

**CITY OF PRATTVILLE, ALABAMA**  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

Prepared by:  
Department of Finance

Douglas C. Moseley, CGMA, CITP, CISA, CPA  
Finance Director

**INTRODUCTORY SECTION**

CITY OF PRATTVILLE, ALABAMA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2014

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# CITY OF PRATTVILLE

**BILL GILLESPIE, JR.**  
MAYOR

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## CITY COUNCIL

**WILLIE WOOD, JR.**  
PRESIDENT  
DISTRICT 2

**ALBERT C. STRIPLIN**  
PRESIDENT PRO TEMPORE  
DISTRICT 1

**DENISE B. BROWN**  
DISTRICT 3

**JERRY STARNES**  
DISTRICT 4

**CLYDE CHAMBLISS, JR.**  
DISTRICT 5

**RAY C. BOLES**  
DISTRICT 6

**LORA LEE BOONE**  
DISTRICT 7

February 23, 2015

The Citizens of  
The City of Prattville  
Prattville, Alabama

The Comprehensive Annual Financial Report (CAFR) of The City of Prattville (the government) for the fiscal year ended September 30, 2014 is hereby transmitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City of Prattville management. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the government and its component units. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

### **The Report**

The financial section of the CAFR includes the management's discussion and analysis (MD&A), the basic financial statements for the primary government and its separately presented component units, and the primary government's combining and individual financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The MD&A contains a narrative introduction, overview, and analysis of the City's financial statements. It should be read in conjunction with this letter of transmittal.

This report includes all funds of the primary government and its component units. The primary government provides a full range of services. These services include public safety, public works, environmental services, culture and recreation, economic and community development, planning, and general administrative services.

### **GASB Reporting Requirements**

Each year, management evaluates new GASB reporting requirements to determine applicability to the City. The requirements issued by GASB that became effective during this fiscal period and those that will become effective in the next fiscal period are described in this document.

GASB Statement 65, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows or resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities

GASB Statement 70, requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee.

## **City Profile**

The City of Prattville is the County seat of Autauga County, was incorporated on August 8<sup>th</sup> 1865, and is located in south central Alabama. It serves a population of approximately 35,229. The City of Prattville operates under a Mayor/Council form of government with a fiscal year from October 1<sup>st</sup> through September 30<sup>th</sup>. The Mayor and seven (7) Council members are each elected to four (4) year terms. City services include police and fire protection; sanitation services; sewer services; the construction and maintenance of highways, streets, and infrastructure; recreational activities and cultural events.

Formal budgetary integration is employed as a management control device. On a day to be set by the Council, the Mayor submits to the Council a balanced budget for the next fiscal year. The Council schedules public hearings for the purpose of discussing and adopting the budget and may add to or delete from the budget submitted by the Mayor as long as the budget remains in balance. The Council, by a majority vote, shall adopt the budget. Activities of the General Fund, Debt Service Fund, and Special Revenue Funds are included in the annual appropriated budget. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Appropriations lapse at the end of the fiscal year unless expended or encumbered.

In order to prepare a financial report, it is necessary to identify all components of the reporting entity. Potential component units were evaluated to determine whether they should be reported in the City's financial report. A component unit was considered to be part of the City's reporting entity if it was concluded that the City was financially accountable for the entity or the nature and significance of the relationship between the City and the entity was such that exclusion would cause the City's financial statements to be misleading or incomplete. The Autauga-Prattville Public Library, Prattville Airport Authority, and Historical Prattville Redevelopment Authority were determined to be the only reportable component units and have been included in this report.

## **Economic Condition and Outlook**

The proximity of the state capital and Maxwell Gunter Air Force Base make significant contributions to the local economy.

The City of Prattville maintains a contract for service with The Prattville Area Chamber of Commerce to provide economic development services. The Prattville Area Chamber of Commerce is a voluntary partnership of business and professional people working together to build a healthy economy and to improve the community's quality of life. The Prattville Area Chamber of Commerce has the responsibility to promote the economic wellbeing and to advocate for a positive business environment.

Chamber members are businesses, organizations, and individuals concerned with the socio-economic climate of the community.

The Chamber works to improve the community, observing these objectives:

- to help businesses grow and prosper;
- to increase job opportunities;
- to encourage orderly expansion/development of all segments;
- to contribute to the overall economic stability of the community;
- to encourage and promote the nation's private enterprise system of competitive marketing.

### **Financial Information**

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft, or misuse and to ensure that adequate data is compiled to allow for the presentation of financial statements in conformance with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) that valuation of costs and benefits requires estimates and judgments by management.

**Single Audit** - As recipient of federal and state financial assistance, the government is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management.

As part of the City's audit in accordance with generally accepted government auditing standards, tests are made to determine the adequacy of the internal control structure, including that portion related to federal assistance programs, as well as to determine that the government has complied with applicable laws and regulations.

**Budgeting** - Budgetary tracking is maintained at the line item level by the encumbrance of actual or estimated purchase amounts prior to the release of purchase orders to vendors. Accountability for budgetary compliance is held at the department level. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Purchase orders resulting in an overrun of a department balance are released only after the approval of finance director or mayor.

Budget amendments are effected by resolutions enacted by the governing body when needed. Activities of the General Fund, Debt Service Fund, and Special Revenue Funds are included in the budget. Encumbrances lapse at year-end; however, encumbrances remaining against a positive department budget balance may be re-appropriated as a "prior year carryover."

The City's budget is prepared in accordance with generally accepted accounting principles (GAAP), with the exception that capital outlays are budgeted within those departments. The financial statements presented in the financial section of this report are presented in accordance with GAAP; that is all capital outlays have been aggregated in a single line captioned "capital outlay."

**Healthcare costs** - With the healthcare costs continuing to increase, the City of Prattville opened the primary healthcare clinic in 2011. This clinic provides City employees and their dependents with those services that would be rendered by a family practice physician. The City hired CareHere, LLC to manage all aspects of operations for these clinics.

**General Fund Reserves** - Management has, through council resolution, established a goal of achieving a net ending fund balance in the General Fund that is equal to or greater than 15% of the total expenditures and other financing uses.

### **Awards and Acknowledgements**

During 2012 the City of Prattville won Coca-Cola's America's Favorite Park contest. The prize for the contest was a \$100,000 grant to be used for a project within the park. During the 2013 Fiscal year the city used the funds to construct a splash pad for all citizens to enjoy.

During 2013 the Alabama Policy Institute ranked Prattville number 6 out of 50 cities in their Overall Business-Friendly Ranking. This was based on economic vitality, business tax burden, community allure, and transportation infrastructure. Prattville was ranked #1 on community allure based on our cost of living, per capita violent crime rate, high school graduation rate and SAT averaged reading and math scores.

Two bronze medals were awarded to the City of Prattville for action taken to improve access to healthy affordable food and increased opportunities for physical activity. These medals were awarded because of Prattville's achievements in collaborating with other agencies on early care and education programs and for also having at least 60% of public schools participating in the School Breakfast Program.

## **Other Information**

**Independent Audit** - The government is required by State law to undergo an annual audit by independent public accountants; to meet federal requirements of the Single Audit Act Amendments of 1996, and the resultant issuance of OMB Circular No. A-133 (Audits of States, Local Governments, and Non-Profit Organizations); and the City's audit report must be signed by a certified public accountant. The accounting firm of Jackson Thornton & Co. P.C. was selected through a competitive proposal process. The auditor's report on the basic financial statements and the combining and individual fund statements and schedules is included in the financial section of this report.

Information related to this Single Audit, including the schedule of federal financial assistance, findings and recommendations, and auditor's reports on the internal control structure and compliance with applicable laws and regulations, are generally meaningful only to oversight agencies and therefore have not been included in this report. This information is contained in a separate Single Audit report, which is available for review at the Finance Department in City Hall 101 West Main Street, Prattville, Alabama.

**Acknowledgements** - The preparation of the comprehensive annual financial report could not be accomplished without the dedicated services of all City departments but in particular an efficient Finance Department staff. We express appreciation to each member of these departments for their contributions made in the preparation of this report.

Respectfully submitted,

Douglas C. Moseley, Finance Director

LIST OF PRINCIPAL OFFICIALS  
AS OF SEPTEMBER 30, 2014

Mayor

Bill Gillespie, Jr.

CITY COUNCIL

Willie Lee Wood, Jr., President

Albert Striplin, President Pro Tempore

Jerry Starnes

Clyde Chambliss

Denise Brown

Ray Boles

Lora Lee Boone

HEADS OF DEPARTMENTS

Municipal Court

City Attorney

City Prosecutor

City Clerk

Finance Director

Engineering

Public Works

Police

Fire

Parks and Recreation

Human Resources

Information Technology

Planning

Judge Louis C. Colley

David McDowell

Robert E. Riddle

Cathy Dickerson

Douglas C. Moseley

Robby Anderson

Randall Lucas

Chief Mark Thompson

Chief Terry Brown

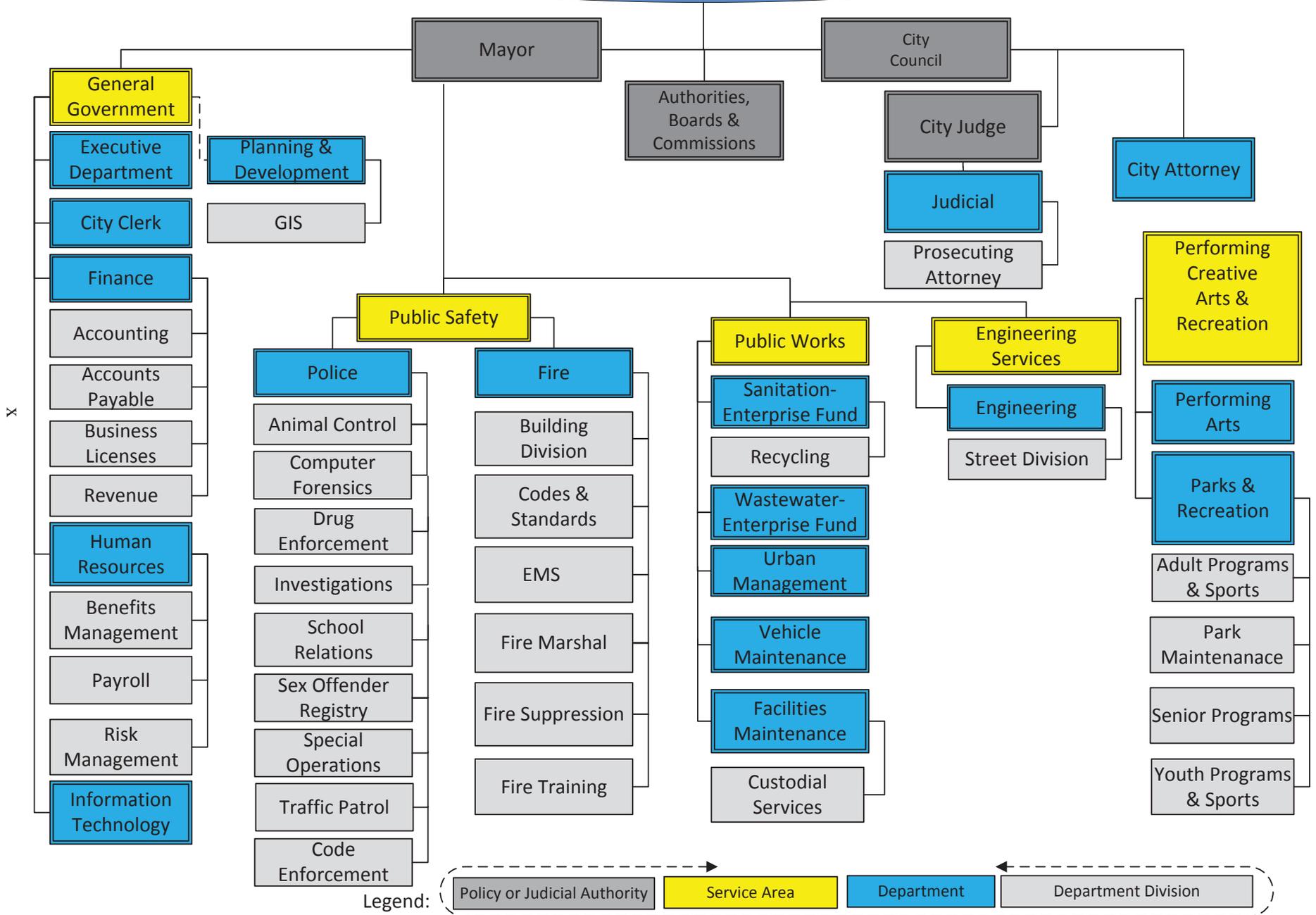
Kellie Cook

Lisa Thrash

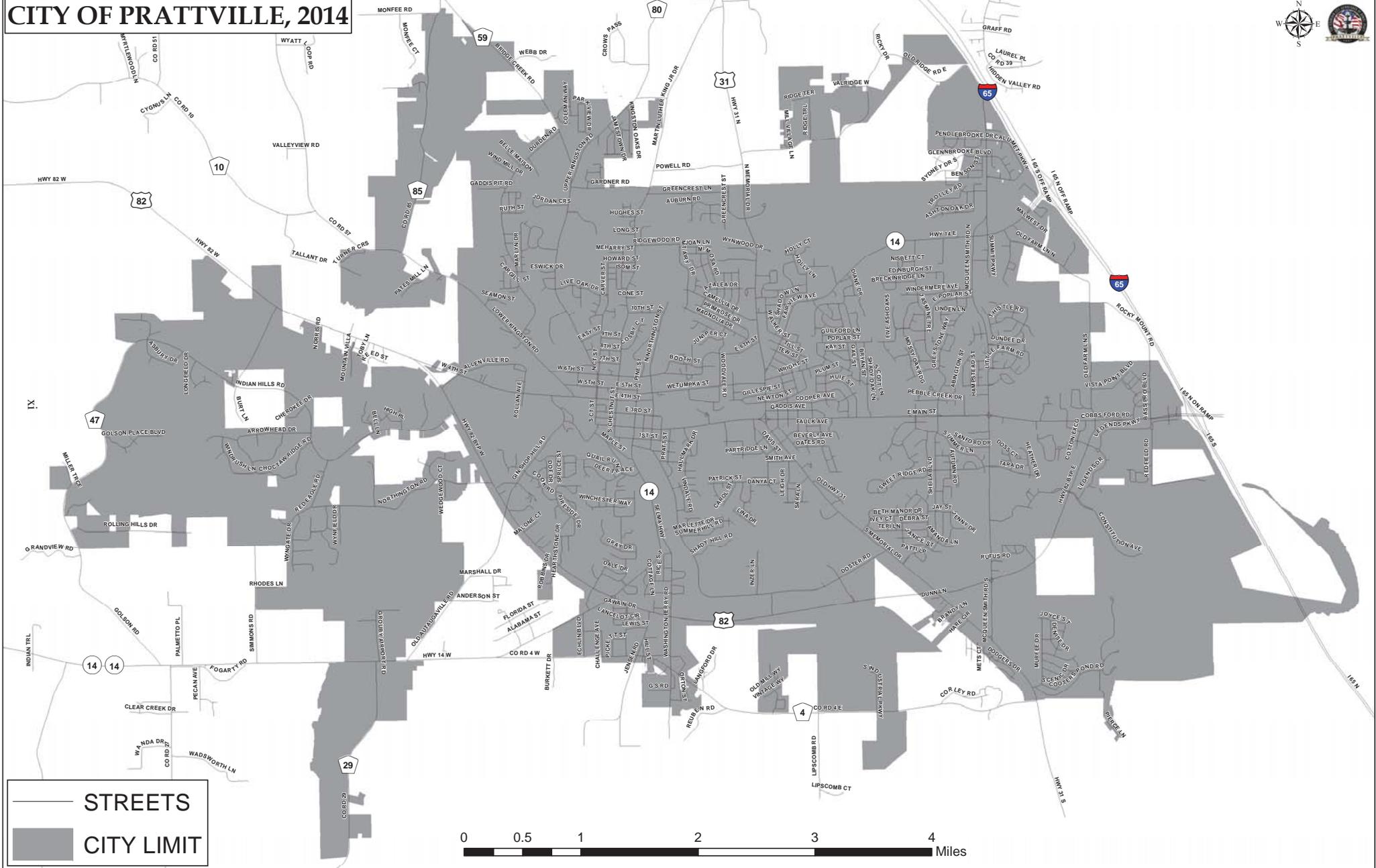
Douglas C. Moseley

Joel Duke

# Citizens of Prattville



# CITY OF PRATTVILLE, 2014



— STREETS  
█ CITY LIMIT

0 0.5 1 2 3 4 Miles

**FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and  
Members of the City Council  
City of Prattville, Alabama

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund of the City of Prattville, Alabama (the City), as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Autauga Prattville Public Library and the Historical Prattville Redevelopment Authority were not audited in accordance with *Government Auditing Standards*.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund of the City of Prattville, Alabama, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Capital Projects Fund, Debt Service Fund, Gas Tax Special Revenue Fund, and the Judicial Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Change in Accounting Principle

As described in Note 17 to the financial statements in 2014 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to that matter.

### Other Matters

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress of the City's defined benefit pension plan and post-employment benefits other than pensions on pages 4 through 14 and pages 68 and 69 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the *Governmental Accounting Standard Board*, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Prattville, Alabama's basic financial statement. The introductory section and statistical section are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Governmental Auditing Standards*, we have also issued our report dated February 23, 2015 on our consideration of the City of Prattville, Alabama'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 *Governmental Auditing Standards* in considering City of Prattville, Alabama's internal control over financial reporting and compliance.

*Jackson Sheraton & Co. PC*

Prattville, Alabama  
February 23, 2015

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Prattville, Alabama, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2014. This discussion and analysis is designed to look at the City's financial performance as a whole. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

### Financial Highlights

- The City of Prattville, Alabama's assets exceeded its liabilities at September 30, 2014, by \$21,141,997 (net position). Of the net position balance amount, (\$20,858,312) (unrestricted net position) is the deficit balance of the City representing the indebtedness incurred for incentive obligations including the purchase of development property supporting the significant retail development activities within the City which originated in the fiscal years ended 2006 and 2008.
- During the year, the City's total net position increased by \$7,752,134, as revenues of \$43,212,769 exceeded expenses of \$35,460,635. The increase in revenue is due to the increase in sales tax revenue and increase in charges for services. Expenses increased slightly due to employee raises and Capital Expenditures.
- Under the Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employees for Post-Retirement Benefits Other than Pensions* (GASB 45), the City recognized an expense of \$367,925 in the current year to record unfunded OPEB obligation.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$13,210,253. There was an increase of \$4,986,350 from the prior year.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Prattville, Alabama's basic financial statements. The City's basic financial statements comprise of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report contains other supplementary information that will enhance the reader's understanding of the financial condition of the City of Prattville, Alabama.

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of Prattville, Alabama's finances in a manner similar to a private-sector business. The basic financial statements include two kinds of statements that present different views of the City, a statement of net position and a statement of activities. These statements included the City's three component units, the Autauga-Prattville Public Library (the Library), the Prattville Airport Authority (the Authority), and the Historic Prattville Redevelopment Authority (HPRA), which are separate legal entities. Although legally separate, these component units are important because the City is financially accountable for them. Complete financial statements of the Library and the Authority can be obtained at their administrative offices located in Prattville, Alabama.

The statement of net position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both statements distinguish functions of the City of Prattville, Alabama that are principally supported by sales taxes, property taxes, and gasoline taxes (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reported in the statements include general government, public safety, public works, and cultural/recreational. The business-type activities of the City of Prattville, Alabama include the Sanitation and Wastewater departments.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the City's most significant activities. 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. Like other state and local governments, the City of Prattville, Alabama uses fund accounting to ensure and demonstrate compliance with finance-related legal matters. All of the funds of the City of Prattville, Alabama are governmental funds which account for the basic services of the government. Experienced readers of governmental financial statements will find these financial statements most familiar.

Governmental funds - Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*, which provides a conservative short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps in determining if there are more or less financial resources available to finance the City's programs. The relationship between governmental activities in the government-wide financial statements and the governmental funds financial statements is described in a reconciliation that is a part of the fund financial statements.

The City maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance of the major funds.

The City adopts an annual appropriated budget for its general fund, gas tax special revenue fund, capital projects fund, debt service fund, and judicial special revenue fund. A budgetary comparison statement has been provided for these funds to demonstrate compliance with these budgets.

Proprietary funds - Services for which the City charges customers a fee are generally reported in proprietary funds. The City of Prattville, Alabama maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the entity-wide financial statements. The City of Prattville, Alabama uses enterprise funds to account for its Sanitation and Wastewater departments. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal funds to account for its employees' medical insurance. The internal service fund is presented, in total, in the fund financial statements. Proprietary funds 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 Sanitation and the Wastewater departments, which are considered to be major funds of the City of Prattville, Alabama.

### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements also include information regarding the City of Prattville, Alabama's progress in funding its obligation to provide pension benefits to its employees. The notes are presented on pages 32 through 67 of this report.

### Government-Wide Financial Analysis

The City's condensed statement of net position as of September 30, 2014 and 2013, derived from the government-wide statement of net position is presented below.

