	8,182,207	3.52%	954
2005	-	430,000	430,095	-	8,170,000	1,258,393	900,786	11,189,274	2.82%	804
2006	-	330,000	820,585	-	7,875,000	1,133,849	661,715	10,821,149	3.30%	988
2007	-	225,000	769,391	-	7,570,000	1,003,350	711,584	10,279,325	4.15%	1,301
2008	-	115,000	892,948	-	16,695,000	867,225	3,714,177	22,284,350	2.03%	651
2009	-	-	774,316	-	13,360,000	758,836	3,162,988	18,056,140	2.49%	782
2010	-	-	449,996	500,000	15,960,000	680,849	2,717,549	20,308,394	2.43%	826
2011	-	-	559,562	400,000	15,540,000	599,786	2,558,923	19,658,271	2.13%	706

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

[1]See the Schedule of Demographic and Economic Statistics on page 84 for personal income and population data.

City of Perry, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Category of Debt	Amount of Outstanding Debt	Percentage Applicable to Government
Direct		
Intergovernmental	$ 400,000	
Capital Leases	559,562	
Total Direct Debt	959,562	
Overlapping[1]		
Intergovernmental Trust Certificates	5,225,000	100%
Capital Leases	1,186,502	100%
General Obligation Debt	36,490,000	100%
Total Overlapping Debt	42,901,502	100%
Total Direct and Overlapping Debt	$ 43,861,064	

[1] Houston County Board of Education

The percentage of overlapping debt applicable is calculated by taking the share of each individual project that Perry participates in and multiplying that share percentage by the total principal outstanding in each project.

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City of Perry, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year			
	2002	**2003**	**2004**	**2005**
Net Assessed Value	$ 215,345,398	$218,165,129	$221,365,819	$252,604,361
Debt Limit-10% of Assessed Value	21,534,540	21,816,513	22,136,582	25,260,436
Debt Applicable to Debt Limit:				
General obligation bonds	-	-	-	-
Net debt applicable to limit	-	-	-	-
Legal Debt Margin	$ 21,534,540	$ 21,816,513	$ 22,136,582	$ 25,260,436
Legal debt margin as a percentage of the debt limit	100%	100%	100%	100%

City of Perry, Georgia
Legal Debt Margin Information
Last Ten Fiscal Years
(Continued)

	Fiscal Year				
2006	**2007**	**2008**	**2009**	**2010**	**2011**
$267,956,247	$325,699,465	$372,655,660	$406,031,037	$419,549,528	$410,842,338
26,795,625	32,569,947	37,265,566	40,603,104	41,954,953	41,084,234
-	-	-	-	-	-
-	-	-	-	-	-
$ 26,795,625	$ 32,569,947	$ 37,265,566	$ 40,603,104	$ 41,954,953	$ 41,084,234
100%	100%	100%	100%	100%	100%

City of Perry, Georgia
Pledged-Revenue Coverage
Last Ten Fiscal Years

	Water and Sewerage System Revenue Bonds					
				Debt Service		
Year	Gross Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Total	Coverage
2002	$ 2,387,619	$ 1,871,667	$ 515,952	$ 245,000	$ 221,166	$ 466,166	1.11
2003	2,562,528	2,009,478	553,050	260,000	207,897	467,897	1.18
2004	3,037,308	2,137,550	899,758	270,000	195,922	465,922	1.93
2005	3,450,211	2,193,362	1,256,849	280,000	185,610	465,610	2.70
2006	4,167,316	2,379,212	1,788,104	295,000	383,887	678,887	2.63
2007	4,690,505	2,911,470	1,779,035	305,000	347,535	652,535	2.73
2008	4,015,826	3,157,973	857,853	320,000	522,912	842,912	1.02
2009	3,840,234	3,308,201	532,033	335,000	701,115	1,036,115	0.51
2010	4,748,904	3,267,378	1,481,526	400,000	687,327	1,087,327	1.36
2011	5,503,160	3,268,544	2,234,616	390,000	671,780	1,061,780	2.10

Notes: Gross revenue equals operating and non-operating revenues of the Water and Sewerage System. Operating expenses do not include bond interest, depreciation or amortization expenses.

