



City of Barnesville, Georgia
Financial Statements for the
Fiscal Year Ended September 30, 2011
Independent Auditor's Report

City of Barnesville, Georgia
Annual Financial Report
For The Year Ended September 30, 2011
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Independent Auditor's Report

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Member:
American Institute of
Certified Public Accountants

Report of Independent Certified Public Accountants

Honorable Mayor and Members of the Council
City of Barnesville, Georgia

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

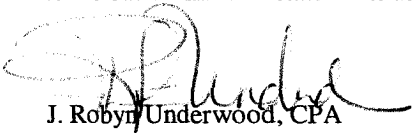
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Barnesville, Georgia as of September 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2011 on our consideration of the City of Barnesville's internal control over financial reporting and 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 with the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying required supplementary information, such as management's discussion and analysis and the budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Barnesville's basic financial statements. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules, including the Schedule of Special Purpose Local Option Sales Tax, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements as a whole.


J. Robyn Underwood, CPA
Barnesville, Georgia
December 20, 2011

Management's Discussion and Analysis

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Barnesville, Georgia (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2011. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by \$27,346,124 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 1. Capital assets, net of related debt, of \$21,678,641 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 2. Net assets of \$613,302 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 3. At the end of the current fiscal year, unassigned General Fund fund balance increased from \$1,346,318 to \$1,602,629. This increase of \$256,311 is approximately 6percent of total General Fund expenditures.
- The City's governmental funds reported total ending fund balance of \$2,890,878. This compares to the prior year ending fund balance of \$3,150,049 showing a decrease of \$259,170 during the current year. The decreases in fund balances are mainly due to Capital expenditures in the Capital Projects Fund.
- At the end of the current fiscal year, unassigned fund balance for the City's governmental funds was \$1,611,895, or 27 percent of total governmental funds expenditures.
- Overall, the City continues to maintain a strong financial position, in spite of a somewhat recessed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document is intended to serve as an introduction to the City of Barnesville's financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-Wide Financial Statements

The City's annual financial statements include two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as an useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

The government-wide financial statements are designed to provide readers with a broad overview of the City of Barnesville's finances, in a manner similar to private-sector business. The *Statement of Activities*, reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

In the Statement of Net Assets and the Statement of Activities, the City is divided into three kinds of activities:

- **Governmental activities** – Most of the City's basic services are reported here, including the police, fire, community development, transportation, information services, environmental and general administration. Property taxes, sales taxes and franchise fees finance the majority of these activities.
- **Business-type activities** – The City charges a fee to customers to help it cover all or most of the cost of certain services it provides. The City's water and sewer systems and electric and sanitation systems are reported here.
- **Component units** – The City includes one separate legal entity in its report – the Barnesville Lamar County Library. Although legally separate, this "component unit" is important because the City is financially accountable for it.

The government-wide financial statements are presented on pages 10 & 11 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City has two kinds of funds:

- **Governmental funds** – The majority of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. By comparing information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationship or differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds is detailed in a reconciliation following the fund financial statements.

The basic governmental fund financial statements are presented on pages 12 – 15 of this report.

The City maintains three major governmental funds. The City's major governmental funds are: the General Fund, Special Revenue, and Capital Projects.

- **Proprietary funds** – The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are identical to the business-type activities that are reported in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds. These are reported in the fund financial statements and generally report services for which the City charges customers a fee. The three City proprietary funds are classified as an enterprise funds. These enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Services are provided to customers internal to the City organization for water, sewer, electric, and sanitation utilities. However, approximately 15% of customers who receive water service from the City are external from the City.

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

The basic enterprise fund financial statements are presented on pages 16 – 20 of this report.

The City maintains four enterprise funds: Electric, Sanitation, Water and Sewerage, and Industrial Development.

Notes to the Basic Financial Statements

The financial statement includes notes that explain some of the information in the financial statements and provides information that is more detailed. The notes are essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 21 of this report.

Budgetary Presentation

Budgetary comparison statements are included as “basic financial statements” for the general and special revenue funds. These statements and schedules demonstrate compliance with the City’s adopted and final revised budget.

Supplementary Financial Information

As discussed, the City reports major funds in the basic financial statements. Combining and individual statements are presented as supplementary financial information of this report beginning on page 41.

Financial Analysis of the City as a Whole

The City’s net assets at fiscal year-end are \$27,346,124. The following table provides a summary of the City’s net assets:

Summary of Net Assets
(Table 1)

	Governmental Activities		Business Type Activities	
	2011	2010	2011	2010
Assets				
Current Assets	\$ 3,003,824	\$ 3,255,335	\$ 3,954,005	\$ 3,508,544
Capital Assets	8,568,409	7,463,850	16,729,500	15,364,383
Total Assets	\$11,572,233	\$10,719,185	\$20,683,505	\$18,872,930
	=====	=====	=====	=====
Liabilities				
Current Liabilities	\$ 112,946	\$ 155,384	\$ 1,041,288	\$ 1,090,556
Long-term Liabilities	-----	-----	3,755,380	4,133,180
Total Liabilities	\$ 112,946	\$ 155,384	\$ 4,796,668	\$ 5,223,736
	=====	=====	=====	=====
Net Assets				
Investments in Capital Assets				
Net of Debt	\$ 8,568,409	\$ 5,897,031	\$13,110,232	\$11,320,461
Restricted	-----	-----	613,302	585,026
Unrestricted	2,890,878	4,666,770	2,163,303	1,743,707
Total Net Assets	\$11,459,287	\$10,563,801	\$15,886,837	\$13,649,194
	=====	=====	=====	=====

The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 26 to 1 and 3 for business type activities. For the City overall, the current ratio is 6 to 1. The national trend indicators state that the normal ratio is 2 to 1. The City’s ratio as stated is 6 to 1 which reflects a higher than normal ratio.

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

The City reported positive balances in net assets for both governmental and business-type activities. Analyzing the net assets and net expenses of governmental and business-type activities, separately, the business-type activities net assets are \$15,886,837. This analysis focuses on the net assets (Table 1) and revenues and expenses (Table 2) of the City's governmental and business-type activities. Net assets increased \$895,486 for governmental activities and \$2,237,643 for business-type activities. The City's overall financial position increased during fiscal year 2011. The increase in net assets for governmental Activities is mainly due to grants and SPLOST funds.

Note that approximately 75 percent of the governmental activities' net assets are tied up in capital. The City uses these capital assets to provide services to its citizens. However, with business-type activities, the City has spent approximately 83 percent of its net assets on capital. Capital assets in business-type activities provide utility services and generate revenues for these funds. Seventy-nine percent of the City's total net assets are included in capital assets.

The following table provides a summary of the City's changes in net assets and comparative data:

Summary of Changes in Net Assets (Table 2) (in thousands of dollars)					
	Governmental Activities	Business Activities	Total	Governmental Activities Prior Year	Business Activities Prior Year
Revenues:					
Program:					
Charges for Services	\$ 723	\$ 11,494	\$ 12,217	\$ 774	\$ 11,251
Operating Grants & Contributions	29	60.5	89.5	15	-----
Capital Grants & Contributions	938	1,456	2,394	377	327
General:					
Property Taxes	452	-----	452	467	-----
Sales Taxes	615	-----	615	1,357	-----
Other Taxes	674	-----	674	679	41
Interest	3	29	32	13	-----
Other	84	733	817	16	-----
Total Revenues	\$ 3,518	\$ 13,772.5	\$ 17,290.5	\$ 3,698	\$ 11,619
Program Expenses:					
General Government	\$ 1,475	\$ -----	\$ 1,475	\$ 1,415	\$ -----
Police	1,470	-----	1,470	1,382	-----
Fire	435	-----	435	416	-----
Street and Right of Way	772	-----	772	713	-----
Cemetery and Recycling	326	-----	326	304	-----
Culture and Recreation	251	-----	251	274	-----
Interest	2	-----	2	4	-----
Water and Sewer	-----	1,947	1,947	-----	2,056
Electric	-----	6,941	6,941	-----	6,627
Sanitation	-----	470	470	-----	474
Total Expenses	\$ 4,731	\$ 9,358	\$ 14,089	\$ 4,508	\$ 9,157
Excess (deficiency)	\$< 1,213>	\$ 4,414.5	\$ 3,201.5	\$< 810>	\$ 2,462
Transfers	2,108	< 2,177>	< 69>	1,983	< 1,983>
Change in Net Assets	\$ 895	\$ 2,237.5	\$ 3,132.5	\$ 1,173	\$ 479
Beginning Net Assets	\$ 10,564	\$ 13,649	\$ 24,213	\$ 9,391	\$ 13,170
Ending Net Assets	\$ 11,459	\$ 15,886.5	\$ 27,345.5	\$ 10,564	\$ 13,649
	=====	=====	=====	=====	=====

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

GOVERNMENTAL REVENUES

The City's governmental activities are heavily reliant on property taxes, sales taxes, and insurance premiums to support governmental operations. Property taxes provided 13 percent, sales taxes provided 17 percent, and the insurance premium provided 9 percent of the City's governmental revenues. Also, note that program revenues cover only 15 percent of governmental operating expenses. This means that the government's taxpayers, the City's other general revenues, and transfers in fund 85 percent of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

The most significant governmental expense for the City is providing Public Safety services such as Fire and Police protection. This comprises 40 percent of the total governmental expenses. Public Safety expenses are offset by revenues collected from a variety of sources, with the largest being fines and forfeitures, which were \$526,791 for fiscal year ended September 30, 2011. The second largest City cost for government is the general government totaling \$1,475,319 or 31 percent of governmental expenses.