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2014	2013	2014	2013	2014	2013
Current and other assets	\$ 15,071,256	\$ 11,496,718	\$ 3,690,576	\$ 2,985,896	\$ 18,761,832	\$ 14,482,614
Capital assets, net of depreciation	48,411,132	48,603,735	7,097,763	7,322,360	55,508,895	55,926,095
Restricted assets	1,329,510	476,003			1,329,510	476,003
Total assets	<u>64,811,898</u>	<u>60,576,456</u>	<u>10,788,339</u>	<u>10,308,256</u>	<u>75,600,237</u>	<u>70,884,712</u>
Deferred outflows	889,990				889,990	
Total assets and deferred outflows	<u>65,701,888</u>	<u>60,576,456</u>	<u>10,788,339</u>	<u>10,308,256</u>	<u>76,490,227</u>	<u>70,884,712</u>
Long-term liabilities outstanding	49,372,412	50,572,057	2,880,037	3,294,831	52,252,449	53,866,888
Other liabilities	2,871,964	2,332,645	223,817	258,250	3,095,781	2,590,895
Total liabilities	<u>52,244,376</u>	<u>52,904,702</u>	<u>3,103,854</u>	<u>3,553,081</u>	<u>55,348,230</u>	<u>56,457,783</u>
Net position:						
Net investment in capital assets	36,578,653	36,021,544	4,402,643	4,236,099	40,981,296	40,257,643
Restricted	1,019,013	901,190			1,019,013	901,190
Unrestricted (deficit)	<u>(24,140,154)</u>	<u>(30,215,385)</u>	<u>3,281,842</u>	<u>2,446,415</u>	<u>(20,858,312)</u>	<u>(27,768,970)</u>
Total net position	<u>\$ 13,457,512</u>	<u>\$ 6,707,349</u>	<u>\$ 7,684,485</u>	<u>\$ 6,682,514</u>	<u>\$ 21,141,997</u>	<u>\$ 13,389,863</u>

The largest component of the City's net position as of September 30, 2014 reflects its investment in capital assets (i.e. land, buildings, furniture and equipment, infrastructure, etc.); less any related 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 must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. The City's capital assets, net of accumulated depreciation, at September 30, 2014 decreased by \$192,603 from the prior year primarily due to the amount of current year depreciation being greater than the amount of current year additions.

As noted earlier in this discussion, changes in net position over time can be one of the best and most useful indicators of the City's financial position. The City of Prattville, Alabama's total assets exceeded liabilities by \$21,141,997.

The City's net position increased by \$7,752,134 during the current fiscal year primarily due to increasing revenues and overall continued control over expenses. The City saw an increase in sales tax revenues of \$619,267 during the current fiscal year.

A portion of net position is restricted, or has restrictions on how they may be used. Governmental activities restricted net position totaled \$1,019,013 at September 30, 2014 and is restricted for use in public safety, capital projects, road projects, and judicial. The remaining balance of unrestricted net position generally may be used to meet the City's ongoing obligations. The City, at September 30, 2014, reported a deficit balance in unrestricted net position in governmental type activities of (\$24,140,154). The large negative unrestricted net position is the result of \$41,010,000 in outstanding general obligation warrants that were issued in the fiscal years ended September 30, 2006 and 2008 to finance economic development incentive obligations for retail development within the City. It is anticipated the governmental revenues generated from the retail growth will provide the primary source of revenue for repayment of this debt. Business-type activities reported unrestricted net assets of \$3,281,842 at September 30, 2014.

The following presents the City's condensed statement of activities for the fiscal years ended September 30, 2014 and 2013 as derived from the government-wide statement of activities. Over time, increases and decreases in net assets measure whether the City's financial position is improving or deteriorating. During the fiscal year, the net position of the primary government increased by \$7,752,134. This increase is primarily due to an increase in general sales tax, use tax, restaurant tax, lodging tax, and rental tax; as well as continued control over expenses.

**CITY OF PRATTVILLE, ALABAMA  
STATEMENT OF ACTIVITIES**

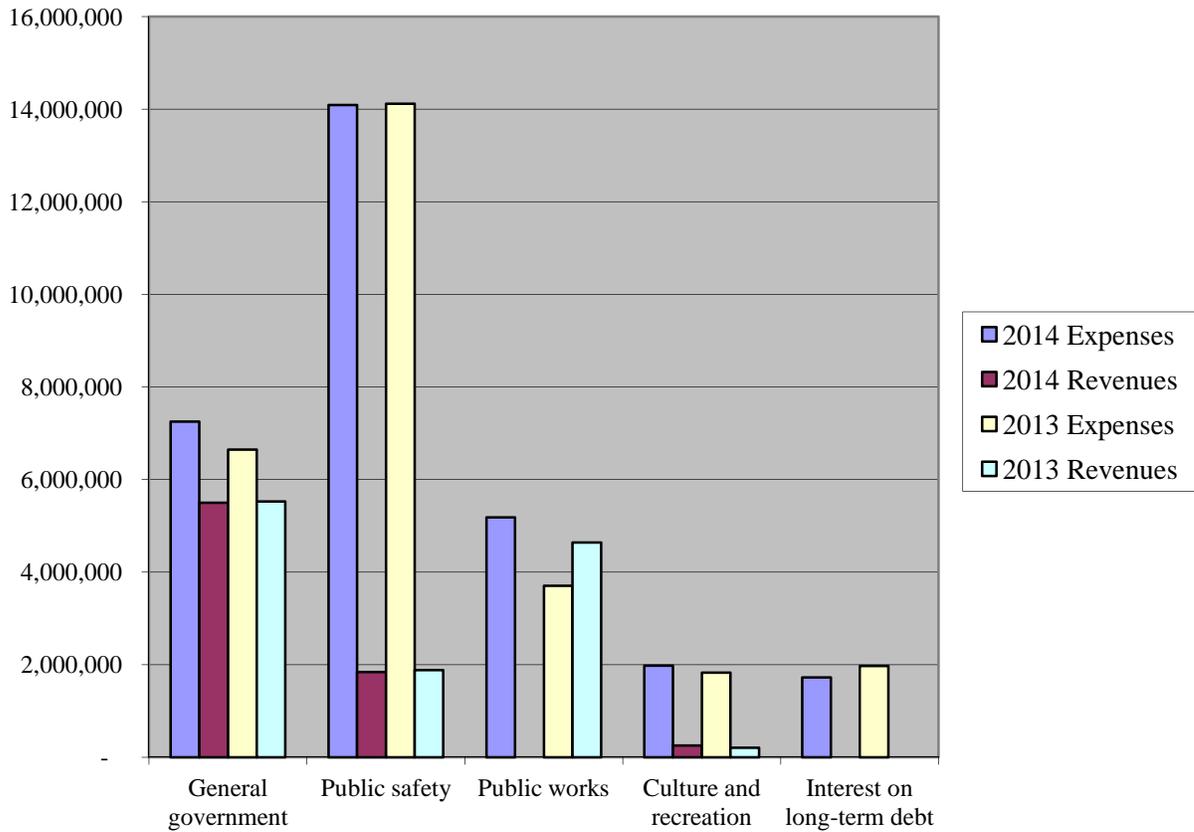
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTALS	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 7,460,639	\$ 7,396,427	\$ 6,181,365	\$ 6,299,512	\$ 13,642,004	\$ 13,695,939
Operating grants, capital grants, and contributions	1,488,058	4,865,750		30,401	1,488,058	4,896,151
Total program revenues	<u>8,948,697</u>	<u>12,262,177</u>	<u>6,181,365</u>	<u>6,329,913</u>	<u>15,130,062</u>	<u>18,592,090</u>
<b>General revenues:</b>						
Sales and use taxes	21,221,765	20,602,498			21,221,765	20,602,498
Real and personal property taxes	2,690,055	2,651,051			2,690,055	2,651,051
Lodging taxes	1,647,626	1,201,424			1,647,626	1,201,424
Local gasoline taxes	941,261	906,939			941,261	906,939
Alcoholic beverage taxes	408,900	311,045			408,900	311,045
Rental taxes	346,089	315,191			346,089	315,191
Tobacco taxes	134,656	142,723			134,656	142,723
Excise taxes	65,949	70,817			65,949	70,817
Investment earnings	164,964	69,467			164,964	69,467
Miscellaneous revenue	359,099	625,501	5,055	3,448	364,154	628,949
Gain (loss on disposal of assets)	54,747		42,541		97,288	
Total general revenues	<u>28,035,111</u>	<u>26,896,656</u>	<u>47,596</u>	<u>3,448</u>	<u>28,082,707</u>	<u>26,900,104</u>
Total revenues	<u>36,983,808</u>	<u>39,158,833</u>	<u>6,228,961</u>	<u>6,333,361</u>	<u>43,212,769</u>	<u>45,492,194</u>
<b>Expenses:</b>						
General government	7,250,279	6,649,800			7,250,279	6,649,800
Public safety	14,094,661	14,115,911			14,094,661	14,115,911
Public works	5,180,698	3,703,761			5,180,698	3,703,761
Culture and recreation	1,980,775	1,830,376			1,980,775	1,830,376
Debt service	1,727,232	1,971,907			1,727,232	1,971,907
Sanitation			2,463,315	2,230,497	2,463,315	2,230,497
Wastewater			2,763,675	2,770,077	2,763,675	2,770,077
Total expenses	<u>30,233,645</u>	<u>28,271,755</u>	<u>5,226,990</u>	<u>5,000,574</u>	<u>35,460,635</u>	<u>33,272,329</u>
Increase in net position before transfers	6,750,163	10,887,078	1,001,971	1,332,787	7,752,134	12,219,865
Transfers		(200,000)		200,000		
Increase in net position	6,750,163	10,687,078	1,001,971	1,532,787	7,752,134	12,219,865
Net position - beginning	6,707,349	(3,979,729)	6,682,514	5,149,727	13,389,863	1,169,998
Net position - ending	<u>\$ 13,457,512</u>	<u>\$ 6,707,349</u>	<u>\$ 7,684,485</u>	<u>\$ 6,682,514</u>	<u>\$ 21,141,997</u>	<u>\$ 13,389,863</u>

## Expenses and Program Revenues for Governmental Activities

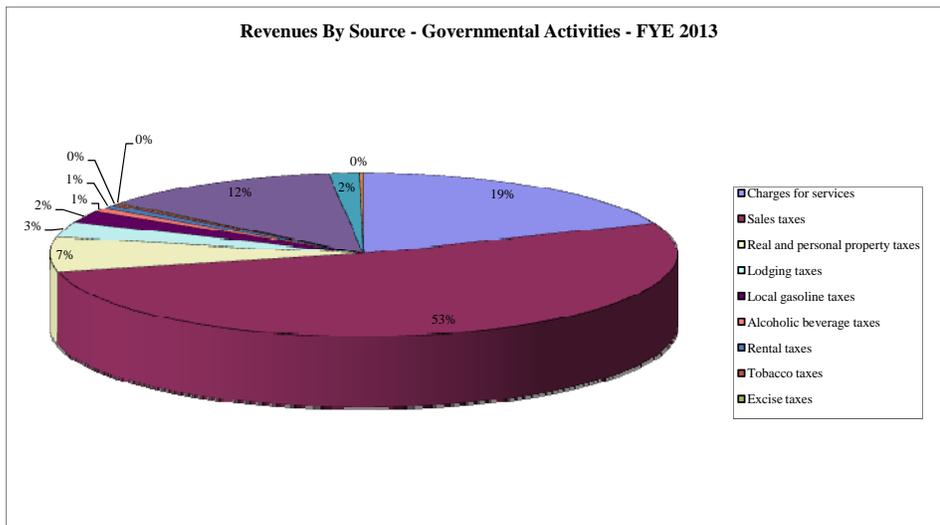
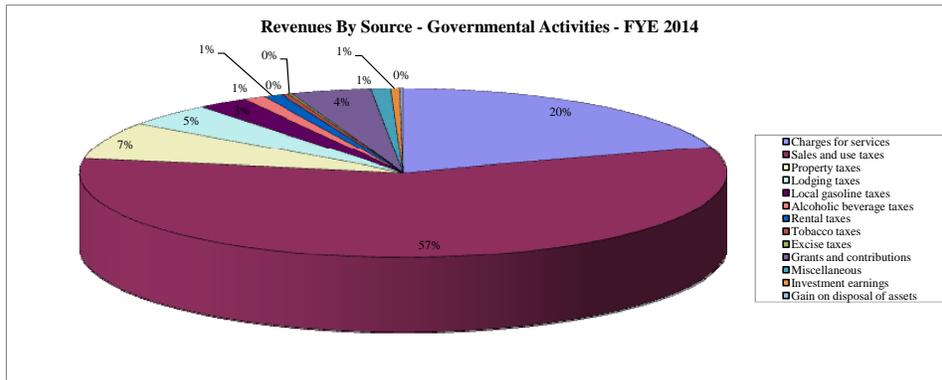
Governmental activities increased the City of Prattville, Alabama's net position by \$6,750,163 for fiscal year 2014. The key elements of the increase in net position are the increases in revenue and the decreases in expenses from the prior year as follows:

- No donated infrastructure is included in total program revenues which decreased from donated infrastructure in the prior year by \$3,396,290.
- Sales tax revenue increased by \$1,215,609 compared to the prior year amount of \$23,550,637.
- Public works expenses increased by \$1,476,937 due to salary increases and capital expenditures.

## Expenses and Program Revenue - Governmental Activity



## Program and General Revenues for Governmental Activities

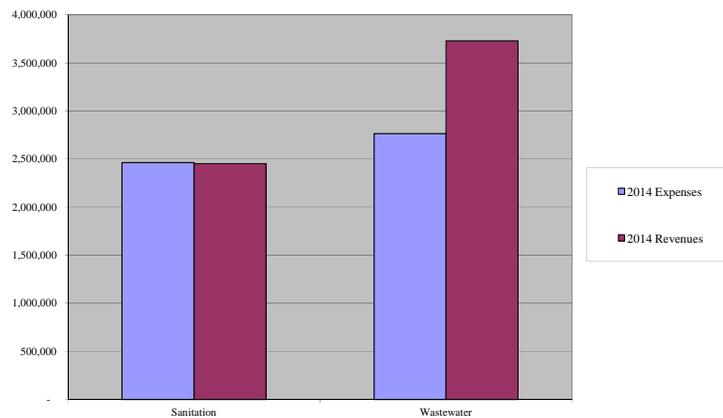


## Expenses and Program Revenues for Business-Type Activities

Business-type activities increased the City of Prattville, Alabama's net position by \$1,001,971. Key elements of this change in net position are as follows:

- Capital grants and donations for the Wastewater fund decreased by \$30,401.
- Wastewater expenses remained consistent with prior year. Wastewater revenue was slightly lower compared with prior year partially due to lower sewer impact fee revenue.
- Sanitation expenses increased \$232,818 due primarily to increases in cost of sales expenses and increased operating expenses.

Expenses and Program Revenue - Business-Type Activity



## Financial Analysis of the City's Funds

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

Governmental funds - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Governmental fund types include general, debt service, capital projects, and special revenue funds. Such information is useful in assessing the City's financing requirements. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year. The general fund is the chief operating fund of the City of Prattville, Alabama.

As of September 30, 2014, governmental funds reported a combined ending fund balance of \$13,210,253, an increase of \$4,986,350 in comparison with the prior year balance. Of this balance \$117,003 is not available for new spending because it is a prepaid item; \$1,019,020 is restricted for public safety, road projects, capital improvements, and judicial; \$5,160,875 is committed to debt service and capital projects; and \$1,270,344 is assigned for industrial park improvements, fire training, debt service, and other purposes.

The fund balance of the general fund increased \$4,350,576 during the current fiscal year after other financing sources including fund transfers. Total revenue increased \$699,305 as compared to the prior year primarily due to an increase in sales tax revenue. There was a decrease in net transfers out of \$1,802,165 primarily due to catching up on Group Health Fund funding in prior year.

The fund balance of the capital projects fund increased \$1,039,460 during the current fiscal year after other financing sources including fund transfers primarily due to budgeted projects being held up and not completed.

The fund balance of the debt service fund decreased \$203,620 during the current fiscal year after other financing sources including transfers. This decrease in fund balance is the result of an interest payment in the amount of \$203,619 for the 2013A GO Refunding Warrants that was transferred to the debt service fund but was not paid until after the prior fiscal year end.

The fund balance of the gas tax special revenue fund decreased \$246,181 during the current fiscal year after other financing sources including transfers. This decrease in fund balance was the result of paving projects that occurred during the fiscal year.

The judicial special revenue fund was established this year and closed the year with a positive fund balance of \$46,115 due to the new budgetary perspective and oversight over these transactions.

Proprietary funds - The City of Prattville, Alabama's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the proprietary funds at the end of the year amounted to \$3,281,842. The Sanitation fund had an overall operating income of \$247,050 and Wastewater fund had an overall operating income of \$1,245,212.

Internal service funds - Internal service funds are designed to recover the internal costs of government services provided to other funds groups. At September 30, 2014, the internal service fund reported a surplus of \$907,687 for its net position balance. For 2014, the Enterprise funds funded the exact allocation of costs.

### **Capital Assets and Long-Term Debt Administration**

Capital assets - The City of Prattville, Alabama's investment in capital assets for its governmental and business-type activities as of September 30, 2014 was \$55,508,895 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, improvements, construction in progress, vehicles, and machinery and equipment.

Major capital asset additions during the year include:

- Purchase of equipment of \$711,513.
- Purchase of vehicles of \$488,257.
- Purchase of land of \$327,532.
- Purchase of land improvements of \$240,956.

**CITY OF PRATTVILLE, ALABAMA  
CAPITAL ASSETS**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Land	\$ 2,649,938	\$ 1,257,019	\$ 3,906,957
Construction in progress	779,845	73,988	853,833
Buildings and building improvements	5,164,671	5,889,762	11,054,433
Land improvements	5,189,208	3,221,430	8,410,638
Vehicles	4,866,188	1,693,576	6,559,764
Office, nonoffice, and computer equipment	5,521,925	1,809,807	7,331,732
Infrastructure	45,125,739		45,125,739
<b>Total</b>	<b>\$ 69,297,514</b>	<b>\$ 13,945,582</b>	<b>\$ 83,243,096</b>

Additional information on the City's capital assets can be found in Note 4 on page 43 of this report.

Long-term debt - As of September 30, 2014, the governmental activities had total debt outstanding of \$49,372,412 and the business-type activities had a total debt outstanding of \$2,880,037.

**Outstanding debt:**

Warrants and other notes payable	\$ 48,668,869
Post-retirement benefits other than pensions	2,358,350
Compensated absences	<u>1,225,230</u>
<b>Total</b>	<b><u>\$ 52,252,449</u></b>

The City of Prattville, Alabama's total debt outstanding decreased by \$1,614,439 during the current fiscal year. This decrease was the result of payments made in accordance with regularly scheduled maturity dates. Additional information on the City's debt can be found in Note 6 of the financial statements.

The City issued \$9,955,000 of general obligation refunding bonds to advance refund the Series 2007 general obligation warrants.

**Budgetary Highlights for the fiscal year ending September 30, 2014**

Budget to actual statements and schedules are provided in the financial statements for the general fund and gas tax special revenue fund. Columns are provided for both the original adopted budget as well as the final budget. These budgets are followed by columns for actual expenditures and for variances between the final budget and actual expenditures.

As of September 30, 2014, actual operating revenues for the general fund were more than the budgeted amount by \$2,256,499, or 6.81%. The primary reasons for the variance are as follows:

- Grant income was \$572,204 more than budgeted due to budgeting construction projects as net cost, therefore the grant reimbursement was not budgeted in revenue.
- Sales taxes were \$758,652 more than budgeted due to increased sales primarily as a result of an overall improvement in economic conditions.

As of September 30, 2014, actual operating expenditures for the general fund were less than the budgeted amount by \$1,005,123, or 4.31%.

### **Economic Factors and Year 2015 Budget**

Economic conditions for the City of Prattville, Alabama remain stable in the current environment.

- The City relies on taxes, fees, fines, and charges for services to fund their governmental activities. The primary source of revenue is sales taxes, which comprised approximately 57% of general fund revenues in fiscal year 2014. In the current economic climate, the City has instituted a temporary increase to the City's sales tax rate to be used to service the City's debt and to build reserves.
- The unemployment rate for Autauga County, where the City of Prattville, Alabama is located, is currently 5.4%, which is a slight decrease compared to the prior year. The unemployment rate for the City of Prattville, Alabama is 4.7%. The unemployment rate compares favorably to the state's current unemployment rate of 6.6% and is higher than the national average rate of 5.9%.
- The level of taxes, fees, and charges for services have a direct bearing on the City's ability to (a) annex additional land into its corporate limits and (b) encourage development (office, retail, residential, and industrial) to choose to be located in the jurisdiction. The City places emphasis on encouraging both annexation and economic development.

### **Requests for Information**

This financial report is designed to provide our citizens, taxpayers, customers and investors, and creditors with a general overview of the City of Prattville, Alabama's finances and to demonstrate the City's accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Clerk, 101 West Main Street, Prattville, Alabama 36067.