City of Perry, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population[1]	Personal Income (amounts expressed in thousands)	Per Capita Personal Income[2, 3, 7]	Median Age[3, 5]	School Enrollment[6]	Unemployment Rate[3, 4]
2002	10,223	$ 251,384	$ 24,590	34.5	22,697	3.5%
2003	10,439	279,118	26,738	34.7	23,381	3.4%
2004	10,654	288,340	27,064	34.4	23,998	3.3%
2005	11,071	315,601	28,507	38.2	24,608	5.2%
2006	11,916	356,884	29,950	35.1	25,193	5.0%
2007	13,573	426,097	31,393	35.9	25,921	4.1%
2008	14,128	452,675	32,041	34.4	26,287	5.1%
2009	14,295	449,278	31,429	35.1	26,115	7.7%
2010	14,520	493,448	33,984	35.0	26,672	7.6%
2011	13,839	418,877	33,114	34.6	27,014	8.0%

[1] Per 2000 Census and the City's estimate

[2] Middle Georgia Regional Development Center

[3] Information available at the county level only (Houston County)

[4] Data obtained from Georgia Department of Labor

[5] Estimate per census taken every 10 years

[6] Houston County Board of Education

[7] BEA Regional Economic Analysis

Note: Personal income information is a total for the year

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City of Perry, Georgia
Principal Employers
Current and Seven Years Ago

2004 Employers	2011 Employers
Anchor Glass Container Corp.	AFSVA-Robins AFB
Robins Air Force Base	Department of Defense-Robins AFB
Frito Lay, Inc.	Frito-Lay Inc
Houston County	Houston County
Houston County Hospital Authority	Houston County School System
Houston County School System	Houston Hospitals, Inc.
Perdue Farms, Inc.	Perdue Farms Incorporated
Southeast Administrative Services	The Kroger Company
Walmart Associates, Inc.	Wal-Mart Southeast Division
City of Warner Robins	City of Warner Robins

Source: Georgia Department of Labor

Notes: Employers are listed in alphabetical order only, and are not ranked in any way.
Number of employees cannot be listed due to privacy issues.
Information available at county level only (Houston County).
Information above is presented with a comparison to 2004, information for years prior to 2004 is unavailable.

City of Perry, Georgia
Full-time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
City Manager	2	2	2	2	2	2	3	3	2.5	2.5
Administrative										
Finance	6	5	5	5	5	5	5	5	5	5
Human Resources	1	1	1	1	1	1	1	1	1	1
Information Technology	1	1	1	1	1	1	1	1	1	1
Purchasing/Bldg. Maintenance	4	4	4	3	3	3	5	4	4	4
Community Development	3	4	4	5	5	6	5	5	4	4
Public Safety										
Police										
Officers	37	37	39	39	38	39	39	38	37	37
Civilians	8	8	4	4	5	5	5	5	5	5
Fire Department										
Firefighters	13	13	13	16	17	19	19	21	21	21
Civilians					1	1	1	1	1	1
Public Works Department	17	15	15	14	12	15	20	20	16	16
Recreation Department	5	6	5	5	6	6	6	7	7	7
Water Department										
Water Treatment	5	5	6	6	6	6	0	0	0	0
Water Administrative	7	8	8	8	8	7	7	4	5	5
Line Maintenance	8	9	10	6	6	6	7	0	0	0

City of Perry, Georgia
Full-time Equivalent City Government Employees by Function/Program
Last Ten Years

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sewer Department	7	6	6	5	5	0	0	0	0	0
Solid Waste	6	5	6	7	7	8	8	8	7	7
Gas	6	5	5	5	5	5	5	5	4	4
Total	136	134	134	132	133	135	137	128	120.5	120.5

Source: Payroll records.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including vacation and sick leave).
Full-time equivalent employment is calculated by dividing total labor hours by 2,080.
July 1999 - Residential trash pick-up contracted out.
March 2004 - Jail closed - Detention Officers transferred to Houston County.
July 2006 - Wastewater Treatment operations contracted out to ESG.
July 2007 - Water Treatment Plant operations contracted out to ESG.