- The cost of all governmental activities this year was \$4,730,379.
- The revenue amount that paid for most of these activities came from City property taxes, sales tax and business taxes (\$1,490,667).
- Some of the costs were paid by those who benefited directly from the programs (\$722,589) and subsidies from other governments and organizations through grants and/or contributions (\$966,849).

Governmental Activities (Table 3) (in thousands of dollars)				
	FY 2011 Total Cost of Services	FY 2011 Net Cost of Services	FY 2010 Total Cost of Services	FY 2010 Net Cost of Services
General Government	\$ 1,475	\$ 749	\$ 1,415	\$ 1,247
Public Safety	1,905	1,239	1,798	1,280
Public Works	1,098	855	1,017	595
Culture and Recreation	251	196	274	216
Interest	2	2	4	4
	<hr/>	<hr/>	<hr/>	<hr/>
Total	\$ 4,731	\$ 3,041	\$ 4,508	\$ 3,342
	=====	=====	=====	=====

BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

The cost of all Proprietary (Business-Type) activities this year was \$9,357,654 as shown in Table 2 (Summary of Changes in Net Assets), the amounts paid by the users of the systems were \$11,494,297 and additionally the business-type activities earned \$29 thousand in interest from idle cash. Within the total business-type activities of the City, these activities reported a \$2,237,613 operating gain.

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

Financial Analysis of the City's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements.

Governmental funds reported ending fund balances of \$2,890,878. Of this year-end total, \$2,890,878 is unreserved indicating availability for continuing City service requirements.

The total ending fund balances of governmental funds show a decrease of \$259,170 or a 8.2 percent decrease. This decrease relates primarily to Capital Outlay expenditures from the Capital Projects Fund.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance increased by \$258,255. These increases in the General Fund fund balance are a result of the increase in operating transfers in.

Total revenues were \$179,509 or 4.9 percent less than fiscal year 2010 for all major governmental funds. Property taxes were 10 percent below the prior year. The Sales Tax increased by \$87,217 over fiscal year 2010; this includes local option. The balance of the other general revenues was consistent with that of the fiscal year 2010.

The Proprietary Funds

The proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The water and sewer fund operating income for 2011 was \$564,599. Operating revenues were 8 percent above those in fiscal year 2010 and operating expenses 3.5 percent below the prior year. The electric and sanitation operating income of \$1,600,027 and \$200,680, respectively, versus an operating income of \$1,401,043 and \$195,289 in the prior year. Operating revenues were 12 and 3 percent above those in fiscal year 2010 and operating expenses were 16 and .3 percent above the prior year.

Component Units

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization.

Discretely presented component units generally are reported only at the government-wide financial reporting level. The City of Barnesville has one discretely presented component unit: Barnesville Lamar County Library.

Budgetary Highlights

The General Fund – The original revenue budget was amended to reflect an increase in revenues by 17.0 percent due to an increase in estimated revenues. The budgeted expenditures were amended to increase the expenditures by 13.7 percent due to capital asset acquisitions and increase cost of general health insurance provided to the employees and increase in salaries. We expended 100 percent of the final budget. The City set a policy to amend the budget to reflect the actual revenues and expenditures.

Comparing the FY 2010-2011 original adopted budget for the General Fund (\$4,034,423) to the final budget (\$4,589,855) shows a net increase of \$555,432. This figure includes purchase orders committed prior to September 30, 2011 along with carryovers or ongoing projects and activities from the prior year. As stated, earlier the General Fund's expenditure budget is prepared on a GAAP basis, except that outstanding encumbrances at year-end are charged as expenditures on the budgetary basis.

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

Transfers adjusted the budget total another \$425,165. The largest adjustments include:

- Adjustments of \$ 185 thousand to the Administrative for increase in salaries and miscellaneous.
- Adjustments of \$83 thousand to the Cemetery and Recycle Center for increase in Contracts and Salaries.

As a note, a Budget Amendment was passed on September 30, 2011, which established an increase of \$555,432 across the various General Fund departments. This increase was a result of increase in revenues.

Capital Assets and Debt Administration

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of September 30, 2011 was \$8,568,409 and \$15,861,298 respectively. The major additions and deletions to capital for FY 11 were:

- A capital expense associated with infrastructure (road improvements, sidewalks, etc.) was \$1,793,639. Primary expenses in this category went for improvements for street paving, drainage, water and sewer facilities and lines and industrial site.
- Capital expenses associated with the purchase of vehicles were \$43,067.
- Capital expenses associated with the purchase of equipment were \$125,712.

For more information on the changes in capital assets, see Note 3-D.

	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Non-depreciable assets:						
Land	\$ 1,247	\$ 1,247	\$ 867	\$ 892	\$ 2,114	\$ 2,139
Construction in Progress	<u>2,775.5</u>	<u>1,517</u>	<u>2,305</u>	<u>528</u>	<u>5,080.5</u>	<u>2,045</u>
Total Non-Depreciable Assets	<u>\$ 4,022.5</u>	<u>\$ 2,764</u>	<u>\$ 3,172</u>	<u>\$ 1,420</u>	<u>\$ 7,194.5</u>	<u>\$ 4,184</u>
Depreciable assets:						
Land Improvements	\$ 171	\$ 171	\$ -----	\$ -----	\$ 171	\$ 171
Buildings and Plant	2,252	2,252	16,296	16,296	18,548	18,548
Machinery and Equipment	1,446	1,320	1,377	1,371	2,843	2,691
Vehicles	455	455	216	174	671	629
Infrastructure	<u>3,385</u>	<u>3,369</u>	<u>6,068</u>	<u>6,018</u>	<u>9,453</u>	<u>9,387</u>
Total Depreciable Assets	<u>\$ 7,709</u>	<u>\$ 7,567</u>	<u>\$ 23,957</u>	<u>\$ 23,859</u>	<u>\$ 31,666</u>	<u>\$ 31,426</u>
Less Accumulated Depreciation	<u>3,163</u>	<u>2,867</u>	<u>10,548</u>	<u>10,075</u>	<u>13,711</u>	<u>12,942</u>
Book Value- Depreciable Assets	<u>\$ 4,546</u>	<u>\$ 4,700</u>	<u>\$ 13,409</u>	<u>\$ 13,784</u>	<u>\$ 17,955</u>	<u>\$ 18,484</u>
Percentage Depreciated	<u>41%</u>	<u>38%</u>	<u>44%</u>	<u>42%</u>	<u>43%</u>	<u>38%</u>
Total Capital Assets	<u>\$ 8,568.5</u>	<u>\$ 7,464</u>	<u>\$ 16,581</u>	<u>\$ 15,204</u>	<u>\$25,149.5</u>	<u>\$ 22,668</u>
	=====	=====	=====	=====	=====	=====

At September 30, 2011, the depreciable capital assets for governmental activities were 41 percent depreciated. This compares to the September 30, 2010 at an increase of 3 percent. This comparison indicates that the City is focusing on replacing its assets at close to the same rate as they are depreciating which is a positive indicator. Note that business-type activities are 44 percent depreciated.

City of Barnesville
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended September 30, 2011

Long-term Debt

At the end of the fiscal year, the City had total bonded debt outstanding of \$3,230,000. The bonds are secured by a first lien on and payable solely from the net revenues of the system.

During the year, the City retired \$360,000 or 10 percent of the beginning outstanding bonded debt balance.

Outstanding Borrowings as of September 30, 2011
(in thousands of dollars)

	Governmental Activities		Business Activities		Total	
	2011	2010	2011	2010	2011	2010
Notes Payable	\$ -----	\$ 50	\$ 241	\$ 269	\$ 241	\$ 319
Revenue Bonds	-----	-----	3,230	3,590	3,230	3,590
Landfill Postclosure	-----	-----	388	420	388	420
Customer Deposits	-----	-----	278	329	278	329
Total	\$ ----- =====	\$ 50 =====	\$ 4,137 =====	\$ 4,608 =====	\$ 4,137 =====	\$ 4,658 =====

See Notes 3-F and 3-G for additional information about the City's long-term debt.

Economic Conditions Affecting the City

The effect of the greatest economic recession since the great depression still impacts the operations of the City. The Recession which began in December of 2007 has resulted in long term unemployment and reduced gross domestic product output. Real estate values have collapsed, reducing our local ad valorem tax digest for the third year in a row. Many local governments across the nation are facing default. Fortunately, Barnesville has managed to attract private investment in industrial development. In November of 2010 Rollcast Energy began construction of a 53 megawatt electric power generating plant at a projected cost of \$250,000,000. This project will be an addition to the City tax digest and has created more than 300 construction related jobs thus boosting the local economy by stimulating local retail businesses and rental property occupancies.

On March 2, 2011 the citizens of Lamar County voted to renew the one percent Special Purpose Local Option Sales Tax (SPLOST). This tax is projected to generate \$3,730,000 for Barnesville capital projects including water and sewer system improvements and the construction of the Summers Field Park. SPLOST funds will fund a major water treatment plant improvement along with \$500,000 grant from the Georgia Environmental Finance Authority.

In December of 2011 the City acquired the Lamar County Water and Sewer Authority (LCWSA) system which consists of 125 miles of water distribution pipeline and 800 rural customers. The addition of this to our system will allow for the continued growth and success of the City Water and Sewer Enterprise.

The City will also begin construction of a new \$15,000,000 Waste Water Treatment Plant in the next few months that will allow the City to meet more stringent environmental standards and provide capacity for new growth for the next 3 to 4 decades.

The City issued Revenue Bonds to fund the construction of the Waste Water Treatment Plant and the acquisition of the LCWSA system. Standard and Poor's issued a -AA Bond Rating but required limitations on Water and Sewer Fund transfers to the General Fund.