**BASIC FINANCIAL STATEMENTS**

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CITY OF PRATTVILLE, ALABAMA

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

	PRIMARY GOVERNMENT			COMPONENT UNITS		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	AUTAUGA- PRATTVILLE PUBLIC LIBRARY	PRATTVILLE AIRPORT AUTHORITY	HISTORICAL PRATTVILLE REDEVELOPMENT AUTHORITY
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 11,965,787	\$ 3,529,868	\$ 15,495,655	\$ 264,217	\$ 342,914	\$ 72,574
Internal balances	432,808	(432,808)				
Taxes receivable	2,234,629		2,234,629			
Accounts receivable, net	321,029	572,618	893,647	2,778	31,535	165,002
Prepaid items	117,003	20,898	137,901			
Restricted assets:						
Cash and cash equivalents	1,329,510		1,329,510		55,812	
Capital assets, not depreciated	3,429,783	1,331,007	4,760,790		2,686,646	183,500
Capital assets, net of accumulated depreciation	44,981,349	5,766,756	50,748,105	53,420	5,949,502	226,510
Total assets	64,811,898	10,788,339	75,600,237	320,415	9,066,409	647,586
<b>DEFERRED OUTFLOWS:</b>						
Deferred loss on refunding	889,990		889,990			
Total deferred outflows	889,990		889,990			
Total assets and deferred outflows	65,701,888	10,788,339	76,490,227	320,415	9,066,409	647,586
<b>LIABILITIES:</b>						
Accounts payable	1,328,670	223,817	1,552,487	4,400	111,954	
Accrued liabilities	466,716		466,716	14,816		
Accrued interest	589,138		589,138		634	
Unearned revenues				48,300		
Other liabilities	487,440		487,440			
Long-term liabilities:						
Portion due or payable in one year:						
General obligation warrants payable, capital leases, and other long-term debt	4,420,000	1,627,993	6,047,993		26,348	154,227
Compensated absences	197,030	88,608	285,638			
Portion due or payable after one year:						
General obligation warrants payable, capital leases, and other long-term debt	41,553,749	1,067,127	42,620,876		514,369	
Compensated absences	843,283	96,309	939,592			
Post-employment benefits	2,358,350		2,358,350			
Total liabilities	52,244,376	3,103,854	55,348,230	67,516	653,305	154,227
<b>DEFERRED INFLOWS:</b>						
Nonexchange transactions				11,127		
Total liabilities and deferred inflows	52,244,376	3,103,854	55,348,230	78,643	653,305	154,227
<b>NET POSITION:</b>						
Net investment in capital assets	36,578,653	4,402,643	40,981,296	53,420	8,002,239	255,783
Restricted for:						
Law enforcement	61,498		61,498			
Road projects	211,394		211,394			
Capital projects	452,304		452,304			
Elmore County district improvements	237,931		237,931			
Cultural and recreational	12,340		12,340			
Judicial	43,546		43,546			
Unrestricted (deficit)	(24,140,154)	3,281,842	(20,858,312)	188,352	410,865	237,576
Total net position	\$ 13,457,512	\$ 7,684,485	\$ 21,141,997	\$ 241,772	\$ 8,413,104	\$ 493,359

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

CITY OF PRATTVILLE, ALABAMA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	PROGRAM REVENUE				NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS					
					PRIMARY GOVERNMENT			COMPONENT UNITS		
	EXPENSES	FINES, FEES, AND CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	AUTAUGA- PRATTVILLE PUBLIC LIBRARY	PRATTVILLE AIRPORT AUTHORITY	HISTORICAL PRATTVILLE REDEVELOPMENT AUTHORITY
<b>ACTIVITIES:</b>										
Primary government:										
Governmental activities:										
General government	\$ 7,250,279	\$ 5,499,156			\$ (1,751,123)		\$ (1,751,123)			
Public safety	14,094,661	1,709,921	\$ 71,025	\$ 60,000	(12,253,715)		(12,253,715)			
Public works	5,180,698			1,357,033	(3,823,665)		(3,823,665)			
Cultural and recreational	1,980,775	251,562			(1,729,213)		(1,729,213)			
Interest on long-term debt	1,727,232				(1,727,232)		(1,727,232)			
Total governmental activities	30,233,645	7,460,639	71,025	1,417,033	(21,284,948)		(21,284,948)			
Business-type activities:										
Sanitation	2,463,315	2,452,098				\$ (11,217)	(11,217)			
Wastewater	2,763,675	3,729,267				965,592	965,592			
Total business-type activities	5,226,990	6,181,365				954,375	954,375			
Total primary government	\$ 35,460,635	\$ 13,642,004	\$ 71,025	\$ 1,417,033	(21,284,948)	954,375	(20,330,573)			
Component units:										
Autauga-Prattville Public Library	\$ 615,518	\$ 34,484	\$ 82,759				\$ (498,275)			
Prattville Airport Authority	461,831	115,983		\$ 452,788				\$ 106,940		
Historical Prattville Redevelopment Authority	97,326	68,734							\$ (28,592)	
Total component units	\$ 1,174,675	\$ 219,201	\$ 82,759	\$ 452,788			(498,275)	106,940		(28,592)
General revenue:										
Sales and use taxes					21,221,765		21,221,765			
Real and personal property taxes					2,690,055		2,690,055			
Lodging taxes					1,647,626		1,647,626			
Local gasoline taxes					941,261		941,261			
Alcoholic beverage taxes					408,900		408,900			
Rental taxes					346,089		346,089			
Tobacco taxes					134,656		134,656			
Excise taxes					65,949		65,949			
Investment earnings					164,964		164,964	326		205
Miscellaneous revenue					359,099	5,055	364,154			
Unrestricted appropriation from City/County								445,000		124,095
Gain (loss) on disposal of assets					54,747	42,541	97,288			
Total general revenues and transfers					28,035,111	47,596	28,082,707	445,326		124,300
CHANGE IN NET POSITION					6,750,163	1,001,971	7,752,134	(52,949)	106,940	95,708
NET POSITION - BEGINNING, AS ORIGINALLY STATED					7,671,754	6,755,175	14,426,929	294,721	8,306,164	397,651
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE					(964,405)	(72,661)	(1,037,066)			
NET POSITION - BEGINNING, AS RESTATED					6,707,349	6,682,514	13,389,863	294,721	8,306,164	397,651
NET POSITION - ENDING	\$	\$	\$	\$	13,457,512	7,684,485	21,141,997	241,772	8,413,104	493,359

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

CITY OF PRATTVILLE, ALABAMA

BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	GENERAL	CAPITAL PROJECTS FUNDS	DEBT SERVICE FUNDS	GAS TAX SPECIAL REVENUE FUND	JUDICIAL SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS:</b>						
Cash and cash equivalents	\$ 9,685,440	\$ 1,079,578				\$ 10,765,018
Receivables:						
Taxes receivable	2,234,629					2,234,629
Accounts receivable, net	216,471	24,581		\$ 75,568	\$ 4,409	321,029
Due from other funds	542,521					542,521
Prepaid items	114,704				2,299	117,003
Restricted assets:						
Cash and cash equivalents	348,192	415,881	\$ 15,717	279,803	269,917	1,329,510
<b>Total assets</b>	<b>\$ 13,141,957</b>	<b>\$ 1,520,040</b>	<b>\$ 15,717</b>	<b>\$ 355,371</b>	<b>\$ 276,625</b>	<b>\$ 15,309,710</b>
<b>LIABILITIES AND FUND BALANCES:</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 927,341	\$ 10,315	\$ 15,710	\$ 37,033	\$ 45,189	\$ 1,035,588
Accrued liabilities	458,464				8,252	466,716
Other liabilities	326,303				161,137	487,440
Due to other funds				93,781	15,932	109,713
<b>Total liabilities</b>	<b>1,712,108</b>	<b>10,315</b>	<b>15,710</b>	<b>130,814</b>	<b>230,510</b>	<b>2,099,457</b>
<b>Fund balances:</b>						
<b>Nonspendable:</b>						
Prepaid items	114,704				2,299	117,003
<b>Restricted for:</b>						
Law enforcement	61,498					61,498
Road projects				211,394		211,394
Capital projects	36,423	415,881				452,304
Elmore County district improvements	237,931					237,931
Cultural and recreational	12,340					12,340
Debt service			7			7
Judicial					43,546	43,546
<b>Committed to:</b>						
Debt service	4,855,104					4,855,104
Capital projects		305,771				305,771
<b>Assigned to:</b>						
Industrial Park Improvement fund		694,291				694,291
Fire training	26,387					26,387
Capital projects		93,782				93,782
Capital equipment reserve	140,595					140,595
Other purposes	301,856			13,163	270	315,289
Unassigned	5,643,011					5,643,011
<b>Total fund balances</b>	<b>11,429,849</b>	<b>1,509,725</b>	<b>7</b>	<b>224,557</b>	<b>46,115</b>	<b>13,210,253</b>
<b>Total liabilities and fund balances</b>	<b>\$ 13,141,957</b>	<b>\$ 1,520,040</b>	<b>\$ 15,717</b>	<b>\$ 355,371</b>	<b>\$ 276,625</b>	<b>\$ 15,309,710</b>

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

CITY OF PRATTVILLE, ALABAMA

RECONCILIATION OF BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

Differences in amounts reported for governmental activities in the statement of net position on page 15.

Total fund balances - governmental funds \$ 13,210,253

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. Those assets consist of:

Land	\$ 2,649,938
Construction in progress	779,845
Land improvements, net of \$4,865,280 accumulated depreciation	323,928
Buildings and building improvements, net of \$1,297,618 accumulated depreciation	3,867,053
Office, nonoffice, and computer equipment, net of \$3,301,360 accumulated depreciation	2,220,565
Vehicles, net of \$3,513,836 accumulated depreciation	1,352,352
Infrastructure, net of \$7,908,288 accumulated depreciation	<u>37,217,451</u>

Total capital assets 48,411,132

Internal service funds are used by management to charge the costs of employee medical insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

907,687

Long-term liabilities, including general obligation warrants payable and capital leases, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Balances at September 30, 2014 were:

Accrued interest on bonds	589,138
General obligation warrants and other notes payable	45,715,423
Deferred loss on advance refunding	(889,990)
Unamortized debt issuance discounts	(81,449)
Unamortized debt issuance premiums	339,775
Compensated absences	1,040,313
Post-employment benefit plans other than pensions	<u>2,358,350</u>

Total long-term liabilities (49,071,560)

Total net position of governmental activities \$ 13,457,512

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	GENERAL	CAPITAL PROJECT FUNDS	DEBT SERVICE FUNDS	GAS TAX SPECIAL REVENUE FUND	JUDICIAL SPECIAL REVENUE FUND	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
Taxes	\$ 27,171,103	\$ 285,198				\$ 27,456,301
Licenses and permits	5,499,156					5,499,156
Intergovernmental revenues	677,104	290,068		\$ 460,886		1,428,058
Charges and fees for services	1,392,556					1,392,556
Fines and forfeitures	84,262				\$ 530,452	614,714
Interest	162,770	1,284	\$ 3	193		164,250
Miscellaneous revenues	356,979	5				356,984
Total revenues	<u>35,343,930</u>	<u>576,555</u>	<u>3</u>	<u>461,079</u>	<u>530,452</u>	<u>36,912,019</u>
<b>EXPENDITURES:</b>						
Current:						
General government	5,493,993				437,837	5,931,830
Public works	3,406,573	34,662		743,288		4,184,523
Public safety	11,731,292					11,731,292
Cultural and recreational	1,565,707					1,565,707
Capital outlay	1,709,945					1,709,945
Debt service:						
Principal payments	131,830		2,810,000			2,941,830
Interest and fiscal charges	7,944		1,742,555			1,750,499
Bond issue costs			93,782			93,782
Total expenditures	<u>24,047,284</u>	<u>34,662</u>	<u>4,646,337</u>	<u>743,288</u>	<u>437,837</u>	<u>29,909,408</u>
Excess of revenue over (under) expenditures	11,296,646	541,893	(4,646,334)	(282,209)	92,615	7,002,611
<b>OTHER FINANCING SOURCES (USES):</b>						
Insurance proceeds	58,334					58,334
Transfers in		497,568	4,348,932	49,587		4,896,087
Transfers out	(7,004,404)	(1)		(13,559)	(46,500)	(7,064,464)
Issuance of refunding warrants			9,955,000			9,955,000
Payment to refunded bonds escrow agent			(10,067,843)			(10,067,843)
Bond premium			206,625			206,625
Total other financing sources (uses)	<u>(6,946,070)</u>	<u>497,567</u>	<u>4,442,714</u>	<u>36,028</u>	<u>(46,500)</u>	<u>(2,016,261)</u>
NET CHANGE IN FUND BALANCE	4,350,576	1,039,460	(203,620)	(246,181)	46,115	4,986,350
FUND BALANCE - BEGINNING	<u>7,079,273</u>	<u>470,265</u>	<u>203,627</u>	<u>470,738</u>		<u>8,223,903</u>
FUND BALANCE - ENDING	<u>\$ 11,429,849</u>	<u>\$ 1,509,725</u>	<u>\$ 7</u>	<u>\$ 224,557</u>	<u>\$ 46,115</u>	<u>\$ 13,210,253</u>

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

CITY OF PRATTVILLE, ALABAMA

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Differences in amounts reported for governmental activities in the statement of activities on page 16.

Net change in fund balance - total governmental funds		\$ 4,986,350
Capital outlay, reported as expenditures in governmental funds, is shown as capital assets in the statement of net position.		1,819,192
Donations of capital assets increase net position in the statement of net position but do not appear in the governmental funds because they are not financial resources.		60,000
Depreciation expense on governmental capital assets included in the governmental activities in the statement of activities.		(2,070,323)
The net effect of transactions involving the sale of capital assets is to decrease net assets in the statement of net position.		(1,472)
Revenues are reported in the funds when there is an established claim to the resources and the resources are available to finance current expenditures. Revenues are reported in the statement of activities when there is an established claim with no availability criterion.		(45,787)
Loan proceeds provide current financial resources to the governmental funds and thus contribute to the change in fund balance. However, issuing debt increases long-term liabilities in the statement of net position:		
Refunding bond proceeds	\$ (9,955,000)	
Payment to escrow agent for refunding	<u>10,067,843</u>	112,843
The repayment of the principal of long-term debt consumes the current financial resources of governmental funds, but has no effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
General obligation warrants payable	2,941,830	
Bond issue premium	<u>(206,625)</u>	2,735,205
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Accrued interest payable	23,268	
Compensated absences	31,881	
Post-employment benefit plans other than pensions	<u>(367,925)</u>	(312,776)
Governmental funds report the effect of premiums, discounts and deferred loss on refunding, whereas these amounts are deferred and amortized in the statement of activities:		
Amortization	<u>(53,683)</u>	(53,683)
Internal service funds are used by management to charge the costs of employee medical insurance to individual funds. The net income (expense) of certain activities of internal service funds is reported with governmental activities.		<u>(479,386)</u>
Change in net position of governmental activities		<u>\$ 6,750,163</u>

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL	BUDGETARY BASIS	FINAL BUDGET - POSITIVE (NEGATIVE)
<b>REVENUES:</b>				
Taxes:				
Sales taxes	\$ 20,414,000	\$ 20,414,000	\$ 21,172,652	\$ 758,652
Real and personal property taxes	2,552,000	2,552,000	2,690,055	138,055
Lodging taxes	1,185,000	1,185,000	1,362,428	177,428
Local gasoline taxes	890,000	890,000	941,261	51,261
Tobacco taxes	145,000	145,000	134,656	(10,344)
Whiskey taxes	53,000	53,000	49,798	(3,202)
Beer taxes	225,000	225,000	349,419	124,419
Wine taxes	15,000	15,000	9,683	(5,317)
ABC sales taxes	42,500	42,500	49,113	6,613
Rental taxes	319,000	319,000	346,089	27,089
Excise taxes	30,000	30,000	65,949	35,949
Total taxes	<u>25,870,500</u>	<u>25,870,500</u>	<u>27,171,103</u>	<u>1,300,603</u>
Licenses and permits:				
Business licenses	4,572,500	4,572,500	4,701,075	128,575
Franchise fees	515,000	515,000	518,268	3,268
Building permits and inspection fees	231,500	231,500	211,613	(19,887)
Yard sale and special event permits	4,350	4,350	7,420	3,070
Zoning and plat fees	70,000	70,000	60,780	(9,220)
Total licenses and permits	<u>5,393,350</u>	<u>5,393,350</u>	<u>5,499,156</u>	<u>105,806</u>
Charges and fees for services:				
Ambulance fees	1,080,000	1,080,000	1,140,994	60,994
Recreation rentals	236,655	236,655	251,562	14,907
Total charges and fees for services	<u>1,316,655</u>	<u>1,316,655</u>	<u>1,392,556</u>	<u>75,901</u>

(Continued)

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL	BUDGETARY BASIS	FINAL BUDGET - POSITIVE (NEGATIVE)
REVENUES: (continued)				
Fines and forfeitures:				
Drug confiscation proceeds			\$ 55,621	\$ 55,621
Penalties	\$ 15,000	\$ 15,000	28,641	13,641
Total fines and forfeitures	15,000	15,000	84,262	69,262
Intergovernmental revenue:				
Grant income	50,000	104,900	677,104	572,204
	50,000	104,900	677,104	572,204
Investment income:				
Interest	21,000	21,000	162,770	141,770
	21,000	21,000	162,770	141,770
Miscellaneous revenues:				
Accident reports	9,000	9,000	9,132	132
County commission - RTJ	50,000	50,000	50,000	
Donations	75,000	75,000	76,205	1,205
Lambert property tower	18,060	18,060	19,410	1,350
Miscellaneous income	47,899	136,971	107,650	(29,321)
Parades	3,500	3,500	3,735	235
Performing and creative arts	18,700	18,700	26,223	7,523
Sale of surplus equipment	48,000	48,000	56,220	8,220
Sex offender registration fee	600	600	832	232
Swimming pool concessions	6,200	6,200	7,572	1,372
Total miscellaneous revenues	276,959	366,031	356,979	(9,052)
Total revenues	32,943,464	33,087,436	35,343,930	2,256,494

(Continued)

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL	BUDGETARY BASIS	FINAL BUDGET - POSITIVE (NEGATIVE)
<b>EXPENDITURES:</b>				
<b>General government:</b>				
Executive	\$ 246,500	\$ 246,500	\$ 247,601	\$ (1,101)
Legislative	165,247	165,247	134,549	30,698
Administrative finance	541,322	558,699	634,162	(75,463)
Administrative city clerk	186,948	186,948	174,396	12,552
Human resources	269,799	269,799	235,279	34,520
Information technology	1,022,664	1,022,664	1,047,824	(25,160)
Vehicle maintenance	382,065	382,065	345,901	36,164
Sales tax incentives	970,000	970,000	946,737	23,263
Building	68,507	68,507	40,797	27,710
City/County services	360,000	423,510	436,843	(13,333)
Community initiatives	726,334	728,834	738,370	(9,536)
Appropriations	540,000	540,000	540,000	
<b>Total general government</b>	<b>5,479,386</b>	<b>5,562,773</b>	<b>5,522,459</b>	<b>40,314</b>
<b>Public works:</b>				
Planning and development	1,127,575	1,152,575	1,254,468	(101,893)
Urban management	1,354,715	1,354,715	1,215,464	139,251
Engineering	1,201,427	1,260,127	974,234	285,893
Facility maintenance	243,700	243,700	149,515	94,185
<b>Total public works</b>	<b>3,927,417</b>	<b>4,011,117</b>	<b>3,593,681</b>	<b>417,436</b>
<b>Public safety:</b>				
Police	6,233,282	6,207,264	5,944,146	263,118
Fire	5,794,061	5,794,061	5,796,255	(2,194)
<b>Total public safety</b>	<b>12,027,343</b>	<b>12,001,325</b>	<b>11,740,401</b>	<b>260,924</b>
<b>Cultural and recreation:</b>				
Parks and recreation	1,600,625	1,600,625	1,433,357	167,268
Performing and creative art	157,351	157,351	123,946	33,405
<b>Total cultural and recreation</b>	<b>1,757,976</b>	<b>1,757,976</b>	<b>1,557,303</b>	<b>200,673</b>
Capital outlay	972,768	1,428,960	1,640,424	(211,464)
<b>Debt service:</b>				
Principal	156,805	156,805	131,830	24,975
Interest	8,257	8,257	7,944	313
<b>Total debt service</b>	<b>165,062</b>	<b>165,062</b>	<b>139,774</b>	<b>25,288</b>
<b>Total expenditures</b>	<b>24,329,952</b>	<b>24,927,213</b>	<b>24,194,042</b>	<b>733,171</b>
<b>Excess of revenues over expenditures</b>	<b>8,613,512</b>	<b>8,160,223</b>	<b>11,149,888</b>	<b>2,989,665</b>

(Continued)

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH
	ORIGINAL	FINAL	BUDGETARY BASIS	FINAL BUDGET - POSITIVE (NEGATIVE)
OTHER FINANCING SOURCES (USES):				
Insurance proceeds			\$ 58,334	\$ 58,334
Transfers to debt service fund			(4,348,930)	(4,348,930)
Transfers to internal service fund	\$ (2,106,350)	\$ (2,112,014)	(2,121,877)	(9,863)
Transfers to capital improvement fund			(484,010)	(484,010)
Transfers to gas tax fund	(4,000)	(4,000)	(49,587)	(45,587)
Total other financing uses	<u>(2,110,350)</u>	<u>(2,116,014)</u>	<u>(6,946,070)</u>	<u>(4,830,056)</u>
Net change in fund balance, budgetary basis	<u>\$ 6,503,162</u>	<u>\$ 6,044,209</u>	4,203,818	<u>\$ (1,840,391)</u>
Adjustment for reconciling items to adjust from budgetary basis to modified accrual basis:				
Change in encumbrances			<u>146,758</u>	
			<u>146,758</u>	
NET CHANGE IN FUND BALANCE, MODIFIED ACCRUAL BASIS			4,350,576	
FUND BALANCE - BEGINNING			<u>7,079,273</u>	
FUND BALANCE - ENDING			<u>\$ 11,429,849</u>	

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

CITY OF PRATTVILLE, ALABAMA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL	BUDGETARY BASIS	WITH BUDGET
<b>REVENUES:</b>				
Lodging taxes	\$ 250,000	\$ 250,000	\$ 285,198	\$ 35,198
Intergovernmental revenues	150,000	150,000	290,068	140,068
Interest income			1,284	1,284
Miscellaneous income			5	5
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>576,555</u>	<u>176,555</u>
<b>EXPENDITURES:</b>				
Current operations:				
Public works	300,000	300,000	34,662	265,338
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>34,662</u>	<u>265,338</u>
EXCESS OF REVENUES OVER EXPENDITURES	100,000	100,000	541,893	441,893
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			497,568	497,568
Transfers out			(1)	(1)
Total other financing sources			<u>497,567</u>	<u>497,567</u>
EXCESS OF REVENUES AND OTHER FINANCING USES OVER EXPENDITURES	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>1,039,460</u>	<u>\$ 939,460</u>
FUND BALANCE AT BEGINNING OF YEAR			<u>470,265</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 1,509,725</u>	