City of Perry, Georgia
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	Fiscal Year 2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Government										
Building permits issued-commercial	29	36	44	38	46	43	44	52	30	40
Building permits issued-residential	93	76	119	196	393	387	270	129	130	133
Police										
Physical arrests	1,720	1,623	1,646	1,302	1,336	1,423	1540	1655	1965	1634
Parking violations	110	52	74	76	126	174	111	85	25	24
Traffic violations	2943	3206	3297	2124	2566	2968	2602	4090	2507	3194
Fire										
Emergency responses	785	792	806	829	774	1005	1692	1546	1498	1430
Fires extinguished	N/A	N/A	73	66	72	95	96	100	82	105
Public Works										
Streets resurfaced (miles)	1.74	1.25	1.25	1.13	0.97	1.58	1.58	1.03	1.233	0.47
Water										
Service connections	3955	4141	4271	4903	5347	6071	6375	6000	5896	6408
Water main breaks	2	2	1	2	3	6	1	12	9	23
Average daily consumption (million gallons)	1.76	1.68	1.8	1.94	2.19	2.54	2.41	2.39	2.33	2.134
Wastewater										
Average daily sewage treatment (million gallons)	2.11	2.70	2.50	2.75	2.27	1.97	2	2	3.04	1.987
Service Connections	3248	3358	3674	4158	4270	4401	4881	4643	4790	4848
Gas System										
Service Connections	2286	2353	2716	2735	2789	2807	2783	2792	2792	3168
Average daily consumption (MCF)	632	865	866	984	855	806	906	869	947	929

Source: Various City departments.

[1] Jointly Owned Natural Gas Transmission Line
customers transferred to City of Warner Robins

Note: The 2010 number of water and wastewater connections has been restated.

City of Perry, Georgia
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	Fiscal Year									
Function/Program	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	16	22	25	30	30	30	30	30	29	27
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Trucks	3	3	3	3	4	3	3	4	4	4
Fire hydrants	588	588	623	632	701	750	814	917	923	923
Recreation										
Community Center	1	1	1	1	1	1	1	1	1	1
Parks	12	14	14	15	15	15	15	15	15	15
Park Acreage	92.63	93.42	93.42	97.14	97.14	97.14	97.14	97.14	97.14	97.14
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	8	8	8	8	8	8	8	8	8	8
Public Works										
Streets (miles)	163	170.9	173	177.58	181.85	186.81	190.22	205.42	206.7	207.6
Sidewalks (miles)	27	27	28	29.5	31	32.63	34.16	34.55	34.55	34.55
Number of Streets	249	259	263	282	306	335	351	420	428	438
Number of Streets Lights	1695	1730	1746	1757	1835	1885	1955	2220	2246	2277
Water										
Miles of Water Mains	89	91	114	118.58	122.85	127.81	131.67	148	148.57	150.59
Water tanks	5	5	5	5	5	5	5	5	5	5
Storage capacity (million gallons)	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75	1.75
Wastewater										
Miles of Sewers	68	70	70	73.74	78.01	82.97	85.57	99.92	100.49	104.38
Treatment plants	1	1	1	1	1	1	1	1	1	1
Treatment capacity (million gal)	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Gas System										
Miles of Gas Lines	68.0	68.0	72.0	74.0	76.0	76.0	76.6	77.1	77.1	80.4

Source: Various City departments.

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GOVERNMENTAL REPORTS

CITY OF PERRY, GEORGIA

SCHEDULE OF PROJECTS CONSTRUCTED WITH
SPECIAL PURPOSE LOCAL OPTION SALES TAX PROCEEDS-2006
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
Road, Street and Bridge and Sidewalk Projects	$ 1,500,000	$ 1,308,542	$ 135,107	$ 1,443,649	96%
Public Safety:					
Facilities	1,100,000	69,599	37,392	106,991	10%
Water and Sewer System Improvements	2,500,000	1,005,495	188,182	1,193,677	48%
Recreation Facilities and Equipment	400,000	285,617	52,822	338,439	85%
	$ 5,500,000	$ 2,669,253	$ 413,503	$ 3,082,756	

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Mayor and Members of City Council
The City of Perry, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Perry, Georgia as of and for the fiscal year ended June 30, 2011, which collectively comprise the City of Perry, Georgia's basic financial statements and have issued our report thereon dated December 7, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies

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 and corrected on a timely basis. We consider the deficiency described in the accompany scheduling of findings and responses, 2011-1, to be a material weakness.