In summary, conservative financial management is still required but the City is posed well for growth and future economic recovery. Close scrutiny is required for all spending and operational changes that may impact operating costs.

Contacting the City's Financial Management

This financial report is designated to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have, questions about this report or would like to request additional information, contact the City at (770) 358-0181 or visit the City's Website at www.cityofbarnesville.com.

Basic Financial Statements

Government-wide Financial Statements

City of Barnesville
STATEMENT OF NET ASSETS
September 30, 2011

	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTAL	
ASSETS				
Current Assets				
Cash and Cash Equivalents	\$ 518,237	\$ 1,090,225	\$ 1,608,462	\$ 44,640
Temporary Cash Investments	-----	130,763	130,763	80,371
Receivables (Net)	1,714,273	1,016,444	2,730,717	190
Internal Balances	< 304,697>	304,697	-----	-----
Inventories	-----	320,051	320,051	-----
Total Current Assets	<u>\$ 1,927,813</u>	<u>\$ 2,862,180</u>	<u>\$ 4,789,993</u>	<u>\$ 125,201</u>
NonCurrent Assets				
Restricted Cash and Cash Equivalents	\$ 1,076,011	\$ 1,091,825	\$ 2,167,836	\$ -----
Investments	-----	1,728	1,728	54,400
Capital Assets				
Land	1,246,681	866,474	2,113,155	-----
Construction in Progress	2,775,537	2,305,175	5,080,712	
Depreciable Buildings, Property, and Equipment (Net)	4,546,191	13,409,214	17,955,405	-----
Debt Issue Cost, Net of Amortization	-----	146,909	146,909	-----
Total NonCurrent Assets	<u>\$ 9,644,420</u>	<u>\$ 17,821,325</u>	<u>\$ 27,465,745</u>	<u>\$ 54,400</u>
TOTAL ASSETS	<u>\$ 11,572,233</u>	<u>\$ 20,683,505</u>	<u>\$ 32,255,738</u>	<u>\$ 179,601</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	\$ 38,136	\$ 728,806	\$ 766,942	\$ 1,307
Employee Christmas Fund	74,810	-----	74,810	-----
Current Portion of				
Long-Term Obligations	-----	297,940	297,940	-----
Accrued Interest Payable	-----	22,882	22,882	-----
Deferred Loss on Refunding	-----	< 8,340>	< 8,340>	-----
Total Current Liabilities	<u>\$ 112,946</u>	<u>\$ 1,041,288</u>	<u>\$ 1,154,234</u>	<u>\$ 1,307</u>
NonCurrent Liabilities				
Deposits-Utilities	\$ -----	\$ 278,403	\$ 278,403	\$ -----
NonCurrent Portion of	-----	3,172,691	3,172,691	-----
Long-Term Obligations				
Deferred Loss on Refunding	-----	< 83,415>	< 83,415>	-----
Postclosure- Landfill	-----	387,701	387,701	-----
Total NonCurrent Liabilities	<u>\$ -----</u>	<u>\$ 3,755,380</u>	<u>\$ 3,755,380</u>	<u>\$ -----</u>
TOTAL LIABILITIES	<u>\$ 112,946</u>	<u>\$ 4,796,668</u>	<u>\$ 4,909,614</u>	<u>\$ 1,307</u>
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	\$ 8,568,409	\$ 13,110,232	\$ 21,678,641	\$ -----
Restricted For:				
Debt Service	-----	613,302	613,302	-----
Unrestricted	2,890,878	2,163,303	5,054,181	178,294
Total Net Assets	<u>\$ 11,459,287</u>	<u>\$ 15,886,837</u>	<u>\$ 27,346,124</u>	<u>\$ 178,294</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 11,572,233</u>	<u>\$ 20,683,505</u>	<u>\$ 32,255,738</u>	<u>\$ 179,601</u>

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

City of Barnesville

STATEMENT OF ACTIVITIES

September 30, 2011

Net (Expense) Revenue and Changes in Net Assets

Functions/Programs	Program Revenues				Primary Government		
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-Type Activities	Component Units
Primary Government:							
Government Activities:							
General Government	\$ 1,475,319	\$ 113,841	\$ 612,313	\$ 612,313	\$ < 749,165 >	\$ < 749,165 >	\$
Police	1,469,881	526,791	29,077	32,963	< 881,050 >	< 881,050 >	
Fire	434,618	2,179		74,100	< 358,339 >	< 358,339 >	
Street and Right of Way	771,599	3,564		218,396	< 549,639 >	< 549,639 >	
Cemetery and Recycle Center	325,499	20,482			< 305,017 >	< 305,017 >	
Culture and Recreation	251,370	55,732			< 195,638 >	< 195,638 >	
Interest on Long-Term Debt	2,093				< 2,093 >	< 2,093 >	
Total Governmental Activities	\$ 4,730,379	\$ 722,589	\$ 29,077	\$ 937,772	\$ < 3,040,941 >	\$ < 3,040,941 >	\$
Business-Type Activities:							
Sanitation	\$ 470,363	\$ 671,043			\$ 200,680	\$ 200,680	\$
Electric	6,940,745	8,480,521	60,224	15,875	1,615,875	1,615,875	
Water and Sewer	1,946,546	2,342,733		771,997	1,168,184	1,168,184	
Industrial Development				667,796	667,796	667,796	
Total Business-Type Activities	\$ 9,357,654	\$ 11,494,297	\$ 60,224	\$ 1,455,668	\$ 3,652,535	\$ 3,652,535	\$
Total Primary Government					\$ < 3,040,941 >	\$ 3,652,535	\$
Component Units:							
Library	\$ 197,623	\$ 9,220	\$ 189,784	\$	\$ 1,381	\$	\$ 1,381
General Revenues							
Taxes:							
Property					\$ 451,604	\$ 451,604	\$
Franchise					106,748	106,748	
Hotel/Motel					16,521	16,521	
Sales					615,477	615,477	
Intangible					6,356	6,356	
Motor Vehicle					33,665	33,665	
Insurance Premium					316,838	316,838	
Malt Beverage					165,436	165,436	
Liquor					28,606	28,606	
Investment Earnings					3,320	3,320	
Miscellaneous					83,995	83,995	
Special Item- Increase in Market Value of Stock						733,266	14,400
Sale of Land						< 2,177,336 >	
Transfers, Net					2,107,861		
Total General Revenues, Special Items, and Transfers					\$ 3,936,427	\$ < 1,414,892 >	\$ 16,111
Change in Net Assets					\$ 895,486	\$ 2,237,643	\$ 17,492
Net Assets- Beginning					10,563,801	13,649,194	185,027
Net Assets- Ending					\$ 11,459,287	\$ 15,886,837	\$ 202,519

The accompanying notes are an integral part of the financial statements

Fund Financial Statements

Governmental Funds

City of Barnesville
BALANCE SHEET
Governmental Funds
September 30, 2011

	GOVERNMENTAL FUND TYPES			
	MAJOR FUNDS		NON-MAJOR FUNDS	
	GENERAL	CAPITAL PROJECTS	SPECIAL REVENUE	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and Cash Equivalents (Note 2)	\$ 518,237	\$ -----	\$ -----	\$ 518,237
Receivables				
Taxes	60,612	113,851	-----	174,463
Fines	1,031,614	-----	-----	1,031,614
Other	508,196	-----	-----	508,196
Due from other Funds	2,730	-----	9,266	11,996
Restricted Assets				
Cash and Cash Equivalents	<u>11,787</u>	<u>1,064,224</u>	<u>-----</u>	<u>1,076,011</u>
TOTAL ASSETS	<u>\$ 2,133,176</u>	<u>\$ 1,178,075</u>	<u>\$ 9,266</u>	<u>\$ 3,320,517</u>
LIABILITIES				
Accounts Payable	\$ 32,324	\$ -----	\$ -----	\$ 32,324
Christmas Fund	74,810	-----	-----	74,810
Accrued Liabilities	5,812	-----	-----	5,812
Due to Other Funds	<u>313,963</u>	<u>2,730</u>	<u>-----</u>	<u>316,693</u>
TOTAL LIABILITIES	<u>\$ 426,909</u>	<u>\$ 2,730</u>	<u>\$ -----</u>	<u>\$ 429,639</u>
FUND BALANCES				
Unreserved-Unassigned	\$ 1,602,629	\$ -----	\$ 9,266	\$ 1,611,895
Unreserved-Assigned	<u>103,638</u>	<u>1,175,345</u>	<u>-----</u>	<u>1,278,983</u>
TOTAL FUND BALANCES	<u>\$ 1,706,267</u>	<u>\$ 1,175,345</u>	<u>\$ 9,266</u>	<u>\$ 2,890,878</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,133,176</u> =====	<u>\$ 1,178,075</u> =====	<u>\$ 9,266</u> =====	<u>\$ 3,320,517</u> =====

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

City of Barnesville
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Assets
September 30, 2011

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Total Fund Balances – Governmental Funds	\$ 2,890,878
Capital Assets used in Governmental Activities are not Financial Resources and therefore are not Reported in the Funds	8,568,409
Long-Term Liabilities are not due and payable in the current period and accordingly are not Reported in the Funds:	
None	<u>-----</u>
Net Assets (Deficit) of Governmental Activities	\$11,459,287 =====

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

City of Barnesville
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
Governmental Funds
September 30, 2011