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 DEBT SERVICE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL	BUDGETARY BASIS	WITH BUDGET
<b>REVENUES:</b>				
Interest income			\$ 3	\$ 3
Total revenues			3	3
<b>EXPENDITURES:</b>				
Debt service:				
Principal payments	\$ 2,815,000	\$ 2,815,000	2,810,000	5,000
Interest payments	1,741,730	1,741,730	1,742,555	(825)
Bond issue costs			93,782	(93,782)
Total expenditures	4,556,730	4,556,730	4,646,337	(89,607)
EXCESS OF EXPENDITURES OVER REVENUES	(4,556,730)	(4,556,730)	(4,646,334)	(89,604)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			4,348,932	4,348,932
Issuance of refunding warrants			9,955,000	9,955,000
Payment to refunded bonds escrow agent			(10,067,843)	(10,067,843)
Bond premium			206,625	206,625
Total other financing sources			4,442,714	4,442,714
EXCESS OF EXPENDITURES AND OTHER FINANCING USES OVER REVENUES	\$ (4,556,730)	\$ (4,556,730)	(203,620)	\$ 4,353,110
FUND BALANCE AT BEGINNING OF YEAR			203,627	
FUND BALANCE AT END OF YEAR			\$ 7	

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 GAS TAX SPECIAL REVENUE FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL	BUDGETARY BASIS	WITH BUDGET
<b>REVENUES:</b>				
State gasoline and lubricating oil excise tax	\$ 249,500	\$ 249,500	\$ 259,850	\$ 10,350
Grant income			201,036	201,036
Interest income			193	193
Total revenues	<u>249,500</u>	<u>249,500</u>	<u>461,079</u>	<u>211,579</u>
<b>EXPENDITURES:</b>				
Current operations:				
Public works	<u>664,157</u>	<u>714,157</u>	<u>756,451</u>	<u>(42,294)</u>
Total expenditures	<u>664,157</u>	<u>714,157</u>	<u>756,451</u>	<u>(42,294)</u>
EXCESS OF EXPENDITURES OVER REVENUES	(414,657)	(464,657)	(295,372)	169,285
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in			49,587	49,587
Transfers out			(13,559)	(13,559)
Total other financing sources			<u>36,028</u>	<u>36,028</u>
EXCESS OF EXPENDITURES AND OTHER FINANCING USES OVER REVENUES, BUDGETARY BASIS	<u>\$ (414,657)</u>	<u>\$ (464,657)</u>	(259,344)	<u>\$ 205,313</u>
Deduct other reconciling items to adjust from budgetary basis to modified accrual basis:				
Change in encumbrances			<u>13,163</u>	
			<u>13,163</u>	
NET CHANGE IN FUND BALANCE, MODIFIED ACCRUAL BASIS			(246,181)	
FUND BALANCE AT BEGINNING OF YEAR			<u>470,738</u>	
FUND BALANCE AT END OF YEAR			<u>\$ 224,557</u>	

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

CITY OF PRATTVILLE, ALABAMA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
JUDICIAL SPECIAL REVENUE FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE
	ORIGINAL	FINAL	BUDGETARY BASIS	WITH BUDGET
<b>REVENUES:</b>				
Fines and forfeitures	\$ 544,700	\$ 544,700	\$ 530,452	\$ (14,248)
Total revenues	<u>544,700</u>	<u>544,700</u>	<u>530,452</u>	<u>(14,248)</u>
<b>EXPENDITURES:</b>				
Current operations:				
Public works	501,313	501,313	438,107	63,206
Total expenditures	<u>501,313</u>	<u>501,313</u>	<u>438,107</u>	<u>63,206</u>
EXCESS OF REVENUES OVER EXPENDITURES	43,387	43,387	92,345	48,958
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	4,000	4,000		(4,000)
Transfers out	(46,500)	(46,500)	(46,500)	
Total other financing uses	<u>(42,500)</u>	<u>(42,500)</u>	<u>(46,500)</u>	<u>(4,000)</u>
EXCESS OF REVENUES AND OTHER FINANCING USES OVER EXPENDITURES BUDGETARY BASIS	<u>\$ 887</u>	<u>\$ 887</u>	45,845	<u>\$ 44,958</u>
Deduct other reconciling items to adjust from budgetary basis to modified accrual basis:				
Change in encumbrances			<u>270</u>	
			<u>270</u>	
NET CHANGE IN FUND BALANCE, MODIFIED ACCRUAL BASIS			46,115	
FUND BALANCE AT BEGINNING OF YEAR			<u>          </u>	
FUND BALANCE AT END OF YEAR			<u>\$ 46,115</u>	

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 SEPTEMBER 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITATION	WASTEWATER	TOTAL	
<b>ASSETS:</b>				
Current assets:				
Cash and cash equivalents	\$ 730,584	\$ 2,799,284	\$ 3,529,868	\$ 1,200,769
Accounts receivables, net	226,557	346,061	572,618	
Prepaid items	11,952	8,946	20,898	
Total current assets	<u>969,093</u>	<u>3,154,291</u>	<u>4,123,384</u>	<u>1,200,769</u>
Noncurrent assets:				
Capital assets, not being depreciated	338,654	992,353	1,331,007	
Capital assets, net of accumulated depreciation	<u>429,530</u>	<u>5,337,226</u>	<u>5,766,756</u>	
Total noncurrent assets	<u>768,184</u>	<u>6,329,579</u>	<u>7,097,763</u>	
Total assets	<u>1,737,277</u>	<u>9,483,870</u>	<u>11,221,147</u>	<u>1,200,769</u>
<b>LIABILITIES:</b>				
Current liabilities:				
Accounts payable and accrued liabilities	108,344	115,473	223,817	293,082
Due to other funds	320,879	111,929	432,808	
Current portion of long-term debt		1,627,993	1,627,993	
Compensated absences	<u>27,856</u>	<u>60,752</u>	<u>88,608</u>	
Total current liabilities	<u>457,079</u>	<u>1,916,147</u>	<u>2,373,226</u>	<u>293,082</u>
Noncurrent liabilities:				
Long-term debt		1,067,127	1,067,127	
Compensated absences	<u>28,267</u>	<u>68,042</u>	<u>96,309</u>	
Total noncurrent liabilities	<u>28,267</u>	<u>1,135,169</u>	<u>1,163,436</u>	
Total liabilities	<u>485,346</u>	<u>3,051,316</u>	<u>3,536,662</u>	<u>293,082</u>
<b>NET POSITION:</b>				
Net investment in capital assets	768,184	3,634,459	4,402,643	
Unrestricted	<u>483,747</u>	<u>2,798,095</u>	<u>3,281,842</u>	<u>907,687</u>
Total net position	<u>\$ 1,251,931</u>	<u>\$ 6,432,554</u>	<u>7,684,485</u>	<u>\$ 907,687</u>
Net position of business-type activities			<u>\$ 7,684,485</u>	

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITATION	WASTEWATER	TOTAL	
OPERATING REVENUES:				
Charges for goods and services	\$ 2,452,098	\$ 3,729,267	\$ 6,181,365	\$ 631,352
Total operating revenues	<u>2,452,098</u>	<u>3,729,267</u>	<u>6,181,365</u>	<u>631,352</u>
OPERATING EXPENSES:				
Cost of sales and services	642,163	312,643	954,806	
Salaries and benefits	1,138,749	1,202,622	2,341,371	
Repairs and maintenance	180,028	84,582	264,610	
Utilities	4,285	380,419	384,704	
Insurance	62,022	53,425	115,447	
Other	32,165	14,121	46,286	384,936
Depreciation	145,636	436,243	581,879	
Benefits paid				3,349,042
Total operating expenses	<u>2,205,048</u>	<u>2,484,055</u>	<u>4,689,103</u>	<u>3,733,978</u>
OPERATING INCOME (LOSS)	<u>247,050</u>	<u>1,245,212</u>	<u>1,492,262</u>	<u>(3,102,626)</u>
NONOPERATING REVENUES (EXPENSES):				
Gain on sale of capital assets	14,625	27,916	42,541	
Interest income	305	4,750	5,055	713
Interest expense	(192)	(83,545)	(83,737)	
Total nonoperating revenues (expenses)	<u>14,738</u>	<u>(50,879)</u>	<u>(36,141)</u>	<u>713</u>
Net income before transfers	261,788	1,194,333	1,456,121	(3,101,913)
TRANSFERS IN				2,622,527
TRANSFERS OUT	<u>(258,075)</u>	<u>(196,075)</u>	<u>(454,150)</u>	
CHANGE IN NET POSITION	<u>3,713</u>	<u>998,258</u>	<u>1,001,971</u>	<u>(479,386)</u>
TOTAL NET POSITION - BEGINNING, AS ORIGINALLY STATED	1,248,218	5,506,957		1,387,073
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE		<u>(72,661)</u>		
TOTAL NET POSITION - BEGINNING, AS RESTATED	<u>1,248,218</u>	<u>5,434,296</u>		<u>1,387,073</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,251,931</u>	<u>\$ 6,432,554</u>		<u>\$ 907,687</u>
Change in net position of business-type activities			<u>\$ 1,001,971</u>	

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

CITY OF PRATTVILLE, ALABAMA

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES - INTERNAL SERVICE FUNDS
	SANITATION	WASTEWATER	TOTAL	
<b>CASH FLOWS FROM (USED FOR) OPERATING ACTIVITIES:</b>				
Receipts from customers	\$ 2,428,191	\$ 3,677,307	\$ 6,105,498	\$ 631,352
Receipts from interfund services provided				(3,776,577)
Payments to suppliers	(910,184)	(897,896)	(1,808,080)	
Payments to employees	(1,133,452)	(1,208,069)	(2,341,521)	
Net cash from (used for) operating activities	384,555	1,571,342	1,955,897	(3,145,225)
<b>CASH FLOWS FROM (USED FOR) NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers to other funds	(258,075)	(196,075)	(454,150)	
Transfers from other funds				2,622,527
Net cash payments from (to) other funds	78,745	116,609	195,354	(15,497)
Net cash from (used for) noncapital financing activities	(179,330)	(79,466)	(258,796)	2,607,030
<b>CASH FLOWS FROM (USED FOR) CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Acquisition and construction of capital assets	(87,743)	(269,539)	(357,282)	
Sale of capital assets	14,625	27,916	42,541	
Principal paid on long-term debt		(409,981)	(409,981)	
Interest paid on long-term debt	(192)	(83,973)	(84,165)	
Net cash used for capital and related financing activities	(73,310)	(735,577)	(808,887)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	305	4,750	5,055	713
Net cash from investing activities	305	4,750	5,055	713
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>132,220</b>	<b>761,049</b>	<b>893,269</b>	<b>(537,482)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<b>598,364</b>	<b>2,038,235</b>	<b>2,636,599</b>	<b>1,738,251</b>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 730,584</b>	<b>\$ 2,799,284</b>	<b>\$ 3,529,868</b>	<b>\$ 1,200,769</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 247,050	\$ 1,245,212	\$ 1,492,262	\$ (3,102,626)
Adjustments to reconcile operating income to net cash provided by operations:				
Depreciation expense	145,636	436,243	581,879	
Decrease in assets:				
Accounts receivable	(23,906)	(51,960)	(75,866)	
Prepaid expenses	(2,365)	(1,198)	(3,563)	
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	18,140	(56,955)	(38,815)	(42,599)
Net cash from (used for) operating activities	\$ 384,555	\$ 1,571,342	\$ 1,955,897	\$ (3,145,225)

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

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Reporting entity - The City of Prattville, Alabama (the City) was incorporated under the laws of the State of Alabama in 1865 and operates under a Mayor-Council form of government. The Mayor is elected at large and all seven council members are elected by districts for concurrent terms of four years. As required by accounting principles generally accepted in the United States of America, the financial statements of the reporting entity include those of the City of Prattville, Alabama (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of its operational or financial relationship with the City. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

The component unit's column in the combined financial statements includes the financial data of the Autauga-Prattville Public Library (the Library), the Prattville Airport Authority (the Authority), and the Historic Prattville Redevelopment Authority (HPRA), which are determined to be component units of the City.

The Library operates for the benefit of the City and Autauga County residents. The City annually provides significant operating subsidies to the Library and appoints its governing body. Based on these criteria, the Library is included as a component unit of the City for the year ended September 30, 2014. The Library operates on a fiscal year ending September 30. Financial statements of the Library can be obtained at its administrative office located in Prattville, Alabama.

The Prattville Airport Authority was established for the purpose of acquiring, operating, constructing, and developing airport and industrial facilities. The City appoints the governing body and became obligated under a federal grant initiated by the Authority in September 2000. Based on this criteria, the Authority is included as a component unit of the City for the year ended September 30, 2014. The Authority also operates on a fiscal year ending September 30. Financial statements of the Authority can be obtained at its administrative office located in Prattville, Alabama.

The Historic Prattville Redevelopment Authority (HPRA) was formed to promote trade and commerce by inducing commercial enterprises to upgrade, improve, modernize, and expand existing facilities and to locate new facilities to the central business district of Prattville. The City annually provides operating subsidies to the HPRA and appoints its governing body. Based on this criteria, the HPRA is included as a component unit of the City for the year ended September 30, 2014. Financial statements of HPRA can be obtained from the City's finance department in Prattville, Alabama.

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. These organizations would not be considered component units of the City; therefore, their financial information is not reflected in the City's financial statements.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Government-wide and fund financial statements - The basic financial statements consist of the government-wide financial statements and fund financial statements. Both sets of statements distinguish between governmental and business-type activities. Government-wide financial statements are comprised of the statement of net position and the statement of activities. The effects of interfund activity have been removed from these statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the City's governmental activities are offset by the City's program revenues. Direct expenses are those that are clearly identifiable with a specific program or function. Program revenues are classified into three categories: (1) fines, fees, and charges, (2) operating grants and contributions, and (3) capital grants and contributions. Charges for services refer to direct recovery from customers for services rendered. Grants and contributions refer to revenues restricted for specific programs whose use may be restricted further to operational or capital items. The general revenues section displays revenue collected that helps support all functions of government and contribute to the change in the net position for the fiscal year.

The fund financial statements follow and report additional and detailed information about operations for major funds individually and nonmajor funds in the aggregate for governmental funds. A reconciliation is provided that converts the results of governmental fund accounting to the government-wide presentations.

The City reports the following major governmental funds:

*General fund* - This 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.

*Capital projects funds* - Capital projects funds are used to account for financial resources used for the acquisition or construction of major capital facilities.

*Debt service fund* - The debt service fund is used to account for the resources accumulated and payments made for principal and interest on general long-term debt.

*Gas tax special revenue fund* - The gas tax special revenue fund is used to account for proceeds from a state gasoline tax. The use of these funds is restricted to expenditures related to construction, improvements, resurfacing, restoration, and rehabilitation of highways, roads, bridges, and streets.

*Judicial special revenue fund* - The judicial special revenue fund is used to account for all fines and forfeitures as a result of municipal court operations. The use of these funds is restricted and used for the operation of the municipal court and jail.

CITY OF PRATTVILLE, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

The City reports the following major proprietary funds:

*Sanitation* - The fund accounts for the revenues and costs related to the provision of sanitation services in the City.

*Wastewater* - The fund accounts for the revenues and costs related to the provision of sanitary sewer and wastewater treatment services in the City.

Additionally, the City reports the following fund type:

*Internal service fund* - The fund accounts for the operations of the self-insured medical insurance plan provided to funds of the City on a cost reimbursement basis.

Measurement focus, basis of accounting, and financial statement presentation - *Government-wide financial statements* - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Grants and similar items are recognized as revenue in the fiscal year in which all eligibility requirements imposed by the provider have been met.

*Governmental fund financial statements* - The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within 90 days after year-end. Sales taxes, gasoline taxes, grants, donations, and interest revenue are all considered to be susceptible to accrual. Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied. All other revenue items are considered to be measurable and available only when cash is received by the City.

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 judgements, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

*Proprietary fund financial statements* - Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Cash and cash equivalents - 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.

Property tax calendar - All ad valorem taxes levied by the state, county, and any municipality in Autauga County are assessed by the Tax Assessor and collected by the Tax Collector of Autauga County. The Autauga County property tax calendar requires the Tax Assessor to assess and attach taxes as enforceable liens on property as of September 30 and taxes are due October 1 through December 31 of the following year. Property taxes that have not been paid by January 1 are considered delinquent. Tax collections received by the County Tax Collector are remitted to the City on a monthly basis.

Receivables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Accounts receivable in governmental funds consist of fees for public services rendered, reimbursable payments paid for the benefit of other governmental entities that are collected on a periodic basis, and grants receivable from other governments. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Receivables as of year end are considered fully collectible and are recorded at net realizable value.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Accounts receivable in the proprietary funds consist of monthly billings to customers for services provided. The City extends credit to its customers, who are located primarily in Prattville, Alabama. Trade accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial; therefore, no allowance for doubtful accounts has been provided.

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.

Inventory - Governmental fund inventories are reported as an expenditure when purchased rather than capitalized as an asset. The City has no significant inventories as of September 30, 2014; therefore, none are reported on the statement of net position.

Restricted assets - Resources from federal and state grants, appropriations and shared taxes, and drug confiscation proceeds are classified as restricted assets on the balance sheet.

Certain resources from federal and state grants set aside for airport improvements are classified as restricted assets on the statement of net position of the Prattville Airport Authority because their use is limited by their funding agreement.

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. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Capital assets of the primary government and the Autauga-Prattville Public Library, a component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>	<u>CAPITALIZATION THRESHOLD</u>
Buildings and building improvements	40 years	\$ 25,000
Land improvements	20 years	25,000
Vehicles	5 - 15 years	5,000
Office, nonoffice, and computer equipment	5 - 20 years	5,000
Infrastructure	50 years	50,000

Capital assets of the Prattville Airport Authority, a component unit, are depreciated using the straight-line method over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>	<u>CAPITALIZATION THRESHOLD</u>
Land improvements	20 years	\$ 5,000
Building and improvements	3 - 25 years	5,000
Furniture and equipment	5 - 7 years	5,000
Runways	8 - 25 years	5,000

Capital assets of the Historic Prattville Redevelopment Authority, a component unit, are depreciated using the straight-line method of depreciation over the following estimated useful lives:

<u>ASSET CLASS</u>	<u>ESTIMATED USEFUL LIVES</u>	<u>CAPITALIZATION THRESHOLD</u>
Machinery and equipment	5 - 10 years	\$ 5,000
Land improvements	20 years	25,000
Buildings	40 years	25,000

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

The City has historical assets including statues and fountains that are not capitalized, in accordance with established criteria. Specifically, the historical assets are held for reasons other than financial gain. The assets are protected, kept unencumbered, cared for and preserved, and are subject to a City policy requiring that sales proceeds from any historical assets be used to acquire similar assets.

Deferred outflows of resources - Decreases in net assets that relate to future periods are reported as deferred outflows of resources in a separate section of the government-wide statement of net position and or governmental funds' balance sheet. The City has only one item that qualifies for reporting in this category. It is the deferred loss on refunding reported in the government-wide statement of net position. A deferred loss on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources - Increases in net assets that apply to a future period(s) are reported as deferred inflows of resources in a separate section of the government-wide statement of net position and or governmental funds' balance sheet. The Library has only one item that qualifies for reporting in this category. Accordingly, the item, nonexchange transactions, is reported government-wide statement of net position. The amounts are deferred and recognized as revenue in the period that the amounts become available.

Compensated absences - The City allows employees to accumulate vacation and sick leave up to certain limits for use in subsequent periods. Upon termination of employment, an employee receives payment of accumulated vacation hours up to a maximum of 360 hours at current wage rates. Upon retirement, an employee can receive payment of 50% of accumulated sick leave hours up to a maximum of 360 hours at current wage rates. All vacation and sick pay is accrued when incurred in the government-wide financial statements up to certain limits for use in subsequent periods. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

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

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

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

Lease obligations - Capital lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease discounted at the implicit rate of interest in the lease. Also, in the year an asset is acquired by capital lease, the expenditure for the asset and the offsetting amount of the financing source are reflected in the fund financial statements in the statement of revenues, expenditures, and changes in fund balances. Capital lease obligations of governmental activities in the government-wide financial statements and the cost of assets so acquired are reflected in the accounts of those statements. Capital lease obligations of business-type activities in the government-wide financial statements and proprietary fund type financial statements and the cost of assets so acquired are reflected in the accounts of those funds and statements.

Fund balance - In accordance with Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City classifies government fund balance as follows:

- Nonspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form, or for legal or contractual requirements. This would include inventories, deposits, and prepaid items.
- Restricted - includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - includes fund balance amounts that can be used only for the specific purposes that are internally imposed by formal action of the government's highest level of decision making authority. Commitments may be charged by the government taking the same action that imposed the constraint initially. Contractual obligations are included to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual obligations. Fund balance is committed by the City Council by ordinance.
- Assigned - includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. This indicates that resources in these funds are, at a minimum, intended to be used for the purpose of that fund. The City Council, Mayor, Finance Director, or the City Clerk is authorized to assign amounts to a specific purpose. The authorization, which is established by the City Council, is pursuant to the policy of the City Council to delegate such authority.
- Unassigned - includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The City considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The City considers committed, then assigned amounts to have been spent when an expenditure is incurred for purposes for which amounts of unrestricted fund balance is available.