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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. We consider the deficiency described in the accompanying schedule of findings and responses, 2011-2, to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Perry's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2009-2.

We noted certain matters that we reported to management of the City of Perry, Georgia in a separate letter dated December 7, 2011.

The City of Perry, Georgia's response to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the audit committee, City Council and management; and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
December 7, 2011

FINANCIAL STATEMENT FINDINGS

Findings noted on the 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*.

2009-2 Bond Proceeds

CRITERIA
As stated in the official bond documents, "The Bonds are being issued to provide funds to (i) acquire, construct and equip additions and improvements to the water storage, treatment and distribution system and a wastewater collection, treatment and disposal system, and (ii) pay the necessary costs of issuing the Bonds."

CONDITION
During 2009 and 2010, the City borrowed $971,770 in bond proceeds to assist with operating expenses of the Water and Sewerage Fund. The following schedule reflects the activity relative to these borrowings and repayments of the proceeds:

Balance as of June 30, 2010	$ 711,145
Less: repayments during 2011	(250,000)
Balance as of June 30, 2011	$ 461,145

EFFECT
The use of bond proceeds was not in compliance with official bond documents.

CAUSE
A lack of adequate working capital within the Water and Sewer Fund.

RECOMMENDATION
The City should return these amounts to the restricted cash accounts, along with accumulated interest.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION
We concur with the finding. In the prior years, the City was unable to repay the full amount due the 2007 Bond Fund. However, per Council Resolution 2010-8, official action has been taken to approve a repayment plan of $250,000 per year. A payment in the amount of $250,000 was made during FY 2011.

2011-01 Capital Assets

CRITERIA
Accounting and control procedures should be designed to insure that capital asset activity is recorded and reported properly for all capital assets. Construction in progress should be reviewed periodically and all completed projects should be reclassified to depreciable assets.

CONDITION
During 2011, the City did not properly reclassify construction in progress to completed projects. As a result, depreciation expense was not recorded on these completed projects.

EFFECT
The following material adjustments were required to correct the classifications of capital assets and record related depreciation expense.

	Adjusting Entries To Reclassify to Completed Project	Depreciation Expense Relative to Completed Project
Governmental Activities	$ 2,097,343	$ 51,961
Business Type Activities	6,583,823	318,429
Total	$ 8,681,166	$ 370,390

CAUSE
During 2011, the accounting personnel did not review the projects relative to construction in progress, reclassify and depreciate, accordingly.

RECOMMENDATION
The City should insure that the proper review and reconciling procedures are being performed monthly and at year-end, to reclassify construction in progress to completed projects, and depreciate, accordingly.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION
We concur with the finding. However, projects classified as construction in progress were reviewed in relation to total project completion. Projects will be reviewed, reclassified and depreciated as phases are completed in future years. Director of Administration will review and adjust accordingly.

2011-02 Preconfiscated Assets

CRITERIA
Accounting and control procedures should be designed to insure that preconfiscated assets are properly recorded and reconciled timely with the related bank statement.

CONDITION
During 2011, the City did not reconcile the preconfiscated assets held to the related bank statement. As a result, the assets held at year-end did not agree to the related bank statement.

EFFECT
The City was unable to provide a listing of preconfiscated assets held at year-end that reconciled to the related bank statement.

CAUSE
During 2011, the accounting personnel did not timely review assets held and reconcile the listing to the related bank statement.

RECOMMENDATION
The City should insure that the proper review and reconciling procedures are being performed monthly and at year-end, to reconcile the preconfiscated asset listing to the related bank statement.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTION
We concur with the finding. Monthly reviews of deposits and withdrawals will be reconciled with open cases files by Accountant and reviewed by Director of Administration.

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