	MAJOR FUNDS			NON MAJOR FUND	TOTAL GOVERNMENTAL FUNDS
	GENERAL	SPECIAL REVENUE	CAPITAL PROJECT	OTHER FUNDS	
REVENUES					
Taxes	\$ 1,724,730	\$ -----	\$ -----	\$ 16,521	\$ 1,741,251
Licenses and Permits	113,841	-----	-----	-----	113,841
Departmental	744,925	-----	-----	-----	744,925
Intergovernmental	-----	218,396	604,498	-----	822,894
Other	87,278	-----	7,815	-----	95,093
Total Revenues	\$ 2,670,774	\$ 218,396	\$ 612,313	\$ 16,521	\$ 3,518,004
EXPENDITURES					
Current-Operations					
Administrative and General	\$ 1,462,262	\$ -----	\$ -----	\$ -----	\$ 1,462,262
Police	1,438,640	-----	-----	-----	1,438,640
Fire	346,249	-----	-----	-----	346,249
Street and Right of Way	660,411	-----	-----	-----	660,411
Cemetery and Recycle Center	320,314	-----	-----	-----	320,314
Civic Center - Cultural	145,304	-----	-----	20,365	165,669
Swimming Pool - Recreation	38,773	-----	-----	-----	38,773
Capital Outlay					
Current Operations	125,712	218,396	1,056,419	-----	1,400,527
Debt Service					
Principal Retirement	50,097	-----	-----	-----	50,097
Interest	2,093	-----	-----	-----	2,093
Total Expenditures	\$ 4,589,855	\$ 218,396	\$1,056,419	\$ 20,365	\$ 5,885,035
EXCESS REVENUES OVER <UNDER>	\$<1,919,081>	\$ -----	\$< 444,106>	\$< 3,844>	\$<2,367,031>
OTHER FINANCING SOURCES (USES)					
Transfers In	\$ 2,177,336	\$ -----	\$ -----	\$ -----	\$ 2,177,336
Transfers Out	-----	-----	< 69,475>	-----	< 69,475>
Loan Proceeds	-----	-----	-----	-----	-----
Total Other Financing Sources (Uses)	\$ 2,177,336	\$ -----	\$< 69,475>	\$ -----	\$ 2,107,861
NET CHANGE IN FUND BALANCES	\$ 258,255	\$ -----	\$< 513,581>	\$< 3,844>	\$< 259,170>
FUND BALANCES- BEGINNING OF YEAR	1,448,012	-----	1,688,926	13,110	3,150,048
FUND BALANCES- END OF YEAR	\$ 1,706,267	\$ -----	\$1,175,345	\$ 9,266	\$ 2,890,878
	=====	=====	=====	=====	=====

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

City of Barnesville

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities September 30, 2011

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Change in Fund Balances- Total Governmental Funds \$ < 259,170 >

Government Funds Report Capital Outlays as Expenditures. However, in the Statement of Activities the cost of these Assets is Allocated over their estimated Useful Lives and Reported as Depreciation Expense. This is the Amount by which Capital Outlays exceeded Depreciation in the Current Period.

Purchases of Fixed Assets	\$1,400,527	
Depreciation Expense	<u>< 295,968 ></u>	1,104,559

The Net Effect of Various Miscellaneous Transactions involving Capital Assets and other (i.e. Sales, Trade-ins, and Donations) is to Decrease Net Assets.

None

The Issuance of Long-Term Debt (e.g. Bonds, Leases) Provides Current Financial Resources to Governmental Funds, while the Repayment of the Principal Long-Term Debt consumes the Current Financial Resources of the Governmental Funds. Neither Transaction, however, has any effect on Net Assets. This Amount is the Net Effect of these Differences in the Treatment of Long-Term Debt and Related Items.

Principal from Long-Term Debt	\$ -----	
Principal Payments of Long-Term Debt	50,097	
Other*	<u>-----</u>	50,097

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. -----

Revenues in the Statement of Activities that do not Provide Current Financial Resources are not Reported as Revenues in the Funds. -----

Change in Net Assets- Governmental Activities	\$ 895,486
	=====

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

Proprietary Funds

City of Barnesville
STATEMENT OF NET ASSETS
Proprietary Funds
September 30, 2011

	UTILITIES			NON-MAJOR	
	MAJOR FUNDS			FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	TOTALS
ASSETS					
Current Assets					
Cash and Cash Equivalents	\$ 185,766	\$ 176,117	\$ 23,559	\$ 704,783	\$ 1,090,225
Temporary Cash Investments	-----	-----	130,763	-----	130,763
Receivables-Accounts	660,812	-----	331,532	-----	992,344
Other Receivable	6,843	-----	17,257	-----	24,100
Interfund	432,281	-----	893,548	480,675	1,806,504
Inventories of Supplies at Cost	286,921	-----	33,130	-----	320,051
Total Current Assets	\$ 1,572,623	\$ 176,117	\$ 1,429,789	\$ 1,185,458	\$ 4,363,987
Non-Current Assets					
Debt Issuance Costs, Net of Amortization	\$ -----	\$ -----	\$ 146,909	\$ -----	\$ 146,909
Restricted Assets					
Cash and Cash Equivalents	478,523	-----	613,302	-----	1,091,825
Investments	-----	-----	1,728	-----	1,728
Property					
Electrical and Sanitation Systems, Net of Accumulated Depreciation	257,608	15,978	-----	-----	273,586
Water and Sewerage Systems, Net of Accumulated Depreciation	-----	-----	13,135,628	-----	13,135,628
Land	-----	94,240	427,488	344,746	866,474
Construction in Progress	-----	-----	1,850,392	454,783	2,305,175
Total Non-Current Assets	\$ 736,131	\$ 110,218	\$ 16,175,447	\$ 799,529	\$ 17,821,325
TOTAL ASSETS	\$ 2,308,754	\$ 286,335	\$ 17,605,236	\$ 1,984,987	\$ 22,185,312
	=====	=====	=====	=====	=====
LIABILITIES					
Current Liabilities					
Accounts Payable	\$ 544,854	\$ 58,153	\$ 125,799	\$ -----	\$ 728,806
Current Portion of Bonds Payable	-----	-----	285,000	-----	285,000
Current Portion of Notes Payable	-----	-----	12,940	-----	12,940
Accrued Interest Payable	-----	-----	22,882	-----	22,882
Current Portion of Deferred Loss on Refunding	-----	-----	< 8,340>	-----	< 8,340>
Total Current Liabilities	\$ 544,854	\$ 58,153	\$ 438,281	\$ -----	\$ 1,041,288
Long-Term Liabilities					
Bonds Payable	\$ -----	\$ -----	\$ 2,945,000	\$ -----	\$ 2,945,000
Deposits- Utilities	278,403	-----	-----	-----	278,403
Due to Other Funds	-----	1,335	480,675	1,019,797	1,501,807
Notes Payable	-----	-----	227,691	-----	227,691
Deferred Loss on Refunding	-----	-----	< 83,415>	-----	< 83,415>
Postclosure- Landfill	-----	387,701	-----	-----	387,701
Total Long-Term Liabilities	\$ 278,403	\$ 389,036	\$ 3,569,951	\$ 1,019,797	\$ 5,257,187
TOTAL LIABILITIES	\$ 823,257	\$ 447,189	\$ 4,008,232	\$ 1,019,797	\$ 6,298,475
	=====	=====	=====	=====	=====
NET ASSETS					
Invested in Capital Assets					
Net of Related Debt	\$ 257,608	\$ 110,218	\$ 11,919,995	\$ 799,529	\$ 13,087,350
Restricted For:					
Debt Retirement	-----	-----	615,030	-----	615,030
Unrestricted	1,227,889	< 271,072>	1,061,979	165,661	2,184,457
TOTAL NET ASSETS	\$ 1,485,497	\$< 160,854>	\$ 13,597,004	\$ 965,190	\$ 15,886,837
	=====	=====	=====	=====	=====

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

City of Barnesville
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
Proprietary Funds
September 30, 2011

	UTILITIES			NON-MAJOR	
	MAJOR FUNDS			FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	TOTALS
OPERATING REVENUES					
Charges for Service	\$ 7,866,509	\$ 671,043	\$ 2,332,879	\$ -----	\$ 10,870,431
Miscellaneous	614,012	-----	9,854	-----	623,866
Intergovernmental	60,224	-----	-----	-----	60,224
TOTAL OPERATING REVENUES	\$ 8,540,745	\$ 671,043	\$ 2,342,733	\$ -----	\$ 11,554,521
OPERATING EXPENSES					
Personal Services	\$ 625,855	\$ -----	\$ 381,576	\$ -----	\$ 1,007,431
Contractual Services	6,104,002	422,952	723,218	-----	7,250,172
Supplies and Other Services	156,586	39,801	178,104	-----	374,491
Utilities	5,877	-----	3,936	-----	9,813
Depreciation	13,900	1,522	457,131	-----	472,553
Bad Debts	34,498	6,088	21,854	-----	62,440
Amortization of Bond Expense	-----	-----	12,315	-----	12,315
TOTAL OPERATING EXPENSES	\$ 6,940,718	\$ 470,363	\$ 1,778,134	\$ -----	\$ 9,189,215
OPERATING INCOME <LOSS>	\$ 1,600,027	\$ 200,680	\$ 564,599	\$ -----	\$ 2,365,306
NONOPERATING REVENUES <EXPENSES>					
Interest Revenue	\$ 6,924	\$ 6,072	\$ 10,801	\$ 5,381	\$ 29,178
Interest Expense	< 27>	-----	< 160,072>	-----	< 160,099>
Loss on Bond Refunding	-----	-----	< 8,340>	-----	< 8,340>
Gain on Sale of Land	-----	-----	733,266	-----	733,266
TOTAL NONOPERATING REVENUE <EXPENSES>	\$ 6,897	\$ 6,072	\$ 575,655	\$ 5,381	\$ 594,005
NET INCOME <LOSS> BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	\$ 1,606,924	\$ 206,752	\$ 1,140,254	\$ 5,381	\$ 2,959,311
TRANSFERS					
Transfers In (Out)	< 1,512,899>	< 231,183>	27,915	< 461,169>	< 2,177,336>
Capital Contributions	15,875	-----	771,997	667,796	1,455,668
CHANGE IN NET ASSETS	\$ 109,900	\$< 24,431>	\$ 1,940,166	\$ 212,008	\$ 2,237,643
NET ASSETS- BEGINNING OF YEAR	1,375,597	< 136,423>	11,656,838	753,182	13,649,194
NET ASSETS- END OF YEAR	\$ 1,485,497	\$< 160,854>	\$ 13,597,004	\$ 965,190	\$ 15,886,837
	=====	=====	=====	=====	=====