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

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgets and budgetary accounting - The budget is adopted annually at the beginning of each fiscal year for the general fund, gas tax special revenue fund, capital projects fund, debt service fund, and judicial special revenue fund. The Council must approve transfers of appropriations or revisions between and among government function categories. Management can approve transfers within government function categories only. Actual expenditures should not exceed appropriations in governmental function categories.

Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbered appropriations are carried forward. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as assigned fund balance and do not constitute expenditures or liabilities of the fund.

Budgets for the above-mentioned funds are adopted on a basis other than accounting principles generally accepted in the United States of America (GAAP) insofar as encumbrances are included with expenditures. Reconciliation of expenditures reported in accordance with GAAP and those presented in accordance with the non GAAP budgetary basis are noted below.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY: (continued)

	GENERAL FUND
	<hr/>
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)	\$ 4,350,576
Encumbrances at beginning of the year	213,081
Encumbrances at end of the year	<hr/> (359,839)
Excess of revenues and other financing sources over expenditures and other uses - actual (non GAAP budgetary basis)	<hr/> <hr/> \$ 4,203,818
	GAS TAX SPECIAL REVENUE FUND
	<hr/>
Excess of expenditures and other financing uses over revenues and other sources (GAAP basis)	\$ (246,181)
Encumbrances at end of the year	<hr/> (13,163)
Excess of expenditures and other financing uses over revenues and other sources - actual (non GAAP budgetary basis)	<hr/> <hr/> \$ (259,344)
	JUDICIAL SPECIAL REVENUE FUND
	<hr/>
Excess of revenues and other financing sources over expenditures and other uses (GAAP basis)	\$ 46,115
Encumbrances at end of the year	<hr/> (270)
Excess of revenues and other financing sources over expenditures and other uses - actual (non GAAP budgetary basis)	<hr/> <hr/> \$ 45,845

Excess of expenditures over appropriations - For the year ended September 30, 2014, one general fund functional expenditure category (the legal level of budgetary control) exceeded appropriations. The City exceeded its budgeted appropriations in capital outlay due to additional capital projects. These expenditures were funded from tax revenues.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

For the year ended September 30, 2014, one debt service fund functional expenditure category (the legal level of budgetary control) exceeded appropriations. The City exceeded its budgeted appropriations in debt service due to the issuance of refunding bonds in 2014. These expenditures were funded from the refunding bond proceeds.

For the year ended September 30, 2014, one gas tax special revenue fund functional expenditure category (the legal level of budgetary control) exceeded appropriations. The City began several street paving projects during the fiscal year. The expenditures related to these paving projects are budgeted net of any grant reimbursements. Since the City budgets on a net basis, the grant reimbursements are not factored into the budget. Any expenditures that exceeded appropriations not due to the aforementioned grant reimbursements were funded from gas tax special revenue fund reserves.

Deficit net position - The City had a deficit unrestricted net position at September 30, 2014 of \$20,871,745. This deficit represents the indebtedness incurred for incentive obligations including the purchase of development property supporting the significant retail development activities within the City which originated in the fiscal years ended 2006 and 2008.

NOTE 3 - CASH, CASH EQUIVALENTS, AND INVESTMENTS:

Deposits - Custodial credit risk - The City's investment policy requires that bank deposits be fully insured by the Federal Deposit Insurance Corporation or be covered under the Security for Alabama Funds Enhancement (SAFE) Program. The SAFE program is a multiple financial collateral pool administered by the State Treasurer according to State of Alabama statute.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 4 - CAPITAL ASSETS:

Capital asset activity for the City's governmental activities for the year ended September 30, 2014 was as follows:

	BEGINNING BALANCE	INCREASE	DECREASE	ENDING BALANCE
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 679,097	\$ 100,748		\$ 779,845
Land	2,322,406	327,532		2,649,938
Total capital assets, not being depreciated	<u>3,001,503</u>	<u>428,280</u>		<u>3,429,783</u>
Capital assets, being depreciated:				
Buildings and building improvements	5,154,485	10,186		5,164,671
Land improvements	4,948,252	240,956		5,189,208
Vehicles	4,829,852	488,257	\$ 451,921	4,866,188
Office, nonoffice, and computer equipment	5,098,270	711,513	287,858	5,521,925
Infrastructure	45,125,739			45,125,739
Total capital assets, being depreciated	<u>65,156,598</u>	<u>1,450,912</u>	<u>739,779</u>	<u>65,867,731</u>
Less accumulated depreciation for:				
Buildings and building improvements	1,162,748	134,870		1,297,618
Land improvements	4,543,734	321,546		4,865,280
Vehicles	3,592,854	372,903	451,921	3,513,836
Office, nonoffice, and computer equipment	3,237,396	350,350	286,386	3,301,360
Infrastructure	7,017,634	890,654		7,908,288
Total accumulated depreciation	<u>19,554,366</u>	<u>2,070,323</u>	<u>738,307</u>	<u>20,886,382</u>
Total capital assets, being depreciated, net	<u>45,602,232</u>	<u>(619,411)</u>	<u>1,472</u>	<u>44,981,349</u>
Governmental activities capital assets, net	<u>\$ 48,603,735</u>	<u>\$ (191,131)</u>	<u>\$ 1,472</u>	<u>\$ 48,411,132</u>

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 4 - CAPITAL ASSETS: (continued)

Capital asset activity for the City's business-type activities for the year ended September 30, 2014 was as follows:

	BEGINNING BALANCE	INCREASE	DECREASE	ENDING BALANCE
<b>Business-type activities:</b>				
<b>Capital assets, not being depreciated:</b>				
Construction in progress		\$ 73,988		\$ 73,988
Land	\$ 1,257,019			1,257,019
Total capital assets, not being depreciated	1,257,019	73,988		1,331,007
<b>Capital assets, being depreciated:</b>				
Buildings and building improvements	5,889,762			5,889,762
Land improvements	3,221,430			3,221,430
Vehicles	1,761,525	35,650	\$ 103,599	1,693,576
Office, nonoffice, and computer equipment	1,576,043	247,644	13,880	1,809,807
Total capital assets, being depreciated	12,448,760	283,294	117,479	12,614,575
<b>Less accumulated depreciation for:</b>				
Buildings and building improvements	2,571,822	149,500		2,721,322
Land improvements	1,475,851	160,668		1,636,519
Vehicles	1,249,440	149,875	103,599	1,295,716
Office, nonoffice, and computer equipment	1,086,306	121,836	13,880	1,194,262
Total accumulated depreciation	6,383,419	581,879	117,479	6,847,819
Total capital assets, being depreciated, net	6,065,341	(298,585)		5,766,756
Business-type activities capital assets, net	\$ 7,322,360	\$ (224,597)	\$ -	\$ 7,097,763

CITY OF PRATTVILLE, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 4 - CAPITAL ASSETS: (continued)

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

Governmental activities:	
General government	\$ 936,439
Public works	264,676
Public safety	532,470
Cultural and recreational	<u>336,738</u>
Total depreciation expense - governmental activities	<u>\$ 2,070,323</u>
Business-type activities:	
Sanitation	\$ 145,636
Wastewater	<u>436,243</u>
Total depreciation expense - business-type activities	<u>\$ 581,879</u>

Component units - Capital asset activity for the Autauga-Prattville Public Library for the fiscal year ended September 30, 2014 is as follows:

	<u>BEGINNING BALANCE</u>	<u>INCREASE</u>	<u>DECREASE</u>	<u>ENDING BALANCE</u>
Capital assets, being depreciated:				
Equipment	\$ 208,732		\$ 48,257	\$ 160,475
Total capital assets, being depreciated	<u>208,732</u>		<u>48,257</u>	<u>160,475</u>
Less: Accumulated depreciation	<u>134,296</u>	\$ 16,995	<u>44,236</u>	<u>107,055</u>
Total capital assets, being depreciated, net	<u>\$ 74,436</u>	<u>\$ (16,995)</u>	<u>\$ 4,021</u>	<u>\$ 53,420</u>

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 4 - CAPITAL ASSETS: (continued)

Capital asset activity for the Prattville Airport Authority for the fiscal year ended September 30, 2014 is as follows:

	BEGINNING BALANCE	INCREASE	DECREASE	ENDING BALANCE
<b>Capital assets, not being depreciated:</b>				
Land	\$ 2,593,729	\$ 71,431		\$ 2,665,160
Construction in progress	27,820	21,486	\$ 27,820	21,486
<b>Total capital assets,     not being depreciated</b>	<b>2,621,549</b>	<b>92,917</b>	<b>27,820</b>	<b>2,686,646</b>
<b>Capital assets, being depreciated:</b>				
Land improvements	1,495,301			1,495,301
Runways	6,530,745			6,530,745
Building improvements	1,402,007			1,402,007
Furniture and equipment	90,475	400,624		491,099
<b>Total capital assets,     being depreciated</b>	<b>9,518,528</b>	<b>400,624</b>		<b>9,919,152</b>
<b>Less: Accumulated depreciation</b>				
Land improvements	560,377	74,765		635,142
Runways	2,575,360	226,188		2,801,548
Building improvements	435,775	31,314		467,089
Furniture and equipment	59,199	6,672		65,871
<b>Total accumulated depreciation</b>	<b>3,630,711</b>	<b>338,939</b>		<b>3,969,650</b>
<b>Total capital assets, being depreciated, net</b>	<b>5,887,817</b>	<b>61,685</b>		<b>5,949,502</b>
<b>Total capital assets, net</b>	<b>\$ 8,509,366</b>	<b>\$ 154,602</b>	<b>\$ 27,820</b>	<b>\$ 8,636,148</b>

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

Capital asset activity for the Historic Prattville Redevelopment Authority for the fiscal year ended September 30, 2014 is as follows:

	BEGINNING BALANCE	INCREASE	DECREASE	ENDING BALANCE
Capital assets, not being depreciated:				
Land	\$ 183,500			\$ 183,500
Total capital assets, not being depreciated	<u>183,500</u>			<u>183,500</u>
Capital assets, being depreciated:				
Land improvements	12,000			12,000
Building improvements	285,000			285,000
Machinery and equipment	23,000			23,000
Total capital assets, being depreciated	<u>320,000</u>			<u>320,000</u>
Less: Accumulated depreciation	<u>85,583</u>	\$ 7,907		<u>93,490</u>
Total capital assets, being depreciated, net	<u>234,417</u>	<u>(7,907)</u>		<u>226,510</u>
Total capital assets, net	<u>\$ 417,917</u>	<u>\$ (7,907)</u>	<u>\$ -</u>	<u>\$ 410,010</u>

NOTE 5 - INTERFUND BALANCES:

Interfund transactions are generally used to meet cash demands necessary to pay operating expenditures. These amounts should be repaid during the next fiscal year. Amounts reported in the fund financial statements as interfund receivables and payables are eliminated in the entity-wide governmental column of the statement of net assets, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances.

CITY OF PRATTVILLE, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The composition of interfund receivables and payables as of September 30, 2014 consists of the following:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General	Sanitation	\$ 320,879
General	Gas tax special revenue fund	93,781
General	Judicial special revenue fund	15,932
General	Wastewater	<u>111,929</u>
Total		<u>\$ 542,521</u>

The following is a schedule of interfund transfers for the year ended September 30, 2014:

<u>TRANSFER OUT</u>	<u>TRANSFER IN</u>				
	DEBT SERVICE FUND	CAPITAL PROJECTS FUND	GAS TAX FUND	INTERNAL SERVICE FUND	TOTAL
General fund	\$ 4,348,931	\$ 484,009	\$ 49,587	\$ 2,121,877	\$ 7,004,404
Capital projects fund	1				1
Gas tax special revenue fund		13,559			13,559
Judicial special revenue fund				46,500	46,500
Wastewater fund				196,075	196,075
Sanitation fund				258,075	258,075
Totals	<u>\$ 4,348,932</u>	<u>\$ 497,568</u>	<u>\$ 49,587</u>	<u>\$ 2,622,527</u>	<u>\$ 7,518,614</u>

Transfers are used to move revenues from the fund with collection authorization to the debt service fund as debt service principal and interest payments become due, and to move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs.

**NOTE 6 - LONG-TERM DEBT:**

State statute limits the amount of long-term debt the City can incur. The amount of debt applicable to this limit during a year can be no greater than 20% of the assessed value of taxable property as of the beginning of the fiscal year. As of September 30, 2014, the amount of outstanding debt applicable to this limit was equal to 7.48% of property assessments as of October 1, 2013.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 6 - LONG-TERM DEBT: (continued)

Long-term debt activity for the year ended September 30, 2014, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
<b>Governmental activities:</b>					
Warrant and other notes payable	\$ 47,005,009	\$ 9,955,000	\$ 12,802,898	\$ 44,157,111	\$ 4,420,000
Limited obligation warrant	1,567,775		9,463	1,558,312	
Less deferred amounts:					
Debt issuance discounts	(137,952)		(56,503)	(81,449)	
Add deferred amounts:					
Debt issuance premiums	160,007	206,625	26,857	339,775	
Total warrants and other notes payable	48,594,839	10,161,625	12,782,715	45,973,749	4,420,000
Compensated absences	1,072,194	543,928	575,809	1,040,313	197,030
Post-employment benefits other than pensions	1,990,427	424,616	56,693	2,358,350	
Governmental activities long-term liabilities	51,657,460	11,130,169	13,415,217	49,372,412	4,617,030
<b>Business-type activities:</b>					
General obligation warrants	3,095,767		400,647	2,695,120	1,627,993
Capital leases	9,334		9,334		
Compensated absences	189,730	94,323	99,136	184,917	88,608
Business-type activities long-term liabilities	3,294,831	94,323	509,117	2,880,037	1,716,601
Total long-term debt	\$ 54,952,291	\$ 11,224,492	\$ 13,924,334	\$ 52,252,449	\$ 6,333,631

CITY OF PRATTVILLE, ALABAMA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

NOTE 6 - LONG-TERM DEBT: (continued)

Long-term debt at September 30, 2014 consists of the following:

Governmental activities:

	<u>TOTAL</u>
<p>General Obligation Economic Development Improvement Warrants, Series 2006A; principal amount \$19,875,000; graduated principal payments are due annually beginning November 1, 2010 and semiannual interest payments due each November 1 and May 1; interest at 3.65% to 5.00%; current rate on bonds 5%; final maturity date is November 1, 2026. Proceeds used for economic development.</p>	\$ 9,285,000
<p>General Obligation Economic Development Improvement Warrants, Series 2006B; principal amount \$9,000,000; graduated principal payments due annually beginning November 1, 2009 and semiannual interest payments due each November 1 and May 1; interest at 3.50% to 5.00%; rate on current bonds 4.5%; final maturity date is November 1, 2025. Proceeds used for economic development.</p>	6,990,000
<p>General Obligation Economic Development Improvement Warrant, Series 2007; principal amount \$14,920,000; graduated principal payments due annually beginning November 1, 2010 and semiannual interest payments due each November 1 and May 1; interest at 3.50% to 4.375%; rate on current bonds 4%; final maturity date is November 1, 2025. Proceeds used for economic development.</p>	2,150,000
<p>General Obligation Warrant, Series 2008; principal amount \$380,000; due in semiannual installments of principal and interest on November 20 and May 20 of each year, beginning November 20, 2008; interest at 3.21%; final maturity date is May 20, 2018. Proceeds used to purchase a fire truck.</p>	157,111
<p>2009 General Obligation Refunding Warrants; principal amount \$6,315,000; graduated principal payments are due annually beginning on September 1, 2010 and semiannual interest payments due each March 1 and September 1, beginning March 1, 2010; interest rate ranges from 2% to 4%; rate on current bonds 3%; final payment is due September 1, 2022. Proceeds used to refund the 2001 and 2002 Warrants.</p>	4,265,000

CITY OF PRATTVILLE, ALABAMA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

NOTE 6 - LONG-TERM DEBT: (continued)

	<u>TOTAL</u>
<p>General Obligation Chevron Warrants Series 2009A; principal amount \$1,820,000; graduated principal payments are due annually beginning on December 1, 2010 and semiannual interest payments due each June 1 and December 1, beginning June 1, 2010; interest rate ranges from 2.2% to 4.5%; rate on current bonds 2.2%; final payment is due December 1, 2029. Proceeds used for the acquisition, construction, installation, and equipping of certain energy efficient improvements.</p>	\$ 1,695,000
<p>General Obligation Refunding Warrants Series 2013A; principal amount \$9,815,000; graduated principal payments are due annually beginning on March 1, 2014 and semiannual interest payments due each September 1 and March 1, beginning September 30, 2013; interest rate ranges from .80% to 2.75%; rate on current bonds 2.0%; final payment is due March 1, 2027. Proceeds used for the partial refunding of the Series 2006A General Obligation Economic Development Improvement Warrants.</p>	9,660,000
<p>General Obligation Refunding Warrants Series 2014A; principal amount \$9,955,000; graduated principal payments are due annually beginning on March 1, 2015 and semiannual interest payments due each September 1 and March 1, beginning March 1, 2015; interest rate ranges from 1.55% to 4.0%; rate on current bonds 2.0%; final payment is due March 1, 2026. Proceeds used for the partial refunding of the Series 2007 General Obligation Economic Development Improvement Warrants.</p>	<u>9,955,000</u>
<p>Total governmental activities</p>	<u>44,157,111</u>

CITY OF PRATTVILLE, ALABAMA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

NOTE 6 - LONG-TERM DEBT: (continued)

	<u>TOTAL</u>
<b>Business-type activities:</b>	
General Obligation Sewer Warrant, Series 1996; principal amount \$3,025,000; graduated principal payments are due annually on August 15 and semiannual interest payments due each February 15 and August 15; interest rate of 3.18%; final maturity date is August 15, 2017. Proceeds used for sludge digesters and wastewater treatment plant upgrade.	\$ 620,000
General Obligation Sewer Warrant, Series 2004; principal amount \$2,085,000; graduated principal payments are due annually on February 15 and semiannual interest payments due each February 15 and August 15; interest rate of 3.05%; final maturity date is February 18, 2025. Proceeds used to pay costs of constructing wastewater treatment and related facilities in connection with the sanitary sewer system.	1,305,000
General Obligation Sewer Warrant, Series 2013; principal amount \$900,000; monthly principal and interest payments of \$11,570 due monthly beginning on September 15, 2013; interest rate of 2.190%; final maturity date is August 15, 2020. Proceeds used to pay for purchase of property to be used as a waste water byproduct application site.	<u>770,120</u>
Total business-type activities	<u>2,695,120</u>
Total general obligation warrants	<u><u>\$ 46,852,231</u></u>

Limited Obligation Warrant - The City issued Limited Obligation Warrant, Series 2006B in the amount of \$1,594,489 for the construction of infrastructure. The warrant bears a -0-% interest rate and matures on August 1, 2036. The warrant was issued pursuant to an agreement with a private entity for the construction of infrastructure. Repayment of the warrant is secured by a pledge of 75% of the sales tax revenue remitted by retail establishments located on the specified property. As of September 30, 2014, the City had redeemed \$36,177 of the outstanding warrants. The balance on the warrant at September 30, 2014 is \$1,558,312.

The Limited Obligation Warrant does not constitute a direct obligation and pledge of the full faith and credit of the City.

CITY OF PRATTVILLE, ALABAMA  
 NOTES TO FINANCIAL STATEMENTS  
 SEPTEMBER 30, 2014

NOTE 6 - LONG-TERM DEBT: (continued)

Debt service requirements on long-term debt at September 30, 2014 are as follows:

YEAR ENDING SEPTEMBER 30:	TOTAL ANNUAL REQUIREMENTS			GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2015	\$ 6,047,993	\$ 1,523,462	\$ 7,571,455	\$ 4,420,000	\$ 1,479,597	\$ 5,899,597	\$ 1,627,993	\$ 43,865	\$ 1,671,858
2016	2,720,715	1,347,839	4,068,554	2,390,000	1,321,354	3,711,354	330,715	26,485	357,200
2017	3,158,572	1,229,118	4,387,690	2,815,000	1,212,008	4,027,008	343,572	17,110	360,682
2018	3,551,456	1,092,939	4,644,395	3,420,000	1,085,551	4,505,551	131,456	7,388	138,844
2019	3,644,405	959,373	4,603,778	3,510,000	954,933	4,464,933	134,405	4,440	138,845
2020 - 2024	18,181,979	3,189,418	21,371,397	18,055,000	3,187,991	21,242,991	126,979	1,427	128,406
2025 - 2029	9,365,000	467,313	9,832,313	9,365,000	467,313	9,832,313			
2030 - 2034	195,000	4,193	186,304	182,111	4,193	186,304			
2035 - 2036	1,558,312		1,558,312	1,558,312		1,558,312			
Totals	\$ 48,423,432	\$ 9,813,655	\$ 58,224,198	\$ 45,715,423	\$ 9,712,940	\$ 55,428,363	\$ 2,695,120	\$ 100,715	\$ 2,795,835

**Advance refunding** - The City issued \$9,955,000 of general obligation refunding bonds to provide resources to purchase U.S. Government State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments of \$9,865,000 general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$250,442. This amount is classified as a deferred loss on refunding (a deferred outflow) and amortized over the remaining life of the old debt. Over the life of the bonds, the City decreased its total debt service requirements by \$1,161,113. The result of this refunding was an economic gain of \$1,084,369.