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

City of Barnesville
STATEMENT OF CASH FLOWS
Proprietary Funds
September 30, 2011

	UTILITIES		NON-MAJOR	
	MAJOR FUNDS		FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT
CASH FLOW FROM OPERATING ACTIVITIES				TOTALS
Receipts from Customers	\$ 7,843,066	\$ 664,955	\$ 2,333,319	\$ 10,841,340
Payments to Suppliers	< 6,326,641>	< 437,388>	< 914,074>	< 7,678,103>
Payments to Employees	< 625,855>	-----	< 381,576>	< 1,007,431>
Other Receipts (Payments)	674,236	-----	100,868	775,104
Net Cash provided by Operating Activities	\$ 1,564,806	\$ 227,567	\$ 1,138,537	\$ 2,930,910
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCIAL ACTIVITIES				
Refunds of Deposits	\$< 50,740>	-----	\$ -----	\$< 50,740>
Loans <To>From Other Funds	< 1,335>	1,335	< 758,557>	758,557
Transfers to Other Funds	< 1,512,899>	< 231,183>	27,915	< 461,169>
Net Cash Provided(Used) by Non Capital and Related Financial Activities	\$< 1,564,974>	\$< 229,848>	\$< 730,642>	\$< 2,228,076>
CASH FLOW FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES				
Sale of Land	\$ -----	-----	\$ 758,557	\$ 758,557
Proceeds from Capital Contributions	15,875	-----	771,997	1,455,668
Purchases of Capital Assets	< 61,222>	-----	< 1,406,128>	< 1,875,272>
Principal Paid on Capital Debt	< 4,856>	-----	< 382,669>	< 387,525>
Interest Paid on Capital Debt	< 27>	-----	< 162,062>	< 162,089>
Net Cash Provided (Used) by Capital and Related Financing Activities	\$< 50,230>	-----	\$< 420,305>	\$< 210,661>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest	\$ 6,924	\$ 6,072	\$ 10,801	\$ 29,179
Net Change in Temporary Cash Investments	-----	-----	< 1,143>	< 1,143>
Net Cash Provided by Investing Activities	\$ 6,924	\$ 6,072	\$ 9,658	\$ 28,036
Net Increase (Decrease) in Cash and Cash Equivalents	\$< 43,474>	\$ 3,791	\$< 2,752>	\$ 520,209
Balance of Cash- Beginning of Year	707,763	172,326	639,613	1,661,841
Balance of Cash- End of Year	\$ 664,289	\$ 176,117	\$ 636,861	\$ 2,182,050
	=====	=====	=====	=====

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

City of Barnesville

STATEMENT OF CASH FLOWS (Continued)

Proprietary Funds

September 30, 2011

	UTILITIES			NON-MAJOR	
	MAJOR FUNDS			FUND	
	ELECTRIC	SANITATION	WATER AND SEWERAGE	INDUSTRIAL DEVELOPMENT	TOTALS
Balance of Cash - End of Year	\$ 664,289	\$ 176,117	\$ 636,861	\$ 704,783	\$ 2,182,050
Reconciliation of Operating Income (Loss)					
To Net Cash Provided by Operating Activities	\$ 1,600,027	\$ 200,680	\$ 564,599	\$ -----	\$ 2,365,306
Operating Income					
Adjustments to Reconcile Operating Income					
to Net Cash Provided by Operating Activities	13,900	1,522	457,131	-----	472,553
Depreciation Expense	-----	-----	12,315	-----	12,315
Amortization Expense					
Change in Assets and Liabilities					
Receivables, Net	11,055	-----	91,454	-----	102,509
Inventories	< 26,443>	-----	< 176>	-----	< 26,619>
Accounts Payable	< 33,733>	58,153	13,214	-----	37,634
Postclosure Expenses	-----	< 32,788>	-----	-----	< 32,788>
Net Cash Provided by Operating Activities	\$ 1,564,806	\$ 227,567	\$ 1,138,537	\$ -----	\$ 2,930,910

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

Component Unit

Barnesville – Lamar County Library

Statement of Net Assets

For the Fiscal Year Ended June 30, 2011

	PRIMARY GOVERNMENT	
	GOVERNMENTAL ACTIVITIES	
	2011	2009
Assets		
Current Assets		
Cash and Cash Equivalents	\$ 43,288	\$ 35,236
Temporary Cash Investments	79,825	78,458
Receivables (Net)	190	190
Investments	40,000	39,200
Total Current Assets	<u>\$ 163,303</u>	<u>\$ 153,084</u>
Non Current Assets		
Capital Assets		
Depreciable Buildings, Property, and		
Equipment, Net	<u>\$ 22,591</u>	<u>\$ 26,935</u>
Total Non Current Assets	<u>\$ 22,591</u>	<u>\$ 26,935</u>
Total Assets	\$ 185,894	\$ 180,019
	=====	=====
Liabilities		
Current Liabilities		
Accounts Payable	\$ 867	\$ 550
Total Current Liabilities	<u>\$ 867</u>	<u>\$ 550</u>
Net Assets		
Invested in Capital Assets	\$ 22,591	\$ 26,935
Unrestricted	162,436	152,534
Total Net Assets	<u>\$ 185,027</u>	<u>\$ 179,469</u>
Total Liabilities and Net Assets	\$ 185,894	\$ 180,019
	=====	=====

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

Notes to the Basic Financial Statements

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

The City of Barnesville, Georgia (the "City"), which was founded in 1852, has a population of 6,300 living within an area of 6.2 square miles. The City is a Georgia municipal corporation and operates under a charter adopted April 1995, and is a City Manager/Mayor and Council form of government.

Note 1 – Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its enterprise funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, and component units and other organizations that are included to ensure that the financial statements are not misleading.

The component unit is a legally separate organization for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; the City is obligated for the debt of the organization.

The discretely presented component unit generally is reported only at the government-wide financial reporting level.

The component unit columns included on the government-wide financial statements identifies the financial data of the City's discretely presented component unit. It is reported separately to emphasize that it is legally separate from the City.

The following component unit is discretely presented in the reporting entity:

Barnesville-Lamar County Library (the Library) – The Library operates under a Board Member form of government and provides the following services: research material, computer services, education programs, reading programs as well as a wide variety of books for use by Lamar County residents. The financial statements for the Library can be obtained at the City Hall of Barnesville, Georgia or the Library, Thomaston Street, Barnesville, Georgia.

Barnesville Downtown Development Authority – The DDA operates under a Board Member form of government and will provide the following services: promotion of downtown merchants and downtown enhancements. The authority is dormant at present with no assets or liabilities.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The government-wide financial statements include a statement of net assets and a statement of activities. These statements report financial information for the City as a whole. All funds other than fiduciary activities are included at the government-wide reporting level. Individual funds are not displayed at this reporting level, but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers.

The statement of net assets presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function. The City does not allocate indirect expenses to functions in the statement of activities.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

The statement of activities reports the expenses of a given function offset by program revenues directly related to the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is to which function the revenues are restricted.

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements – During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for non-major funds. The fiduciary funds are reported by type.

Fund Accounting – The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses two categories of funds: governmental and proprietary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's major governmental funds:

General Fund – Major Fund - The general fund accounts for all financial resources except those required to be accounted for in other funds. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

Special Revenue – Major Fund (CDBG) – This fund is used to administer the Department of Community Affairs Block Grants. The grants are for water facilities, street improvement, flood and drainage improvements, and urban housing improvements. – Non-Major Fund (Hotel/Motel Tax)– This fund is used to collect Hotel/Motel tax and disburse forty percent of the revenues to the Barnesville – Lamar County Chamber of Commerce and to promote tourism.

Capital Projects–Major Fund – This fund's purpose is to administer the Special Purpose Local Option Sales Tax projects.

Proprietary Funds – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as enterprise funds.

Electric Fund – Major Fund – This fund is used to account for the operations of the City's electric.

Sanitation Fund – Major Fund – This fund is used to account for the operations of the City's sanitation.

Water and Sewer System Fund – Major Fund - This fund is used for the operation of the City's water and sewer system which renders services to the residents and businesses located within the City.

Industrial Development Fund – This fund is used for the operation of the City's industrial residents' and potential industrial residents' needs.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets. The statement of activities reports revenues and expenses, including depreciation.

Fund Financial Statements – All governmental funds are accounted for using a flow of current financial resources measurement focus in these financial statements. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the operation of these funds are included on the statements of net assets. The statements of changes in fund net assets present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting on both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within twelve months of year-end.

Revenues – Non-exchange Transactions – Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place and on the modified accrual basis, it is recognized in the year received (i.e., when considered available). Revenue from property taxes is recognized in the fiscal year for which the taxes are levied (Note 3-C). Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, franchise fees, interest and federal and state grants.

Deferred Revenue – Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Grants and entitlements received before the eligibility requirements are met (e.g., cash advances) are recorded as deferred revenue.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

1-E. Assets, Liabilities and Fund Equity

1-E-1. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

Georgia law authorizes the City to invest in the following type of obligations:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the government or governmental agency
- Obligations of any corporation of the government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Any investment or deposit in excess of the Federal Deposit Insurance Corporation (FDIC) insured amount must be secured by 110% of an equivalent amount of State or U.S. obligations

1-E-2. Receivables

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

1-E-3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the government-wide statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4. Consumable Inventories

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

On the fund financial statements, inventories of governmental funds are stated at cost. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as expenditure in the governmental fund types when consumed.

1-E-5. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the enterprise funds' statement of net assets.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of two thousand five hundred dollars. The City's infrastructure consists of roads, bridges and water and sewer lines. Improvements (i.e., betterments) to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized. Infrastructure acquired prior to implementation of a statement 34 are reported.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

All reported capital assets are depreciated except for land, and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

Description	Governmental Activities Estimated Lives	Business-Type Activities Estimated Lives
Land Improvements	20 years	20 years
Buildings and Plant* *Includes Water and Sewer lines.	40 years	40 – 50 years
Machinery and Equipment	5 – 10 years	5 – 30 years
Vehicles	5 – 7 years	5 – 7 years
Infrastructure	10 – 65 years	40 – 50 years

1-E-6. Compensated Absences

Neither vacation nor sick leave benefits are paid at termination neither does the unused vacation rollover to the subsequent year. Therefore, compensated absences are not accrued.

1-E-7. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of these funds.

1-E-8. Bond Premiums, Discounts and Issuance Costs

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts and bond issuance costs are deferred and amortized over the life of the bonds using the straight line method.

At government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as an expenditure.

1-E-9. Fund Equity

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

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations demonstrate management's intent to set aside these resources for specific services.

Net Assets – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. The net asset amount also is adjusted by any bond issuance deferred amounts. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net assets are reported as unrestricted.

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

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

1-E-10. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for services for water, sewer, electric and sanitation programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each program.

1-E-11. Non-Operating Revenues and Expenses

Non-operating revenues are those revenues not generated directly from the primary activity of the proprietary funds. For the City, these revenues are interest revenues generated from cash holdings. Non-operating expenses are not considered necessary costs incurred to provide the good or service related to the primary activity of each program. The City's proprietary non-operating expenses are interest expense incurred on the related debt and amortization of a deferred loss.

1-E-12. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-13. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from fund responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business-type activities column are eliminated.

1-E-14. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-E-15. Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

Note 2 – Stewardship, Compliance and Accountability

2-A. Budgetary Information

The City adopts an annual operating budget for the general fund, each special revenue fund and each enterprise fund. A project budget is adopted for each projects fund. The budget resolution reflects the total of each department's appropriation in each fund.

The governmental funds' budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenditures. Enterprise fund budgets are adopted on a basis consistent with GAAP, except that outstanding encumbrances at year-end are reported as budgetary expenses.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level with the following provisions:

- The City Manager may transfer funds from one object or purpose to another within the same department.
- The City Council may amend the budget by motion during the fiscal year.

Formal budgetary integration is employed as management control device during the year for all budgeted funds.

2-B. Excess of Expenditures Over Appropriations

The following funds reported expenditures/expenses over appropriations:

Fund	Appropriation	Encumbrances/Expenditures	Over-Appropriation
NONE			

Note 3 – Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits – The bank balance is classified into three categories of credit risk: 1) cash that is insured or collateralized with securities held by the City or by its agent in its name, 2) cash collateralized with securities held by the pledging financial institution's trust department or agent in the City's name, and 3) uncollateralized bank accounts including any bank balance that is collateralized with securities held by the pledging institution's trust department or agent but not in the City's name. The Georgia Fund one is sponsored by the State of Georgia (Oversight Agency) for the investment of local government funds.

The City's deposits are classified as follows at September 30, 2011:

	Category			Bank Balance	Carrying Amount
	1	2	3		
Primary Government	\$ 372 =====	\$ ----- =====	\$ 3,703 =====	\$ 4,075 =====	\$ 3,776 =====
Component Unit:					
Barnesville-Lamar					
County Library	\$ 45 =====	\$ ----- =====	\$ ----- =====	\$ 45 =====	\$ 45 =====

Credit Risk – Primary Government – The City has deposits that are not completely collateralized as in the bank has pledged the securities but the pledged securities are not in the City's name. In this case, the City does not need to address this issue in the corrective action plan. The credit risks the City could face with uncollateralized deposits are critical financial stress on the depositor financial institution or theft of the uncollateralized deposits. The Financial institution is in good standing, no fear of risk of loss is present. The City's deposit policy is in conjunction with the State deposit policies.

Investments – Primary Government – Investments of the City are categorized below to give an indication of the level of risk assumed by the City at year-end. Category 1 includes investments that are insured or registered or for which the City's agent in the City's name holds the securities. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the City's name holds the securities. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

The City also participates in the Georgia Fund I, the office of Treasury and Fiscal Services is the oversight of the agency. The interest rate risk for the Georgia One Fund is 5.32 annually and the credit rating is AAAf/S1.

(Amounts Expressed in Thousands)	Category			Carrying Amount/ Fair Value
Investment Instrument	1	2	3	
Georgia Fund One	\$ 1.7	\$ -----	\$ -----	\$ 1.7
City of Barnesville Certificates of deposit	131	-----	-----	131
Barnesville-Lamar County Library Certificates of deposit	80	-----	-----	80
Market Securities	<u>-----</u>	<u>54</u>	<u>-----</u>	<u>54</u>
Grand Total	\$ 212.7 =====	\$ 54 =====	\$ ----- =====	\$ 266.7 =====

Cash and Cash Equivalents Reconciliation:

	Primary Government
Fund Reporting Level:	
Governmental Funds - Balance Sheet	\$ 1,594,248
Proprietary Fund Type Statement of Net Assets	2,182,050
Total Carrying Amount	\$ 3,776,298 =====

3-B. Receivables

Receivables at September 30, 2011, consisted of taxes, fines, and accounts (billings for user charges).

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

3-C. Property Taxes

Normally, property tax levies are set by the City Council in September of each year for collection in the following fiscal year beginning September 1. Lamar County spreads all levies over assessable property. Taxes are levied annually by the City and for the year ended September 30, 2011, the levy occurred on October 8, 2011 real and personal property taxes were due on December 31, 2011. Property taxes receivable become a lien on January 9 and are recorded in the General Fund usually in October or November of each fiscal year.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

3-D. Capital Assets

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

(Amounts Expressed in Thousands)

	Balance 10/1/10	Additions	Deductions	Balance 9/30/11
Governmental Activities:				
Capital Assets not being Depreciated:				
Land	\$ 1,247	\$ -----	\$ -----	\$ 1,247
Construction in Progress	<u>1,517</u>	<u>1,258.5</u>	<u>-----</u>	<u>2,775.5</u>
Total Non-Depreciable Capital Assets:	<u>\$ 2,764</u>	<u>\$1,258.5</u>	<u>\$ -----</u>	<u>\$ 4,022.5</u>
Depreciable Capital Assets:				
Land Improvements	\$ 171	\$ -----	\$ -----	\$ 171
Buildings and Plant	2,252	-----	-----	2,252
Machinery and Equipment	1,320	126	-----	1,446
Vehicles	455	-----	-----	455
Infrastructure	<u>3,369</u>	<u>16</u>	<u>-----</u>	<u>3,385</u>
Total Depreciable Capital Assets	<u>\$ 7,567</u>	<u>\$ 142</u>	<u>\$ -----</u>	<u>\$ 7,709</u>
Total Non and Depreciable Capital Assets	<u>\$ 10,331</u>	<u>\$1,400.5</u>	<u>\$ -----</u>	<u>\$11,731.5</u>
Accumulated Depreciation				
Land Improvements	\$ 45	\$ -----	\$ -----	\$ 45
Buildings and Plant	627	60	-----	687
Machinery and Equipment	898	94	-----	992
Vehicles	430	43	-----	473
Infrastructure	<u>867</u>	<u>99</u>	<u>-----</u>	<u>966</u>
Total Accumulated Depreciation	<u>\$ 2,867</u>	<u>\$ 296</u>	<u>\$ -----</u>	<u>\$ 3,163</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,464</u> =====	<u>\$1,104.5</u> =====	<u>\$ -----</u> =====	<u>\$ 8,568.5</u> =====

Governmental Activities Depreciation Expense

General Government	\$ 13
Police	31
Fire	89
Street and Right of Way	111
Cemetery and Recycle Center	5
Culture and Recreation	<u>47</u>
Total Governmental Activities Depreciation Expense	<u>\$ 296</u> =====

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

(Amounts Expressed in Thousands)

	Balance 10/1/10	Additions	Deductions	Balance 9/30/11
Business-Type Activities:				
Capital Assets not being Depreciated:				
Land	\$ 892	\$ -----	\$ 25	\$ 867
Construction in Progress	528	1,777	-----	2,305
Total Non-Depreciable Capital Assets	\$ 1,420	\$ 1,777	\$ 25	\$ 3,172
Depreciable Capital Assets:				
Buildings and Plant	\$ 16,296	\$ -----	\$ -----	\$ 16,296
Machinery and Equipment	1,371	36	-----	1,407
Vehicles	174	12	-----	186
Infrastructure	6,018	50	-----	6,068
Total Depreciable Capital Assets	\$ 23,859	\$ 98	\$ -----	\$ 23,957
Total Non and Depreciable Capital Assets	\$ 25,279	\$ 1,875	\$ 25	\$ 27,129
Accumulated Depreciation				
Buildings and Plant	\$ 7,982	\$ 293	\$ -----	\$ 8,275
Machinery and Equipment	490	17	-----	507
Vehicles	169	2	-----	171
Infrastructure	1,434	161	-----	1,595
Total Accumulated Depreciation	\$ <10,075>	\$ < 473>	\$ -----	\$ <10,548>
Business-Type Activities Capital Assets, Net	\$ 15,204	\$ 1,402	\$ 25	\$ 16,581
	=====	=====	=====	=====
Component Unit:				
Barnesville-Lamar County Library				
Depreciable Capital Assets	\$ 107	\$ 5	\$ -----	\$ 112
Less Accumulated Depreciation	84	4	-----	88
Component Unit Capital Assets, Net	\$ 23	\$ 1	\$ -----	\$ 24
	=====	=====	=====	=====

3-E. Interfund Balances and Transfers

Interfund balances at September 30, 2011, consisted of the following amounts. The interfund balances are not expected to be paid in one year from the date of the financial statements and have existed for more than one year and the original purpose of the interfund balances were to finance capital acquisitions in other funds.