**Component units** - The Prattville Airport Authority's capital debt at September 30, 2014 is as follows:

Revenue and Grant Anticipation Bond Series 2014 - River Bank & Trust; \$551,266; ; interest rate of 4.69% until April 1, 2029; principal and interest due monthly beginning May 22, 2014; secured by pledge of all revenues, rents, receipts, income, and funds derived by the Airport Authority.	<u>\$ 540,717</u>
Total long-term capital debt	<u>\$ 540,717</u>

CITY OF PRATTVILLE, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 6 - LONG-TERM DEBT: (continued)  
Maturities on capital debt are as follows:

YEAR ENDING SEPTEMBER 30:	CITY OF PRATTVILLE AIRPORT AUTHORITY		
	PRINCIPAL	INTEREST	TOTAL
2015	\$ 26,348	\$ 25,139	\$ 51,487
2016	27,561	23,926	51,487
2017	28,968	22,519	51,487
2018	30,375	21,112	51,487
2019	31,852	19,635	51,487
2020 - 2024	183,947	73,488	257,435
2025 - 2029	211,666	24,303	235,969
Totals	<u>\$ 540,717</u>	<u>\$ 210,122</u>	<u>\$ 750,839</u>

Total interest cost on capital debt in 2014 was \$20,613.

Capital debt activity for the year ended September 30, 2014 was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Revenue and grant anticipation					
Bond - Trustmark	\$ 563,461		\$ 563,461		
Bond - River Bank & Trust		\$ 551,266	10,549	\$ 540,717	\$ 26,348
Totals	<u>\$ 563,461</u>	<u>\$ 551,266</u>	<u>\$ 574,010</u>	<u>\$ 540,717</u>	<u>\$ 26,348</u>

CITY OF PRATTVILLE, ALABAMA  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The Historic Prattville Redevelopment Authority's notes payable at September 30, 2014 are as follows:

BankTrust secured by real estate; monthly principal and interest payments of \$1,972 due on the 5th of every month; interest rate of 6.15%; final maturity date is July 5, 2015. Proceeds used to purchase real estate.	\$ 138,626
BankTrust unsecured; monthly principal and interest payments of \$393 due on the 15th of every month; interest rate of 6.15%; maturity date of September 15, 2015. Proceeds used to pay unsecured loan.	<u>15,601</u>
Total	<u><u>\$ 154,227</u></u>

Notes payable maturities at September 30, 2014 are as follows:

	HISTORIC PRATTVILLE REDEVELOPMENT AUTHORITY		
	PRINCIPAL	INTEREST	TOTAL
YEAR ENDING SEPTEMBER 30: 2015	\$ 154,227	\$ 7,913	\$ 162,140
Totals	<u>\$ 154,227</u>	<u>\$ 7,913</u>	<u>\$ 162,140</u>

Long-term debt activity for the Historic Prattville Redevelopment Authority for the year ended September 30, 2014, was as follows:

	BEGINNING BALANCE	ADDITIONS	REDUCTIONS	ENDING BALANCE	DUE WITHIN ONE YEAR
Notes payable to bank	\$ 160,761		\$ 6,534	\$ 154,227	\$ 154,227
Totals	<u>\$ 160,761</u>	<u>\$ -</u>	<u>\$ 6,534</u>	<u>\$ 154,227</u>	<u>\$ 154,227</u>

**NOTE 7 - NOTES PAYABLE:**

The City issued variable rate General Obligation Note, Series 2011A dated May 1, 2011 in the amount of \$1,000,000. The proceeds of the note were used as a line of credit for paying operation expenditures as needed for the City. The line of credit was most recently renewed on May 30, 2014 with a maturity date of May 30, 2015. At September 30, 2014, the balance of the loan had been paid in full.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 8 - PENSION COSTS:

Plan description - The City of Prattville, Alabama participates in the Employees' Retirement System of Alabama (ERS), an agent multiple-employer public employee retirement system (PERS) that acts as a common investment and administrative agent for qualified persons employed by local government entities in Alabama. ERS is a defined benefit plan that provides retirement, disability, and death benefits to plan members and beneficiaries.

The ERS was established October 1945 under the provisions of Act 515, Acts of Alabama 1945, for the purpose of providing retirement allowances and other specified benefits for State employees, State police, and on an elective basis to all cities, counties, towns, and quasi-public organizations. The responsibility for general administration and operation of the ERS is vested in the Board of Control.

Benefit provisions are established by the Code of Alabama 1975. Authority to amend the benefit provisions of the plan rests with the State Legislature.

ERS issues a publicly available financial report that includes financial statements and required supplemental information for the Employees' Retirement System of Alabama. That report may be obtained by writing to: The Retirement Systems of Alabama, P.O. Box 302150, Montgomery, Alabama 36130-2150 or by calling (334) 832-4140.

Funding policy - Plan members are required by statute to contribute 5% of their annual salary, except for full-time, certified firefighters and law enforcement officers, who contribute 6% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the City's current contribution rate is 9.18% of covered payroll based on the actuarial valuation report of September 30, 2011. The contribution requirements of plan members are set by the State Legislature. The contribution requirements of the City are established and may be amended by the ERS based on actuarial valuations.

Annual pension cost - For the year ended September 30, 2014, the City's annual pension cost of \$1,203,721 was equal to the City's required and actual contributions.

Trend information for the City of Prattville, Alabama is as follows:

TREND INFORMATION

FISCAL YEAR ENDED	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
September 30, 2012	\$ 1,092,669	100%	-0-
September 30, 2013	1,095,322	100%	-0-
September 30, 2014	1,203,721	100%	-0-

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The required contribution was determined as part of the September 30, 2011 actuarial valuation using the entry age actuarial cost method. Significant actuarial assumptions used in the valuation included (a) an investment rate of return on assets of 8.00% per year, and (b) projected salary increases of 3.75% to 7.25% per year, including inflation of 3.00%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period as of September 30, 2011 was 30 years.

Funding status and progress - As of September 30, 2013, the most recent actuarial valuation date, the plan was 72.4% funded. The actuarial accrued liability for benefits was \$45,194,572, and the actuarial value of assets was \$32,730,300 resulting in funding deficit of \$12,464,272. The covered payroll (annual payroll of active employees covered by the plan) was \$12,849,845, and the ratio of the funding deficit to the covered payroll was 97.0%.

The schedule of funding progress for the City of Prattville, Alabama, presented as required supplementary information 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.

**NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS:**

The City of Prattville administers a single-employer defined benefit (OPEB) plan for the employees of the City. From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, should be associated with the periods in which the cost occurs, rather than in the future years when it will be paid. The City recognizes the cost of post-employment healthcare in the year when employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. The recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

Plan description - The City of Prattville, Alabama's medical benefits are provided through a comprehensive medical plan and are made available to employees upon actual retirement.

The employees are covered by the Retirement System of Alabama and must meet the eligibility provisions adopted by resolution to receive retiree medical benefits. Those eligibility provisions are as follows: 10 years of consecutive service and attainment of age 60; or, 25 years of service at any age. Complete plan provisions are included in the official plan documents.

Contribution rates - Employees do not contribute to their post employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS: (continued)

The number of participants as of September 30, 2012, the effective date of the biannual actuarial valuation, are as follows:

	<u>NUMBER OF ENROLLEES</u>
Active employees	291
Retired employees	<u>11</u>
Total	<u><u>302</u></u>

Funding policy - Until fiscal year ended September 30, 2008, the City of Prattville, Alabama recognized the cost of providing post-employment medical benefits (the City of Prattville's portion of the retiree medical benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. The City's funding policy is not to fund the Annual Required Contribution (ARC) of the employer except to the extent of the current year's retiree funding costs.

In fiscal year ended September 30, 2014, the City of Prattville, Alabama's portion of health care funding cost for retired employees totaled \$56,693. These amounts were applied toward the net OPEB obligation as shown in the table below.

Annual required contribution - The City of Prattville's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years, (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning October 1, 2013 is \$460,105, as set forth below:

	<u>MEDICAL</u>
Normal cost	\$ 237,520
30 year unfunded AAL amortization amount	<u>222,585</u>
Annual required contribution (ARC)	<u><u>\$ 460,105</u></u>

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS: (continued)

Net post-employment benefit obligation (asset) - The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

	<u>MEDICAL</u>
Annual required contribution	\$ 460,105
Interest on net OPEB obligation	79,617
Adjustment to annual required contribution	<u>(115,106)</u>
Annual OPEB cost	424,616
Contributions made	-0-
Current year retiree premium	<u>(56,693)</u>
Increase in net OPEB obligation	367,923
Net OPEB obligation - beginning of year	<u>1,990,427</u>
Net OPEB obligation - end of year	<u><u>\$ 2,358,350</u></u>

The City's annual OPEB cost, percentage of the cost contributed, and the net OPEB obligation for fiscal year 2014 and the previous two years is as follows:

<u>POST- EMPLOYMENT BENEFIT</u>	<u>FISCAL YEAR ENDED</u>	<u>ANNUAL OPEB COST</u>	<u>PERCENTAGE OF ANNUAL COST CONTRIBUTED</u>	<u>NET OPEB OBLIGATION</u>
Medical	September 30, 2012	\$ 337,315	17.19%	\$ 1,629,565
Medical	September 30, 2013	413,354	12.70%	1,990,427
Medical	September 30, 2014	424,616	13.35%	2,358,350

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS: (continued)

Funded status and funding progress - As of September 20, 2014, the actuarial accrued liability for benefits was \$4,002,952 all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$13,721,319 and the ratio of the unfunded actuarial liability to the covered payroll was 29.17% as presented in the following table:

	<u>MEDICAL</u>
Actuarial accrued liability (AAL)	\$ 4,002,952
Actuarial value of plan assets	<u>-0-</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 4,002,952</u>
Funded ratio (Actuarial value assets/AAL)	-0-%
Covered payroll (active plan members)	\$ 13,721,319
UAAL as a percentage of covered payroll	29.17%

Actuarial methods and assumptions - Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the City and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the City of Prattville, Alabama and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the City and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

The following significant assumptions were made:

Actuarial cost method - The ARC is determined using the projected unit credit actuarial cost method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality, and turnover.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 9 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS: (continued)

Actuarial value of plan assets - There are not any plan assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board ASOP 6, as provided in paragraph number 125 of GASB Statement 45 would be used.

Turnover rate - An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 9%. It has further been assumed that 10% of retirees decline coverage because of the substantial retiree contribution required.

Post-employment benefit plan eligibility requirements - Based on past experience, it has been assumed that entitlement to benefits will commence immediately upon retiree coverage eligibility, as described under "Plan Description". In addition, "Tier II" retirement plan members (those hired on and after January 1, 2013) would not be eligible to retire before age 62. Medical benefits are provided to employees upon actual retirement.

Investment return assumption (discount rate) - GASB Statement 45 states that the investment return assumption should be estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health care cost trend rate - The expected rate of increase in medical cost is based on a graded schedule beginning with 8% annually, down to an ultimate annual rate of 5.0% for ten years out and later.

Mortality rate - The 1994 Group Annuity Reserving (94GAF) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rates and 50% of the unloaded female mortality rates, is used. This is a recently published mortality table which has been used in determining the value of accrued benefits in defined benefit pension plans. Projected future mortality improvement has not been used since it is our opinion that this table contains sufficiently conservative margin for the population involved in this valuation.

Method of determining value of benefits - The value of benefits has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The retiree pays for 100% of the cost of the medical insurance for the retiree and dependents (except for the incentive retirees), but it is based on the active/retiree blended rate. Therefore, there is an implicit employer subsidy since a portion of the active/retired blended rate is attributable to the retiree coverage. Since use of unblended rates is required by GASB 45 for valuation purposes, we have estimated the unblended retiree total rate before age 65 to be 130% of the blended rate. The employer cost is then the difference between this total unblended rate and the portion paid by the retiree, if any. Retiree coverage ceases at age 65.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

Inflation rate - Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.50% annually.

Projected salary increases - This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement benefit increases - The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

NOTE 10 - CONTINGENT LIABILITIES:

The City has received federal and state grants for specific purposes which are subject to review and audit by the grantor agencies. Such audits could produce requests for reimbursements to the grantor agencies due to the disallowance of expenditures pursuant to the terms of the grant. It is the opinion of the City that such disallowances, if any, would not be material.

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

NOTE 11 - RISK MANAGEMENT:

The City is exposed to various risks of losses related to tort; theft of, damage to, and destruction of assets; errors and omissions; natural disasters; injuries to employees; and self-insured employee health. The City purchases commercial insurance for property, general liability claims, and title insurance and has effectively managed risk through various employee education and prevention programs. All risk management activities are accounted for in the general fund.

The City has estimated that the amount of actual or potential claims against the City as of September 30, 2014, will not materially affect the financial condition of the City. Settlement amounts have not exceeded insurance coverage for the current year or the three previous years.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

Employees' medical insurance fund - The City maintains the employees' medical insurance fund (an internal service fund) to account for and finance its uninsured risks of loss. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount, as it depends on many complex factors. The estimate of the claims liability includes amounts for incremental claim adjustments related to specific claims and other claim adjustments regardless of whether they are allocated to specific claims. Estimated recoveries are another component of the claims liability estimate. An excess coverage insurance policy covers individual claims in excess of \$100,000. Changes in the balances of claims liabilities during the year are as follows:

<u>EMPLOYEES' MEDICAL INSURANCE FUND</u>	<u>2014</u>	<u>2013</u>
Unpaid claims, beginning of fiscal year	\$ 171,000	\$ 128,300
Incurred claims (including IBNRs)	3,349,042	2,931,018
Claim payments	<u>(3,336,042)</u>	<u>(2,888,318)</u>
Unpaid claims, end of fiscal year	<u>\$ 184,000</u>	<u>\$ 171,000</u>

NOTE 12 - RELATED PARTY TRANSACTIONS:

The City Council appoints members of the Water Works Board of the City of Prattville. The City utilizes the Water Works Board of the City of Prattville as the collection agent for the sewer and sanitation collection fees. The City recognizes revenue for services when billed by the Water Works Board of the City of Prattville. The amount receivable to the City for sewer and sanitation collection fees at September 30, 2014 was \$559,252.

The City imposes a 3% license fee on gross water receipts. The 3% fees are collected by the Water Works Board of the City of Prattville from charges to water customers on their monthly water bill and remitted to the City annually on January 1. The receivable from the Water Works Board of the City of Prattville for license fees at September 30, 2014 was \$131,711.

On May 1, 2006, the City of Prattville, Alabama entered into a lease agreement with the Historic Prattville Redevelopment Authority, a component unit, to lease a building on West 4<sup>th</sup> Street. The term of the lease is five years with quarterly rent payments of \$8,183. For the fiscal year ended September 30, 2014, the City appropriated \$165,000 to the Historic Prattville Redevelopment Authority which includes City's obligation on the quarterly rent payments plus an operating subsidy. As of September 30, 2014, the City owed \$165,000 to the Historic Prattville Redevelopment Authority.

The City appropriated \$265,000 to the Library and \$110,000 to the Airport Authority, component units, during the fiscal year ended September 30, 2014. As of September 30, 2014, the City owed \$13,897 to the Airport Authority. These appropriations made were, or will be used, as operating subsidies.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 13 - FUNDING AGREEMENT:

On September 1, 2006, the City of Prattville, Alabama entered into a funding agreement with the Cooperative District of the City of Prattville (the District), a public corporation, simultaneously with the District's issuance of Limited Obligation Taxable Economic Development Bonds (Bass Pro Project), Series 2006 which were used to finance the acquisition, construction, and installation of a retail shopping center and related improvements in the City of Prattville, Alabama. The funding agreement provides that the City agrees to collect certain taxes on persons, firms, and corporations which sell at retail certain tangible personal property (excluding automotive vehicles) in the area owned by the District. Pursuant to the funding agreement, the City will collect and remit to First Commercial Bank, the trustee of the District's bond indenture, an amount equal to 2.5% of the gross proceeds of such sales through the earlier date of September 2026 or full payment of bonds. The Limited Obligation Taxable Economic Development Bonds (Bass Pro Project), Series 2006 do not constitute an obligation of the City of Prattville, Alabama.

In December 2008, the City of Prattville, Alabama entered into a funding agreement with The Exchange Cooperative District (the District), a public corporation to provide assistance in connection with proposed financing, construction, and installation of a retail shopping facility and related improvements in the City (the Project). The funding agreement provides that the City agrees to collect Project sales tax revenues and remit 50% of the City's actual receipts from the businesses located within the Project to fund the indebtedness of The Exchange Cooperative District. Payments under the agreement shall be made directly to the Trustee for the account of the District, if requested by the District; otherwise, all payments shall be made to the District or to the District Director. The maximum amount shall be the aggregate amount necessary to amortize \$9,000,000 over thirty (30) years at an average yield. The average yield is the annual cost of any credit enhancement or remarketing fees expressed as a percentage, plus the average yield of the District's tax-exempt indebtedness, if any, or if no tax-exempt indebtedness is outstanding, the average yield of all of the indebtedness of the District, in the event the indebtedness is refinanced or fully satisfied. The City shall have no obligation to make any payment from any other sources. Any indebtedness issued by The Exchange Cooperative District does not constitute an obligation of the City of Prattville, Alabama.

NOTE 14 - COMMITMENTS:

The City has a contractual commitment with the Autauga County Commission for the funding of the metro jail facility. The contract provides for annual payments of no less than \$325,000 for a period of 20 years. Monthly payments on the commitment commenced when the facility became operational in July 2004. These annual payments include facility rental payments of \$160,000 and operating cost of a minimum of \$165,000. The City paid a total of \$376,435 during the fiscal year ended September 30, 2014.

The City entered an agreement to support the indebtedness incurred to finance property of the Historic Prattville Redevelopment Authority with an annual allocation in the event that the lease arrangements on the financed property prove not to be financially viable. The initial loan balance on the property totaled \$252,200. The loan balance as of September 30, 2014 was \$138,626.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

On March 30, 2009, the City entered into a contract with an engineering company to provide engineering services related to the widening and resurfacing of McQueen Smith Road from South Memorial Drive to Cobbs Ford Road. The contract amount is \$642,704. This cost of the contract is federally funded at 80% up to \$520,000, and the remainder is to be paid from the City's funds.

As of September 30, 2014, commitments to contractors on capital projects are as follows:

Commitments	\$ 723,726
Spent-to-date	<u>(560,085)</u>
Remaining commitments	<u>\$ 163,641</u>

NOTE 15 - EFFECT OF NEW PRONOUNCEMENTS:

Management has not currently determined what, if any, impact implementation of the following statement may have on the financial statements of the City.

The GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement seeks to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement requires the liability of employers and nonemployer contributing entities to employees for defined benefit pensions (net pension liability) to be measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service (total pension liability), less the amount of the pension plan's fiduciary net position. The requirements of this statement are effective for the periods beginning after June 15, 2014. This Statement will be adopted during the year ended September 30, 2015. The impact of the new standard has not been determined; however, it is anticipated that it could result in the accrual of a significant liability in the financial statements.

The GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement will improve accounting for mergers and acquisitions among state and local governments by providing guidance specific to the situations and circumstances encountered within the governmental environment. Requirements of this Statement are effective for financial statements whose fiscal year begins after December 15, 2013. This standard will be adopted during the year ended September 30, 2015. This Statement is not anticipated to have any significant impact on the City.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

The GASB issued Statement No. 71, *Pension Transition of Contributions Made Subsequent to Measurement Date*. The objective of this Statement is to address an issue regarding application of transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Requirements of this Statement are effective for financial statements whose fiscal year begins after June 15, 2014. This standard will be adopted during the year ended September 30, 2016. The impact of the new standard has not been determined.

NOTE 16 - SUBSEQUENT EVENTS:

On December 29, 2014, the Historic Prattville Redevelopment Authority, a component unit of the City, purchased the Continental Eagle cotton gin factory in Prattville, Alabama for approximately \$1,700,000. Debt service payments on the purchase will be made through annual appropriations from the City.

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE:

In fiscal year 2014, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities.

CITY OF PRATTVILLE, ALABAMA

NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014

NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE: (continued)

One of the requirements of Statement No. 65 was that debt issuance costs must be recognized as expense in the period incurred. The implementation of Statement No. 65 resulted in the restatement of the beginning net position of the governmental activities in the government-wide financial statements. The deferred charges for issuance costs were restated as an expense of prior periods and resulted in the adjustment below:

GOVERNMENT-WIDE FINANCIAL STATEMENTS	NET POSITION AS ORIGINALLY STATED	ADJUSTMENTS	NET POSITION AS RESTATED
Governmental activities:			
Unrestricted	\$ 7,671,754		\$ 7,671,754
Change in reporting for deferred charges for debt issuance costs		\$ (964,405)	(964,405)
Total governmental activities	<u>\$ 7,671,754</u>	<u>\$ (964,405)</u>	<u>\$ 6,707,349</u>
Business-type activities:			
Unrestricted	\$ 6,755,175		\$ 6,755,175
Change in reporting for deferred charges for debt issuance costs		\$ (72,661)	(72,661)
Total business-type activities	<u>\$ 6,755,175</u>	<u>\$ (72,661)</u>	<u>\$ 6,682,514</u>
STATEMENT OF NET POSITION PROPRIETARY FUNDS	NET POSITION AS ORIGINALLY STATED	ADJUSTMENTS	NET POSITION AS RESTATED
Wastewater:			
Unrestricted	\$ 5,506,957		\$ 5,506,957
Change in reporting for deferred charges for debt issuance costs		\$ (72,661)	(72,661)
Total wastewater	<u>\$ 5,506,957</u>	<u>\$ (72,661)</u>	<u>\$ 5,434,296</u>

The September 30, 2013 change in net position of the governmental activities and business-type activities was decreased by \$35,929 and \$4,202, respectively, due to the application of this standard. Accordingly, the balances of \$928,476 and \$68,459 reduced net position of governmental activities and business-type activities, respectively.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF PRATTVILLE, ALABAMA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS OF THE CITY'S DEFINED BENEFIT  
 PENSION PLAN  
 LAST THREE FISCAL YEARS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE (b)	UNFUNDED AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
September 30, 2011	\$ 29,406,664	\$ 42,166,299	\$ 12,759,635	69.7%	\$ 13,066,762	97.6%
September 30, 2012	29,752,154	40,760,572	11,008,418	73.0%	12,341,426	89.2%
September 30, 2013	32,730,300	45,194,572	12,464,272	72.4%	12,849,845	97.0%

CITY OF PRATTVILLE, ALABAMA

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS OF THE CITY'S  
 POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS  
 LAST THREE FISCAL YEARS

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) UNIT CREDIT (b)	UNFUNDED AAL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
September 30, 2011	-0-	\$ 2,969,078	\$ 2,969,078	0.0%	\$ 13,110,114	22.65%
September 30, 2012	-0-	3,848,992	3,848,992	0.0%	13,570,036	28.36%
September 30, 2013	-0-	4,002,952	4,002,952	0.0%	13,721,319	29.17%

**SUPPLEMENTARY INFORMATION**

## STATISTICAL SECTION

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

<u>CONTENTS</u>	<u>PAGE</u>
<b>Financial trends</b> These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	70
<b>Revenue capacity</b> These schedules contain information to help the reader assess the factors affecting the City's ability to generate its sales taxes.	75
<b>Debt capacity</b> 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.	79
<b>Demographic and economic information</b> 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.	83
<b>Operating information</b> 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 City provides and the activities it performs.	85

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports.