(Amounts Expressed in Thousands)	Payable From:					Total
	General Fund	Industrial Development Fund	Capital Projects	Water & Sewer	Sanitation	
Payable To:						
General Fund	\$ -----	\$ -----	\$ 3	\$ -----	\$ -----	\$ 3
Electric Fund	170	261	-----	-----	1	432
Water and Sewer Fund	135	759	-----	-----	-----	894
Hotel/Motel Tax Fund	9	-----	-----	-----	-----	9
Industrial Fund	-----	-----	-----	481	-----	481
Total	\$ 314	\$ 1,020	\$ 3	\$ 481	\$ 1	\$ 1,819
	=====	=====	=====	=====	=====	=====

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

Interfund transfers for the year ended September 30, 2011, consisted of the following:

(Amounts Expressed in Thousands)

Transfers To:	Transfers From:						Total
	General Fund	Industrial Development Fund	Water and Sewer Fund	Electric Fund	Sanitation Fund	SPLOST	
General Fund	\$ -----	\$ -----	\$ 433	\$ 1,513	\$ 231	\$ -----	\$ 2,177
Water and Sewer Fund*	-----	461	-----	-----	-----	54	515
Electric Fund*	-----	-----	-----	-----	-----	16	16
	<u>\$ -----</u>	<u>\$ 461</u>	<u>\$ 433</u>	<u>\$ 1,513</u>	<u>\$ 231</u>	<u>\$ 70</u>	<u>\$ 2,708</u>

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to return money to the fund from which it was originally provided, once a project is completed.

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-F. Revenue Bonds Payable

The City of Barnesville experienced a financial loss on the defeasement of the GEFA loan and the refunding of a portion of the Series 1992 Bonds. The financial loss of \$208,515 is being amortized over twenty five years, the life of the Series 1998 Bonds. These Bonds were refunded in 2011-2012 fiscal year.

The City issued refunding Bond Series 2003 on August 13, 2003. The refunding bonds extinguished the 1992 GEFA loan of \$504,904.66 plus accrued interest of \$953.16. The principal amount of \$2,805,000 plus accrued interest of \$91,728.75 and the redemption premium of \$26,850 related to the 92 Bonds were deposited into escrow by the underwriter to extinguish the entire debt related to the 92 Bonds. The amount of paid debt that has been redeemed is \$2,805,000. The refunding Bond Series of 2003 proceeds paid all expenses incident to the issuance of the bonds. The bonds are secured by a first lien on and payable solely from the net revenues of the system. These Bonds too were refunded in 2011-2012 fiscal year.

The following is a summary of revenue bond transactions of the City for the year ended September 30, 2011.

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*1998 Series	3.70% to 4.20%	\$ 2,050,000	\$< 100,000>	\$ 1,950,000
**2003 Series	3.38% to 3.38%	1,540,000	< 260,000>	1,280,000
		<u>\$ 3,590,000</u>	<u>\$< 360,000></u>	<u>\$ 3,230,000</u>
		=====	=====	=====

*Original issue amount \$3,000,000 - Purpose to Construct Water and Sewer Treatment Plant

**Original issue amount \$3,295,000 - Purpose to Construct Water and Sewer Treatment Plant

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

The annual principal maturities of the debt during the years following 2011 are as follows:

Year	2003	1998
2012	\$ 230,000	\$ 55,000
2013	200,000	15,000
2014	215,000	15,000
2015	215,000	20,000
2016	220,000	20,000
2017-2021	210,000	1,435,000
2022	-----	390,000
	<u>\$ 1,280,000</u>	<u>\$ 1,950,000</u>

Year	2003 Interest	2003 Int Rate	1998 Interest	1998 Int Rate
2012	44,701	3.38%	\$ 94,544	4.50%
2013	35,152	3.38%	92,068	4.90%
2014	28,392	3.38%	91,356	5.03%
2015	21,463	3.38%	90,644	5.03%
2016	17,998	3.38%	89,694	5.03%
2017-2021	-----	-----	337,451	5.03%
2022	-----	-----	19,012	5.03%
	<u>\$ 147,706</u>		<u>\$ 814,769</u>	

Interest expense for 2011 amounted to \$150,758 for the above and has been expended within the accompanying financial statements.

Mandatory Redemption – The 1998 Bonds maturing on September 1, 2022 are term bonds subject to the scheduled mandatory redemption prior to maturity in part (the actual Term Bonds to be redeemed to be selected by lot in such manner as may be designated by the City) at a redemption price equal of 100 percent of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates as set forth below (the September 1, 2022 amount to be paid rather than redeemed):

Dates	Principal Amount
September 1, 2012	\$ 55,000
September 1, 2013	55,000
September 1, 2014	15,000
September 1, 2015	15,000
September 1, 2016 - 2022	<u>1,810,000</u>
	<u>\$ 1,950,000</u>
	=====

The 2003 Bonds maturing on September 1, 2017 are term bonds subject to scheduled mandatory redemption prior to maturity in part (the actual Term Bonds to be redeemed to be selected by lot in such manner as may be designated by the City) at a redemption price equal to 100 percent of the principal amount thereof, plus accrued interest to the redemption date, in the following principal amounts and on the dates as set forth below (the September 1, 2017 amount to be paid rather than redeemed):

Dates	Principal Amount
September 1, 2012	\$ 230,000
September 1, 2013	200,000
September 1, 2014	205,000
September 1, 2015	215,000
September 1, 2016	220,000
September 1, 2017	<u>210,000</u>
	<u>\$ 1,280,000</u>
	=====

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

3-G. Notes Payable

General Obligation Debt – The City has issued general obligation debt to provide funds for the purchase of a new fire truck and computers. The debt is a direct obligation of the City and is pledged by the full faith and credit of the City. General obligation debt currently outstanding as of September 30, 2011, is as follows:

Name	Interest Rate	Balance Beginning of Year	Additions (Reductions) in Indebtedness	Balance End of Year
*Fire Truck	4.75%	\$ 50,097	\$< 50,097>	\$ -----

*Original debt amount \$173,445 - Purpose to Purchase a state of the art Fire Truck

Interest expense on the above amounted to \$2,093 and has been expended within the accompanying financial statements.

General Long-Term Interfund Debt

Balance Beginning of Year	Addition (Reduction)	Balance End of Year
\$ 319,150	\$< 5,187>	\$ 313,963

Enterprise Funds – The following is a summary of the notes payable of the City as of September 30, 2011:

Note payable to Georgia Environmental Facilities Authority (GEFA)
with interest at 3.83% per annum. Original debt amount of \$306,189
Purpose to construct Water and Sewer Lines \$ 240,631

The annual principal maturities of the above debt during the years following 2011 are as follows:

	GEFA
2012	\$ 12,940
2013	12,955
2014	13,458
2015	14,524
2016	15,590
2017-2022	83,363
2023-2027	87,801
	<u>\$ 240,631</u>
	=====

Interest expense on the above amounted to \$ 9,523 has been expended within the accompanying financial statements.

The annual interest expense on the above debt during the years following 2011 is as follows:

	GEFA
2012	\$ 8,998
2013	8,525
2014	8,003
2015	7,459
2016	6,915
2017-2022	23,036
2023-2027	9,743
	<u>\$ 72,679</u>
	=====

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

3-H. Lease Payable

Changes in Long-term Debt – Changes in the City's long-term obligations consisted of the following for the year ended September 30, 2011:

	Outstanding 10/1/2010	Additions	Reductions	Outstanding 9/30/2011	Amounts Due in One Year
Governmental Activities					
General Obligation Debt (Fire Truck)	\$ 50,097	\$ -----	\$ 50,097	\$ -----	\$ -----
	=====	=====	=====	=====	=====
Business-Type Activities					
Water & Sewer Revenue Bonds (Waterline extension and plants)	\$3,590,000	\$ -----	\$ 360,000	\$3,230,000	\$ 285,000
Electric - Line Truck	4,856	-----	4,856	-----	-----
GEFA Debt (Water line extension)	264,276	-----	23,645	240,632	12,940
Landfill Post Closure	420,489	-----	32,788	387,701	N/A
Electric and Sanitation Customer Deposits (Net)	329,243	-----	50,840	278,403	Not known
	=====	=====	=====	=====	=====
Total Business-Type Activities	\$4,608,864	\$ -----	\$ 472,129	\$4,136,735	\$ 297,940
	=====	=====	=====	=====	=====

3-I. Pensions

GMEBS Plan

Plan Description – On September 19, 1977, the City passed an ordinance whereby it adopted a defined benefit pension plan that covers officials and employees with one or more years of service. The plan benefit provisions are established and may be amended under the authority of the City of Barnesville's Council. The City contributes to the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the City. The report may be obtained by writing to:

The Segal Group
2018 Powers Ferry Suite 850
Atlanta, Georgia 30339

Funding Policy – City employees are not required to contribute to GMEBS. The City is required to contribute 100% of the amounts necessary to fund the System using the actuarial basis specified by statute. The current contribution rate is 16.63% of annual covered payroll. The contribution requirements of plan members are established and may be amended by the GMEBS Board of Trustees. The City's contributions to GMEBS for the years ended September 30, 2011, 2010, and 2009 were \$281,440, \$307,025, and \$363,931 respectively. The required contributions for each year, 2011, 2010, and 2009 were \$281,440, \$307,025, and \$330,984 respectively.