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CITY OF PRATTVILLE, ALABAMA

SCHEDULE I  
NET POSITION BY COMPONENT  
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES:</b>										
Net investment in capital assets	\$ 200,301	\$ 1,747,516	\$ 23,286,126	\$ 26,252,599	\$ 27,913,767	\$ 28,197,019	\$ 33,144,191	\$ 31,400,291	\$ 36,021,544	\$ 36,578,653
Restricted	2,670,892	12,053,513	6,911,387	6,238,962	3,761,598	851,251	653,478	803,180	901,190	975,467
Unrestricted	(477,821)	(29,514,316)	(28,162,924)	(42,378,700)	(44,366,960)	(46,256,970)	(42,282,379)	(35,254,724)	(30,215,385)	(24,140,154)
Total governmental activities net position	<u>\$ 2,393,372</u>	<u>\$ (15,713,287)</u>	<u>\$ 2,034,589</u>	<u>\$ (9,887,139)</u>	<u>\$ (12,691,595)</u>	<u>\$ (17,208,700)</u>	<u>\$ (8,484,710)</u>	<u>\$ (3,051,253)</u>	<u>\$ 6,707,349</u>	<u>\$ 13,413,966</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>										
Net investment in capital assets								\$ 3,751,152	\$ 4,236,099	\$ 4,402,643
Unrestricted								1,467,034	2,446,415	3,281,842
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,218,186</u>	<u>\$ 6,682,514</u>	<u>\$ 7,684,485</u>
<b>PRIMARY GOVERNMENT:</b>										
Net investment in capital assets	\$ 200,301	\$ 1,747,516	\$ 23,286,126	\$ 26,252,599	\$ 27,913,767	\$ 28,197,019	\$ 33,144,191	\$ 35,151,443	\$ 40,257,643	\$ 40,981,296
Restricted	2,670,892	12,053,513	6,911,387	6,238,962	3,761,598	851,251	653,478	803,180	901,190	975,467
Unrestricted	(477,821)	(29,514,316)	(28,162,924)	(42,378,700)	(44,366,960)	(46,256,970)	(42,282,379)	(33,787,690)	(27,768,970)	(20,858,312)
Total primary government activities net position	<u>\$ 2,393,372</u>	<u>\$ (15,713,287)</u>	<u>\$ 2,034,589</u>	<u>\$ (9,887,139)</u>	<u>\$ (12,691,595)</u>	<u>\$ (17,208,700)</u>	<u>\$ (8,484,710)</u>	<u>\$ 2,166,933</u>	<u>\$ 13,389,863</u>	<u>\$ 21,098,451</u>

Note: Periods prior to 2013 have not been retroactively restated for the impact of Statement No. 65 of the Governmental Accounting Standards Board:  
*Items Previously Reported as Assets and Liabilities.*

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 2  
CHANGES IN NET POSITION  
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>GOVERNMENTAL ACTIVITIES</b>										
<b>EXPENSES:</b>										
Governmental activities:										
General government	\$ 4,238,631	\$ 4,861,244	\$ 5,350,008	\$ 6,765,361	\$ 8,093,740	\$ 9,124,172	\$ 6,984,318	\$ 6,868,707	\$ 6,649,800	\$ 7,250,279
Public safety	12,485,123	11,642,133	11,610,724	13,028,713	13,401,417	14,719,827	13,369,083	12,918,701	14,115,911	14,094,661
Public works	6,033,293	25,283,479	6,548,115	20,541,104	8,005,500	8,755,792	7,235,404	3,518,015	3,703,761	5,180,698
Cultural and recreational	2,362,297	2,098,474	2,381,700	2,502,375	2,549,480	2,449,184	2,080,642	1,766,958	1,830,376	1,980,775
Interest on long-term debt	606,591	1,188,315	2,047,213	2,327,227	2,445,024	2,585,660	2,460,545	2,195,048	1,971,907	1,727,232
Total governmental activities expenses	<u>25,725,935</u>	<u>45,073,645</u>	<u>27,937,760</u>	<u>45,164,780</u>	<u>34,495,161</u>	<u>37,634,635</u>	<u>32,129,992</u>	<u>27,267,429</u>	<u>28,271,755</u>	<u>30,233,645</u>
<b>PROGRAM REVENUES:</b>										
Governmental activities:										
Charges for services:										
General government	3,580,313	3,939,277	4,654,085	5,183,865	4,901,819	4,874,993	4,990,894	5,351,940	5,525,847	5,499,156
Public safety	1,310,831	1,417,909	1,464,651	1,781,289	1,201,853	1,287,322	1,553,044	1,517,963	1,661,549	1,709,921
Public works	2,993,596	3,219,938	3,969,798	3,930,206	3,928,435	4,412,889	5,400,680	264,744		
Cultural and recreational	209,831	226,660	303,580	318,697	261,429	265,044	238,279	234,899	209,031	251,562
Operating grants and contributions	265,252	1,015,035	385,083	460,308	313,602	206,761	193,703	112,012	224,060	71,025
Capital grants and contributions			1,245,578	1,975,504	2,037,803	2,122,469	5,847,250	2,658,548	4,641,690	1,417,033
Total governmental activities program revenues	<u>8,359,823</u>	<u>9,818,819</u>	<u>12,022,775</u>	<u>13,649,869</u>	<u>12,644,941</u>	<u>13,169,478</u>	<u>18,223,850</u>	<u>10,140,106</u>	<u>12,262,177</u>	<u>8,948,697</u>
Total primary government net expense	<u>(17,366,112)</u>	<u>(35,254,826)</u>	<u>(15,914,985)</u>	<u>(31,514,911)</u>	<u>(21,850,220)</u>	<u>(24,465,157)</u>	<u>(13,906,142)</u>	<u>(17,127,323)</u>	<u>(16,009,578)</u>	<u>(21,284,948)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:</b>										
Governmental activities:										
Taxes:										
Sales taxes	11,580,120	11,876,995	12,553,609	13,188,413	13,221,492	14,139,501	16,691,014	19,736,422	20,602,498	21,221,765
Real and personal property taxes	1,638,862	1,798,544	2,065,975	2,273,782	2,481,450	2,500,129	2,545,751	2,688,777	2,651,051	2,690,055
Motor fuel taxes	242,684	242,416	243,557	239,897	238,361	240,547	239,616			
Lodging taxes	1,039,030	1,075,989	1,184,254	1,185,871	1,012,104	1,063,067	1,090,108	1,025,328	1,201,424	1,647,626
Local gasoline taxes	849,691	912,030	822,558	874,676	913,279	899,562	886,135	898,009	906,939	941,261
Alcoholic beverage taxes	298,484	303,214	277,260	279,493	281,722	286,497	291,914	295,533	311,045	408,900
Rental taxes	243,419	277,380	293,337	228,743	247,575	239,858	300,750	326,620	315,191	346,089
Tobacco taxes	134,507	137,247	137,009	135,752	147,490	149,222	155,641	155,396	142,723	134,656
Excise taxes	54,098	146,969	97,585	72,181	67,061	18,972	16,647	18,749	70,817	65,949
Intergovernmental	15,357	20,228	17,753	9,092	9,159	161,534	153,240	286,883		
Investment earnings	165,783	182,995	644,767	232,387	39,410	42,318	32,621	26,685	69,467	164,964
Miscellaneous revenue	772,830	742,006	530,544	872,896	386,661	206,845	226,695	476,471	625,501	359,099
Gain (loss) on sale of capital assets	(19,201)									54,747
Transfers								(3,374,093)	(200,000)	
Total governmental activities general revenues and other changes in net position	<u>17,015,664</u>	<u>17,716,013</u>	<u>18,868,208</u>	<u>19,593,183</u>	<u>19,045,764</u>	<u>19,948,052</u>	<u>22,630,132</u>	<u>22,560,780</u>	<u>26,696,656</u>	<u>28,035,111</u>
Total governmental activities change in net position	<u>\$ (350,448)</u>	<u>\$ (17,538,813)</u>	<u>\$ 2,953,223</u>	<u>\$ (11,921,728)</u>	<u>\$ (2,804,456)</u>	<u>\$ (4,517,105)</u>	<u>\$ 8,723,990</u>	<u>\$ 5,433,457</u>	<u>\$ 10,687,078</u>	<u>\$ 6,750,163</u>

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 2  
CHANGES IN NET POSITION  
(accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>BUSINESS-TYPE ACTIVITIES</b>										
<b>EXPENSES:</b>										
Sanitation								\$ 2,069,318	\$ 2,230,497	\$ 2,463,315
Wastewater								2,515,354	2,770,077	2,763,675
Total business-type activities expenses								4,584,672	5,000,574	5,226,990
<b>REVENUES:</b>										
<b>Charges for services:</b>										
Sanitation								2,392,771	2,447,844	2,452,098
Wastewater								3,874,248	3,851,668	3,729,267
<b>Capital grants and contributions:</b>										
Wastewater								160,324	30,401	
Total business-type activities revenues								6,427,343	6,329,913	6,181,365
Total business-type activities net program revenue								1,842,671	1,329,339	954,375
<b>OTHER CHANGES IN NET ASSETS</b>										
Miscellaneous revenue								1,422	3,448	5,055
Transfers								3,374,093	200,000	
								3,375,515	203,448	5,055
Total business-type activities change in net position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,218,186	\$ 1,532,787	\$ 959,430
Total primary government change in net position	\$ (350,448)	\$ (17,538,813)	\$ 2,953,223	\$ (11,921,728)	\$ (2,804,456)	\$ (4,517,105)	\$ 8,723,990	\$ 10,651,643	\$ 12,219,865	\$ 7,709,593

Note: Business-type activities prior to 2012 were accounted for as governmental activities.

Note: Periods prior to 2013 have not been retroactively restated for the impact of Statement No. 65 of the Governmental Accounting Standards Board: Items Previously Reported as Assets and Liabilities.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 3  
FUND BALANCES OF GOVERNMENTAL FUNDS  
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>GENERAL FUND:</b>										
Reserved	\$ 1,777,114	\$ 2,031,204	\$ 944,030	\$ 1,181,267	\$ 1,043,077	\$ 821,293				
Unreserved	(1,429,357)	(1,370,935)	(545,442)	(744,577)	(316,517)	(2,313,284)				
Nonspendable							\$ 159,850	\$ 98,908	\$ 102,322	\$ 114,704
Restricted							653,478	204,694	280,424	348,192
Committed							12,185	2,567,260	3,381,590	4,855,104
Assigned							172,653	1,235,310	261,383	468,838
Unassigned							550,285	1,099,168	3,053,554	5,643,011
<b>Total general fund</b>	<b>\$ 347,757</b>	<b>\$ 660,269</b>	<b>\$ 398,588</b>	<b>\$ 436,690</b>	<b>\$ 726,560</b>	<b>\$ (1,491,991)</b>	<b>\$ 1,548,451</b>	<b>\$ 5,205,340</b>	<b>\$ 7,079,273</b>	<b>\$ 11,429,849</b>
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Reserved, reported in:										
Capital projects fund	\$ 664,592	\$ 6,176,905	\$ 2,607,652	\$ 2,510,352	\$ 2,371,105	\$ 618,868				
Reserved, reported in:										
Debt service fund		2,654,175	1,060,466	1,192,527	858,397	80,178				
Unreserved, reported in:										
Special revenue funds	88,158	326,192	511,735	63,082	373,568	566,257				
Unreserved, reported in:										
Debt service fund	264,820	258,009	255,061	(61,295)	169,558					
Unreserved, reported in:										
Capital projects fund	2,053,100	2,964,424	2,445,873	2,471,886	25,258	(357,885)				
Nonspendable										\$ 2,299
Restricted							\$ 480,627	\$ 598,486	\$ 620,766	670,828
Committed									20,573	305,771
Assigned									503,290	801,506
Unassigned									1	
<b>Total all other governmental funds</b>	<b>\$ 3,070,670</b>	<b>\$ 12,379,705</b>	<b>\$ 6,880,787</b>	<b>\$ 6,176,552</b>	<b>\$ 3,797,886</b>	<b>\$ 907,418</b>	<b>\$ 480,627</b>	<b>\$ 598,486</b>	<b>\$ 1,144,630</b>	<b>\$ 1,780,404</b>

Note: Periods prior to 2011 have not been retroactively restated for the impact of Statement No. 54 of the Governmental Accounting Standards Board: Fund Balance Reporting and the Governmental Fund Type Definitions.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 4  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
(modified accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>REVENUES:</b>										
Taxes	\$ 16,080,895	\$ 16,770,784	\$ 17,675,144	\$ 18,478,809	\$ 18,610,534	\$ 19,537,355	\$ 22,217,576	\$ 25,144,834	\$ 26,201,688	\$ 27,456,301
Licenses and permits	3,580,313	3,939,277	4,654,085	5,183,865	4,901,819	4,874,993	4,990,894	5,351,940	5,525,847	5,499,156
Intergovernmental revenues	280,609	780,502	222,043	302,118	343,156	217,701	153,240	548,280	1,103,096	1,428,058
Charges and fees for services	4,177,380	4,511,611	5,319,420	5,493,106	4,905,652	5,564,563	6,655,705	1,223,888	1,284,750	1,392,556
Fines and forfeitures	336,878	352,896	418,609	537,086	486,065	400,692	536,298	532,321	630,728	614,714
Interest			644,772	232,387	39,410	44,844	32,621	26,685	67,371	164,250
Miscellaneous	938,613	1,170,940	849,160	1,197,161	1,109,616	1,099,914	908,449	1,067,962	1,030,355	356,984
Total revenues	<u>25,394,688</u>	<u>27,526,010</u>	<u>29,783,233</u>	<u>31,424,532</u>	<u>30,396,252</u>	<u>31,740,062</u>	<u>35,494,783</u>	<u>33,895,910</u>	<u>35,843,835</u>	<u>36,912,019</u>
<b>EXPENDITURES:</b>										
Unreserved, reported in:										
Current:										
General governmental	4,161,340	4,825,371	5,261,945	6,280,215	6,318,533	7,537,961	5,973,871	5,757,564	5,039,571	5,931,830
Public safety	11,665,559	11,141,574	11,153,949	12,746,727	12,989,658	14,023,058	12,712,387	12,346,346	11,852,136	11,731,292
Public works	5,613,345	24,664,571	5,588,300	18,984,015	7,182,300	8,007,685	6,519,457	3,332,207	3,210,261	4,184,523
Cultural and recreation	1,780,612	1,796,512	2,005,573	2,152,013	2,488,332	2,371,770	1,749,355	1,434,309	1,436,057	1,565,707
Capital outlay	2,193,165	2,493,938	8,505,999	3,756,955	2,811,090	3,290,520	478,136	379,900	1,769,645	1,709,945
Debt service:										
Principal payments	1,476,500	2,599,045	1,418,665	1,445,912	1,816,556	2,331,364	9,073,190	4,070,296	4,011,121	2,941,830
Interest and fiscal charges	650,279	650,342	1,917,209	2,158,816	2,430,712	2,465,127	2,492,666	2,230,996	2,165,133	1,750,499
Bond issuance costs		741,010		366,450		217,411			83,464	93,782
Total expenditures	<u>27,540,800</u>	<u>48,912,363</u>	<u>35,851,640</u>	<u>47,891,103</u>	<u>36,037,181</u>	<u>40,244,896</u>	<u>38,999,062</u>	<u>29,551,618</u>	<u>29,567,388</u>	<u>29,909,408</u>
Excess of revenues over (under) expenditures	<u>(2,146,112)</u>	<u>(21,386,353)</u>	<u>(6,068,407)</u>	<u>(16,466,571)</u>	<u>(5,640,929)</u>	<u>(8,504,834)</u>	<u>(3,504,279)</u>	<u>4,344,292</u>	<u>6,276,447</u>	<u>7,002,611</u>
<b>OTHER FINANCING SOURCES (USES):</b>										
Transfers in	4,461,246	32,254,124	4,979,825	16,586,498	7,276,949	3,149,228	5,525,970	4,610,138	5,215,833	4,896,087
Transfers out	(4,461,246)	(32,254,124)	(4,979,825)	(16,586,498)	(7,276,949)	(3,149,228)	(5,525,970)	(4,699,055)	(9,361,585)	(7,064,464)
Transfers to component units	(302,350)									
Issuance of bonds		30,470,000		15,300,000	1,621,373	2,670,000				
Issuance of refunding bonds						6,315,000			9,815,000	9,955,000
Issuance of notes payable	625,000	625,000		136,099	1,000,000	300,000	5,637,303			
Proceeds from capital lease	157,792		307,808	451,767	930,760	260,000				
Payment to refunded bonds escrow agent						(6,322,926)			(9,434,619)	(10,067,843)
Sale of capital assets	2,586									
Bond premium (discount)		480,746		(87,428)		173,741			(90,999)	206,625
Total other financing sources (uses)	<u>483,028</u>	<u>31,575,746</u>	<u>307,808</u>	<u>15,800,438</u>	<u>3,552,133</u>	<u>3,395,815</u>	<u>5,637,303</u>	<u>(88,917)</u>	<u>(3,856,370)</u>	<u>(2,074,595)</u>
Net change in fund balance	<u>\$ (1,663,084)</u>	<u>\$ 10,189,393</u>	<u>\$ (5,760,599)</u>	<u>\$ (666,133)</u>	<u>\$ (2,088,796)</u>	<u>\$ (5,109,019)</u>	<u>\$ 2,133,024</u>	<u>\$ 4,255,375</u>	<u>\$ 2,420,077</u>	<u>\$ 4,928,016</u>
Debt service as a percentage of noncapital expenditures	8.39%	8.60%	12.20%	9.00%	12.78%	13.57%	30.02%	21.60%	22.52%	16.97%

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 5  
NET TAXABLE SALES BY CATEGORY

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Apparel stores	\$ 45,541,937	\$ 44,070,516	\$ 44,057,973	\$ 49,891,510	\$ 61,766,373	\$ 72,438,782	\$ 81,049,639	\$ 78,698,228	\$ 78,722,449	\$ 78,062,472
Food stores	78,477,260	79,119,351	75,830,662	70,156,573	73,331,244	71,839,635	77,704,211	76,108,625	77,168,242	80,331,913
Automotive	90,016,728	78,357,966	74,734,128	65,384,586	46,030,674	58,984,572	63,159,678	62,669,770	68,449,774	72,277,636
Manufacturing machine				1,225,203	1,813,517	1,512,332	1,512,272	1,855,136	2,025,097	16,665,875
Restaurants	59,626,869	63,443,394	62,844,097	51,658,420	53,838,468	62,888,874	69,407,860	72,159,819	83,073,365	99,976,397
Home furnishings and appliances	4,599,982	5,138,448	6,693,246	13,638,375	21,877,677	20,566,253	17,869,458	17,145,730	16,256,815	15,752,779
Building materials	44,164,704	44,491,167	36,036,047	48,684,662	39,460,896	39,128,465	41,682,202	40,414,350	42,467,529	42,313,771
Service stations	8,639,890	9,765,852	10,784,193	21,761,093	22,983,026	22,447,212	21,425,351	15,120,821	19,967,285	17,757,144
Other retail stores	111,509,853	118,363,518	149,544,076	256,892,888	244,770,686	262,697,325	266,079,295	253,682,787	259,689,798	256,775,123
<b>Totals</b>	<b>\$ 442,577,223</b>	<b>\$ 442,750,212</b>	<b>\$ 460,524,422</b>	<b>\$ 579,293,310</b>	<b>\$ 565,872,561</b>	<b>\$ 612,503,450</b>	<b>\$ 639,889,966</b>	<b>\$ 617,855,266</b>	<b>\$ 647,820,354</b>	<b>\$ 679,913,109</b>
City direct sales tax rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	3.50%	3.50%	3.50%	3.50%

Source: City's Finance Department.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 6  
SALES TAX REVENUE PAYERS BY CATEGORY  
FISCAL YEARS 2004 THROUGH 2014

	2012				2013				2014			
	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS
Apparel stores	20	\$ 2,754,438	13.01%	10.30%	22	\$ 2,755,286	13.01%	8.90%	22	\$ 2,732,187	12.91%	5.49%
Food stores	8	2,663,802	12.58%	12.14%	8	2,700,888	12.76%	11.50%	8	2,811,617	13.28%	11.62%
Automotive	23	313,349	1.48%		23	342,249	1.62%		22	361,388	1.71%	
Machine	21	13,913	0.07%		22	15,188	0.07%		23	124,994	0.59%	
Restaurants	81	2,525,594	11.93%		85	2,907,568	13.73%		107	3,499,174	16.53%	
Home furnishings and appliances	12	600,101	2.83%	2.23%	12	568,989	2.69%	2.00%	11	551,347	2.60%	1.81%
Building materials	8	1,414,502	6.68%	6.41%	8	1,486,364	7.02%	6.30%	8	1,480,982	7.00%	6.06%
Service stations	25	529,229	2.50%		25	698,855	3.30%		25	621,500	2.94%	
Other retail stores	931	8,878,898	41.94%	6.15%	931	9,089,143	42.93%	9.10%	1,181	8,987,129	42.45%	10.50%
<b>Totals</b>	<b>1,129</b>	<b>\$ 19,693,826</b>	<b>93.03%</b>		<b>1,136</b>	<b>\$ 20,564,530</b>	<b>97.14%</b>		<b>1,407</b>	<b>\$ 21,170,318</b>	<b>100.00%</b>	

	2009				2010				2011			
	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS
Apparel stores	14	\$ 1,544,159	11.70%	8.49%	17	\$ 1,810,970	12.84%	8.05%	17	\$ 2,300,008	13.81%	7.69%
Food stores	8	1,833,281	13.89%	12.25%	8	1,795,991	12.73%	11.83%	8	2,205,072	13.24%	11.97%
Automotive	24	230,153	1.74%		27	294,923	2.09%		27	315,798	1.90%	
Machine	22	13,601	0.10%		25	11,342	0.08%		25	11,342	0.07%	
Restaurants	89	1,345,962	10.20%		90	1,572,222	11.15%		95	1,969,640	11.83%	
Home furnishings and appliances	12	546,942	4.15%	2.54%	12	514,156	3.65%	2.44%	12	507,095	3.05%	2.18%
Building materials	8	986,522	7.48%	6.74%	8	978,212	6.94%	6.22%	8	1,182,848	7.10%	6.20%
Service stations	30	574,576	4.35%		29	561,180	3.98%		28	608,003	3.65%	
Other retail stores	980	6,119,267	46.39%	10.70%	964	6,565,423	46.54%	9.55%	918	7,550,736	45.35%	9.22%
<b>Totals</b>	<b>1,187</b>	<b>\$ 13,194,463</b>	<b>100.00%</b>		<b>1,180</b>	<b>\$ 14,104,419</b>	<b>100.00%</b>		<b>1,138</b>	<b>\$ 16,650,542</b>	<b>100.00%</b>	

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 6  
SALES TAX REVENUE PAYERS BY CATEGORY  
FISCAL YEARS 2004 THROUGH 2014

	2006				2007				2008			
	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS
Apparel stores	9	\$ 1,101,763	11.60%	10.31%	13	\$ 1,101,449	10.99%	8.10%	14	\$ 1,247,288	9.48%	6.00%
Food stores	6	1,977,984	20.82%	20.55%	7	1,895,767	18.92%	17.71%	7	1,753,914	13.33%	12.56%
Automotive Machine	30	391,790	4.12%	1.51%	26	373,671	3.73%	1.68%	25	326,923	2.49%	1.35%
Restaurants	69	1,586,085	16.69%		75	1,571,102	15.68%		17	9,189	0.07%	
Home furnishings and appliances	10	128,461	1.35%		10	167,331	1.67%		84	1,291,461	9.82%	
Building materials	6	1,112,279	11.71%	10.71%	8	900,901	8.99%	7.82%	12	340,959	2.59%	1.35%
Service stations	30	244,146	2.57%		28	269,605	2.69%		8	1,217,117	9.25%	7.90%
Other retail stores	955	2,959,088	31.14%	11.80%	28	269,605	2.69%	10.98%	28	544,027	4.14%	
					1,056	3,738,602	37.33%		1,150	6,422,322	48.83%	12.48%
<b>Totals</b>	<b>1,115</b>	<b>\$ 9,501,596</b>	<b>100.00%</b>		<b>1,223</b>	<b>\$ 10,018,428</b>	<b>100.01%</b>		<b>1,345</b>	<b>\$ 13,153,200</b>	<b>100.00%</b>	

	2005			
	NUMBER OF FILERS	TAX LIABILITY	PERCENTAGE OF TOTAL TAX LIABILITY	PERCENT OF TAX REMITTED BY TOP TEN TAXPAYERS
Apparel stores	9	\$ 1,138,548	12.29%	11.15%
Food stores	6	1,961,932	21.18%	21.11%
Automotive Machine	31	450,084	4.86%	2.82%
Restaurants	70	1,490,672	16.09%	
Home furnishings and appliances	10	115,000	1.24%	
Building materials	6	1,104,118	11.92%	10.92%
Service stations	30	215,997	2.33%	
Other retail stores	943	2,787,746	30.09%	11.93%
<b>Totals</b>	<b>1,105</b>	<b>\$ 9,264,097</b>	<b>100.00%</b>	

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 7  
DIRECT AND OVERLAPPING SALES TAX RATES

FISCAL YEAR	CITY DIRECT RATE	AUTAUGA COUNTY	DISTRICT TAX	STATE OF ALABAMA	TOTAL SALES TAX
2005	2.5%	2%		4.00%	8.5%
2006	2.5%	2%		4.00%	8.5%
2007	2.5%	2%		4.00%	8.5%
2008	2.5%	2%		4.00%	8.5%
2009	2.5%	2%		4.00%	8.5%
2010	2.5%	2%		4.00%	8.5%
2011	3.5%	2%		4.00%	9.5%
2012	3.5%	2%		4.00%	9.5%
2013	3.5%	2%		4.00%	9.5%
2014	3.5%	2%		4.00%	9.5%

FISCAL YEAR	CITY DIRECT RATE	ELMORE COUNTY	DISTRICT TAX	STATE OF ALABAMA	TOTAL SALES TAX
2005	2.5%	1%	1%	4.00%	8.5%
2006	2.5%	1%	1%	4.00%	8.5%
2007	2.5%	1%	1%	4.00%	8.5%
2008	2.5%	1%	1%	4.00%	8.5%
2009	2.5%	1%	1%	4.00%	8.5%
2010	3.5%	1%	1%	4.00%	9.5%
2011	3.5%	1%	1%	4.00%	9.5%
2012	3.5%	1%	1%	4.00%	9.5%
2013	3.5%	1%	1%	4.00%	9.5%
2014	3.5%	1%	1%	4.00%	9.5%

Sources: City Finance Department, Autauga County Revenue Commissioner's Office, and Elmore County Department of Finance.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 8  
RATIOS OF OUTSTANDING DEBT BY TYPE

GOVERNMENTAL ACTIVITIES								
FISCAL YEAR	GENERAL OBLIGATION BONDS	TERM LOAN	LIMITED OBLIGATION WARRANT	CAPITAL LEASE	TOTAL OUTSTANDING DEBT	PERCENTAGE OF TAXABLE SALES (b)	PERCENTAGE OF PERSONAL INCOME (a)	PER CAPITA (a)
2005	\$ 14,595,000			\$ 486,973	\$ 15,081,973	3.41%	1.10%	315
2006	44,352,609			294,946	44,647,555	10.08%	3.04%	909
2007	43,102,043		\$ 1,594,489	437,071	45,133,603	9.80%	2.90%	906
2008	56,994,583	\$ 99,344	1,594,489	761,348	59,449,764	10.26%	3.62%	1,181
2009	57,099,163	1,025,708	1,594,489	1,445,462	61,164,822	10.81%	3.68%	1,205
2010	57,699,065	1,803,956	1,594,489	1,239,844	62,337,354	10.18%	3.71%	1,142
2011	54,755,183	1,755,709	1,594,489	748,347	58,853,728	9.20%	3.26%	1,065
2012	49,212,046	701,035	1,580,851	88,562	51,582,494	8.35%	2.73%	929
2013	47,027,064		1,567,775		48,594,839	7.50%	*	880
2014	44,415,437		1,558,312		45,973,749	6.76%	*	*
BUSINESS-TYPE ACTIVITIES								
FISCAL YEAR	GENERAL OBLIGATION BONDS	TERM LOAN	LIMITED OBLIGATION WARRANT	CAPITAL LEASE	TOTAL OUTSTANDING DEBT	PERCENTAGE OF TAXABLE SALES (b)	PERCENTAGE OF PERSONAL INCOME (a)	PER CAPITA (a)
2012	2,490,000			238,074	2,728,074	0.44%	0.14%	49
2013	3,095,767			9,334	3,105,101	0.48%	*	56
2014	2,695,120				2,695,120	0.40%	*	*
PRIMARY GOVERNMENT								
FISCAL YEAR	GENERAL OBLIGATION BONDS	TERM LOAN	LIMITED OBLIGATION WARRANT	CAPITAL LEASE	TOTAL OUTSTANDING DEBT	PERCENTAGE OF TAXABLE SALES (b)	PERCENTAGE OF PERSONAL INCOME (a)	PER CAPITA (a)
2005	14,595,000			486,973	15,081,973	3.41%	1.10%	315
2006	44,352,609			294,946	44,647,555	10.08%	3.04%	909
2007	43,102,043		1,594,489	437,071	45,133,603	9.80%	2.90%	906
2008	56,994,583	99,344	1,594,489	761,348	59,449,764	10.26%	3.62%	1,181
2009	57,099,163	1,025,708	1,594,489	1,445,462	61,164,822	10.81%	3.68%	1,205
2010	57,699,065	1,803,956	1,594,489	1,239,844	62,337,354	10.18%	3.71%	1,142
2011	54,755,183	1,755,709	1,594,489	748,347	58,853,728	9.20%	3.26%	1,065
2012	51,702,046	701,035	1,580,851	326,636	54,310,568	8.79%	2.87%	978
2013	50,122,831		1,567,775	9,334	51,699,940	7.98%	*	936
2014	47,110,557		1,558,312		48,668,869	7.16%	*	*

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

(a) See the Schedule of Demographics and Economic Statistics on page 83 for personal income and population data.

(b) See page 75 for net taxable sales.

\* Information not available.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 9  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

FISCAL YEAR	GENERAL OBLIGATION BONDS	LESS: AMOUNTS		TOTAL	PERCENTAGE OF NET TAXABLE SALES (a)	PER CAPITA (b)
		AVAILABLE DEBT SERVICE FUND				
2005	\$ 14,595,000	\$ 264,820		\$ 14,330,180	3.24%	\$ 299
2006	44,352,609	2,912,184		41,440,425	9.36%	844
2007	43,102,043	1,315,527		41,786,516	9.07%	839
2008	56,994,583	1,131,232		55,863,351	9.64%	1,109
2009	57,099,163	1,027,955		56,071,208	9.91%	1,105
2010	57,699,065	80,178		57,618,887	9.41%	1,056
2011	54,755,183	5		54,755,178	8.56%	991
2012	51,702,046	10		51,702,036	8.37%	931
2013	50,122,831	203,627		49,919,204	7.71%	904
2014	47,110,557	7		47,110,550	6.93%	*

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

(a) See page 75 for net taxable sales.

(b) See the Schedule of Demographics and Economic Statistics on page 83 for population data.

\* Information not available.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 10  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF SEPTEMBER 30, 2014

GOVERNMENTAL UNIT	DEBT OUTSTANDING	ESTIMATED PERCENTAGE APPLICABLE (a)	ESTIMATED SHARE OF DIRECT AND OVERLAPPING DEBT
Debt repaid with property taxes: Autauga County	\$ 13,475,291	67.50%	\$ 9,095,821
Debt repaid with property taxes: Autauga County Board of Education	35,743,738	67.50%	24,127,023
Debt repaid with property taxes: Elmore County	1,618,854	6.40%	103,607
Debt repaid with property taxes: Elmore County Board of Education	54,987,000	6.40%	3,519,168
Subtotal, overlapping debt			<u>36,845,619</u>
City of Prattville, Alabama direct debt			<u>45,973,749</u>
Total direct and overlapping debt			<u><u>\$ 82,819,368</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the Autauga County Revenue Commissioner and Elmore County Revenue Commissioner. Debt outstanding data provided by the County.

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

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

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 11  
LEGAL DEBT MARGIN INFORMATION

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Net assessed value of taxable property	\$ 225,944,850	\$ 264,711,257	\$ 292,907,660	\$ 338,273,422	\$ 348,899,620	\$ 358,625,820	\$ 353,461,200	\$ 356,934,340	\$ 401,266,360	\$ 370,871,120
Debt limit	45,188,970	52,942,251	58,581,532	67,654,684	69,779,924	71,725,164	70,692,240	71,386,868	80,253,272	74,174,224
Total net debt applicable to limit	<u>10,899,363</u>	<u>9,153,937</u>	<u>9,853,367</u>	<u>9,649,304</u>	<u>11,690,201</u>	<u>14,415,694</u>	<u>12,436,482</u>	<u>9,818,857</u>	<u>18,697,026</u>	<u>26,501,875</u>
Legal debt margin	<u>\$ 34,289,607</u>	<u>\$ 43,788,314</u>	<u>\$ 48,728,165</u>	<u>\$ 58,005,380</u>	<u>\$ 58,089,723</u>	<u>\$ 57,309,470</u>	<u>\$ 58,255,758</u>	<u>\$ 61,568,011</u>	<u>\$ 61,556,246</u>	<u>\$ 47,672,349</u>
Total net debt applicable to the limit as a percentage of debt limit	24.12%	17.29%	16.82%	14.26%	16.75%	20.10%	17.59%	13.75%	23.30%	35.73%

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	<u>\$ 370,871,120</u>
Debt limit (20% of total assessed value)	<u>\$ 74,174,224</u>
Debt applicable to limit:	
General obligation bonds	25,575,000
Notes payable	926,882
Less: Amount set aside for repayment of general obligation debt	<u>7</u>
Total net debt applicable to limit	<u>26,501,875</u>
Legal debt margin	<u>\$ 47,672,349</u>

Note: Under state law, the City of Prattville, Alabama's outstanding general obligation debt should not exceed 20% of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 12  
DEMOGRAPHIC AND ECONOMIC STATISTICS

CALENDAR YEAR	POPULATION	PERSONAL INCOME (THOUSANDS OF DOLLARS)	PER CAPITA PERSONAL INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	AUTAUGA COUNTY UNEMPLOYMENT RATE
2005	47,870	\$ 1,371,084	\$ 28,642	*	9,282 (04-05)	3.20%
2006	49,105	1,467,514	29,885	36.10	9,379 (05-06)	2.90%
2007	49,834	1,555,999	31,224	36.46	9,649 (06-07)	2.90%
2008	50,354	1,640,204	32,573	36.26	9,819 (07-08)	4.50%
2009	50,756	1,660,766	32,721	36.16	9,854 (08-09)	8.60%
2010	54,571	1,679,535	30,740	36.37	10,076 (09-10)	8.00%
2011	55,267	1,804,871	32,657	36.69	9,877 (10-11)	6.80%
2012	55,514	1,889,867	34,043	37.00	9,825 (11-12)	6.80%
2013	55,246	*	*	36.00	9,642 (12-13)	5.90%
2014	*	*	*	35.10	9,737 (13-14)	5.40%

Note: Population and median age information are based on surveys conducted during the last quarter of the calendar year. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment obtained from the local board of education is based on the census at the start of the school year.

\* Unavailable

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 13  
PRINCIPAL EMPLOYERS

<u>EMPLOYER</u>	<u>2011</u>		<u>2014</u>	
	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>	<u>EMPLOYEES</u>	<u>PERCENTAGE OF TOTAL CITY EMPLOYMENT</u>
Autauga County Board of Education	1,000	6.38%	1,091	7.05%
International Paper	600	3.83%	550	3.55%
City of Prattville, Alabama	385	2.46%	372	2.40%
Prattville Baptist Hospital	235	1.50%	350	2.26%
Wal-Mart	480	3.06%	330	2.13%
Autauga County	165	1.05%	202	1.31%
Prattville Health and Rehabilitation	154	0.98%	200	1.29%
Fras-Le	*	*	156	1.01%
M-Tek	100	0.83%	138	0.89%
LoneStar Plastics	125	0.80%	91	0.59%
Kinedyne	130	0.64%	*	*
Totals	<u>3,374</u>	<u>21.53%</u>	<u>3,480</u>	<u>22.48%</u>

Source: Prattville Area Chamber of Commerce.

Note: Information does not include city government employment.

Note: This schedule presents 2011 compared to 2014. Information for 2005 (nine years ago) is not presented because it is not readily available.

Average number employed in City for 2013 was 15,477 per [www2.labor.alabama.gov/LAUS/LAUScities.pdf](http://www2.labor.alabama.gov/LAUS/LAUScities.pdf).  
<http://www2.labor.alabama.gov/LAUS/CLF/citybyyear.aspx?area=000019>

\* Unavailable

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 14  
 FULL-TIME EQUIVALENT CITY  
 GOVERNMENT EMPLOYEES BY FUNCTION

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>Function/Program</u></b>										
<b>General government:</b>										
Executive	4	5	5	5	3	3	3	2	3	3
Legislative	7	7	7	7	7	7	7	7	7	7
Finance	7	6	7	8	7	7	6	6	5	6
City Clerk	4	4	4	4	5	5	2	3	3	3
Human resources	2	2	4	4	4	4	4	4	4	3
Judicial	4	4	4	4	6	6	5	6	6	6
Information technology	3	3	3	3	4	3	1	1	1	2
Vehicle maintenance	10	9	9	10	12	10	6	6	6	5
<b>Public safety:</b>										
<b>Police:</b>										
Officers	86	87	85	87	90	92	85	81	81	82
Civilians	5	5	7	9	11	9	7	8	9	9
<b>Fire:</b>										
Officers	82	75	85	89	89	88	84	81	79	83
Civilians	4	5	4	4	4	4	8	7	7	2
Building division										4
<b>Public works:</b>										
Engineering	4	4	4	5	4	4	9	9	10	9
Facilities maintenance										4
Planning and development	10	9	13	13	16	14	7	7	4	4
Street	16	14	18	22	22	21				
Sanitation	27	26	28	28	30	29	28	28	32	34
Wastewater	26	26	25	26	29	28	25	23	23	25
Urban management							21	19	23	30
<b>Culture and recreation:</b>										
Leisure services	22	22	23	24	24	24	15	12	12	14
Performing and creative arts					2	2	2	1		1
<b>Totals</b>	<u>323</u>	<u>313</u>	<u>335</u>	<u>352</u>	<u>369</u>	<u>360</u>	<u>325</u>	<u>311</u>	<u>315</u>	<u>336</u>

Source: Human Resources.

Note: This report includes regular full time employees, regular part time employees (based on full time equivalent employment calculated by dividing labor hours by 2,080 hours), elected and appointed officials as of September 30 each year.

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 15  
OPERATING INDICATORS BY FUNCTION/PROGRAM

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Function/Program</u>										
General government:										
Building permits issued:										
Residential	313	351	260	173	106	135	106	128	120	131
Residential remodel								392	327	343
Commercial	18	17	26	16	17	10	11	8	8	12
Commercial buildout, remodel, addition								43	49	56
Building inspections conducted	6,537	8,727	7,493	7,455	6,472	3,658	3,142	3,512	4,506	5,688
Building plan reviews			317	325	177	149	147	212	181	441
Public safety:										
Police:										
Physical arrests	3,283	3,302	3,252	3,288	2,651	3,035	3,208	2,208	2,128	2,757
Parking violations	105	89	77	253	143	348	373	259	122	86
Traffic violations	3,531	3,942	6,398	6,236	7,914	6,299	6,450	4,460	4,782	4,897
Fire:										
Emergency responses	6,199	6,449	7,026	6,184	4,989	5,199	5,221	5,673	5,786	5,893
Fires extinguished	96	143	142	115	132	115	113	75	101	113
Inspections	2,291	2,395	2,522	2,766	3,772	2,996	2,725	2,846	2,846	2,775
Public works:										
Potholes repaired	3,000	2,000	3,000	2,000	3,000	2,000	2,000	1,500	1,750	2,000
Street resurfacing (miles)		7		8		3			2	7
Wastewater:										
Average daily sewage treatment (millions of gallons):										
Autauga Creek	2.54	2.06	1.75	1.90	2.35	2.18	1.60	1.72	1.92	1.62
Pine Creek	1.67	1.77	1.70	1.88	1.99	1.87	1.90	1.90	2.01	1.88
Refuse collection:										
Garbage (tons per day)										38.5
Trash (yards per day)										189
Recyclables (tons per day)										1

Sources: Various City departments

CITY OF PRATTVILLE, ALABAMA

SCHEDULE 16  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>Function/Program</u>										
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	70	66	66	71	81	82	81	84	84	81
Motorcycles	11	10	11	11	11	11	9	9	9	10
Fire:										
Stations	3	3	3	3	3	3	3	3	3	3
Fire engines	6	6	6	6	6	7	7	7	8	8
Ambulances	6	6	6	7	7	7	7	7	7	7
Refuse collection:										
Trash trucks	5	5	6	6	6	6	6	6	6	6
Garbage trucks	6	7	8	9	9	9	9	9	8	8
Public works:										
Streets (miles)							209	209	212	212
Highways (miles)							23	23	23	23
Streetlights							2,450	2,450	2,450	2,450
Traffic signal heads							270	270	270	270
Cultural and recreation:										
Acreage	330	330	330	330	354	354	354	354	354	354
Playgrounds	9	9	9	9	10	10	10	10	10	10
Baseball/softball diamonds	16	16	16	16	16	16	16	16	16	16
Soccer fields	9	9	9	9	9	9	9	9	9	9
Community centers	2	2	2	2	2	2	2	2	2	2
Senior citizens center	1	1	1	1	1	1	1	1	1	1

Sources: Various City departments.

Note: No capital asset indicators are available for the general government.