Annual Pension Cost – For September 30, 2011, the City's annual pension cost of \$411,669 for GMEBS was not equal to the City's required contribution of \$281,440, and not to the actual contribution of \$281,440. The required contribution was determined as part of the January 1, 2011, actuarial valuation using the projected unit credit method. The actuarial assumptions included (a) 8.00% investment rate of return (net of administrative expenses); (b) projected salary increases of 5.00% per year for inflation, (c) .50% per year for merit or seniority; and (d) 5.00% per year for post retirement benefit increases. The actuarial value of GMEBS assets was determined using techniques that smooth the effects of short-term volatility in the market of value of investments over a four-year period. GMEBS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on a closed basis of 30 years, beginning July 1, 1984. The remaining amortization period at September 30, 2011 was 3 years.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

(Amounts Expressed in Thousands)

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Unfunded AAL/ (UAAL) (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (3) / (5)
9/1/2009	\$ 5,671	\$ 7,692	\$ 2,021	73.73%	\$ 1,777	113.73%
1/1/2010	6,410	6,869	459	93.32%	1,799	25.52%
1/1/2011	6,713	6,968	256	96.33%	1,966	13.00%

Schedule of Employer Contributions

Year Ended 9/30	Annual Required Contribution	Percentage Contributed	Annual Pension Cost	Percentage Contributed
2009	\$ 331	110%	\$ 426	85.45%
2010	307	100%	459	66.8%
2011	281	100%	412	68.2%

3-J. Equity

Net Assets – Net assets on the government-wide statement of net assets as of September 30, 2011 are as follows:

(Amounts Expressed in Thousands)

	Governmental Activities	Business-Type Activities
Invested in capital assets, net of related debt:		
Cost of Capital Assets	\$ 11,731.5	\$ 27,129
Less Accumulated Depreciation	< 3,163>	< 10,548>
Book Value	\$ 8,568.5	\$ 16,581
Less Capital Related Debt	-----	< *3,494>
Invested in capital assets, net of related debt	\$ 8,568.5	\$ 13,087
	=====	=====

*Capital Debt \$3,471 plus accrued interest of \$23.

Fund Balances – Fund balance assignments at the fund reporting level as of September 30, 2011 are as follows:

Unreserved, Assigned Fund Balances:

Nature and Purpose of Assignments	General
Cemetery Perpetual Care	\$ 103,638

3-K. Contracts

The City entered into contract with Dependable Waste, Inc. to provide the City with waste disposal. The cost of the service is passed on to the residents. The contract will continue until September 30, 2011. The City at present provides the recycling services to residents.

3-L. Compliance with Legal Provisions

Grants – In the year ended September 30, 2011, the City received payments from the State of Georgia as follows:

One Georgia Grant	
Purpose: Piedmont Power Infrastructure	\$ 500,000
Georgia Emergency Management Agency Grant	
Purpose: Tornado Damage	\$ 60,224

Expenditures from the capital outlay grant funds were for acquisition and maintenance of capital outlay items as required by law. The general purpose funds are to be expended for general purposes and none of the general purpose grant funds will be used to pay salaries of elected officials.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

Federal Laws – Grants – The City received federal grant funds from the Department of Community Affairs in the amount of \$218,397. The grant funds are for street improvements, flood drainage, water facilities and urban housing improvements. The multi-jurisdictional Drug Task Force reimbursed the City \$29,077 for salaries that originated from the U.S. Department of Justice. Also, the Department of Transportation funded a grant in the amount of \$205,670 to the City for paving projects.

Hotel/Motel Tax – The City was in compliance with the provisions of OCGA-48-13-51 which require the City to meet the expenditures requirement for the levying and collecting of hotel/motel tax. The amount of funds expended as provided within the Code Section 36-81-7 during the fiscal year is \$20,365. The percentage of expenditures to collections is 124%. The City has a contractual agreement with the Barnesville-Lamar County Chamber of Commerce to remit forty percent of the hotel/motel tax collections. The City remitted \$6,625 in hotel/motel tax collections during the fiscal year to the Barnesville-Lamar County Chamber of Commerce. The Barnesville-Lamar County Chamber of Commerce provides the City with annual audited financial statements as verification of the expenditure of the hotel/motel collections. The amount owed in hotel/motel tax by the City to the Barnesville-Lamar County Chamber of Commerce at September 30, 2011 is \$0.

3-M. Other Required Individual Fund Disclosures

The Non-major Special Revenue Fund had a deficit of \$3,844 and the Capital Projects Fund had a deficit of \$513,581 for the fiscal year ending September 30, 2011. The fund has a \$9,266 and \$1,175,345 respectively surplus to offset future deficits. Deficit fund balances or retained earnings balances of individual funds: The Sanitation Fund has a deficit of \$160,854 and a current deficit of \$24,431 due to the transfer to General Fund. The deficit is due to the separation of the Electric and Sanitation Funds in the prior year.

3-N. Commitment and Contingencies

Agreements with Municipal Electric Authority of Georgia

During 1976, the City, along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and instrumentally of the State of Georgia.

Under the terms of the agreement, the Authority agrees to provide, and the Cities are obligated to purchase, all of the Cities' bulk power supply requirements for a period not to exceed 50 years. The Cities have agreed to purchase all their future power and energy requirements in excess of that received by the Cities through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each City has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by the Authority. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At September 30, 2011, the outstanding debt of the Authority was approximately \$2.78 billion. The City's guarantee varies by individual projects undertaken by the Authority.

On January 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two types of funds, which are held by MEAG in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The second type represents amounts that are available to the City in the form of a loan or as off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

Note 4 – Other Notes

4-A. Closure and Postclosure Care Requirements

GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", require certain disclosures be reported relating to the closure and postclosure care.

The current estimated cost of postclosure is \$387,701.

**** The amount of post closure costs actually paid in the current year is \$32,788.**

The City owned and operated the city landfill until 1992. The landfill was closed in 1992 in order to meet the State of Georgia Solid Waste Reduction requirements. The solid waste disposal has been contracted with an outside source (see Note 4-K).

The estimated costs of postclosure are based on the landfill capacity used to date. The landfill capacity used to date is 100 percent. The estimated remaining landfill life is zero years. The current estimated postclosure costs recognized for the year ending are \$ 0. The nature of the estimates and the potential for changes are due to inflation or deflation, technology or applicable laws or regulations.

The source of the estimated cost of postclosure care requirements are regulated by the Environmental Protection Division of the Environmental Protection Agency. The nature of the postclosure care requirements consist of well monitoring, laboratory analysis, and inspections. The estimated cost of postclosure decreased due to environmental changes and requirements stipulated by the Environmental Protection Division. Requirements for post closure are being fulfilled.

*The postclosure costs vary from year to year based on the EPD's requirements for well testing.

4-B. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is a member of the Georgia Interlocal Risk Management Agency (GIRMA). This membership allows the City to share liability, crime, motor vehicle, and property damage risks.

The City participates in the Georgia Municipal Association Workers' Compensation Self Insurance Fund. The fund was established to insure members for liabilities imposed under workers' compensation and employers' liability laws. The fund is obligated to provide for the cost of claims and related interest incurred by the City under the Workers' Compensation Law of Georgia along with the cost of investigating, negotiation, and defending such claims. The fund is intended to be self-sustaining through member premiums. Accordingly, the City is required to pay an annual premium to the fund.

Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. GIRMA is a municipal interlocal risk management agency to function as an unincorporated nonprofit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management services to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government. GIRMA is to defend and protect in accordance with the member government contract and related coverage descriptions any member of GIRMA against liability or loss.

City of Barnesville
Notes to the Basic Financial Statements
For the year ended September 30, 2011

The City must participate at all times in at least one fund, which is established by GIRMA. Other responsibilities of the City are as follows:

- To pay all contributions, assessments or other sums due to GIRMA at such times and in such amounts as shall be established by GIRMA.
- To select a person to serve as a Member representative
- To allow GIRMA and its agent's reasonable access to all facilities of the City and all records, including but not limited to financial records, which relate to the purposes of GIRMA.
- To allow attorneys appointed by GIRMA to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the Fund or Funds established by GIRMA.
- To assist and cooperate in the defense and settlement of claims against the City.
- To furnish full cooperation to GIRMA's attorneys claim adjusters, Service Company, and any agent, employee, officer, or independent contractor of GIRMA relating to the purposes of GIRMA.
- To furnish to GIRMA such budget, operating and underwriting information as may be requested.
- To report as promptly as possible, and in accordance with any coverage descriptions issued, all incidents which could result in GIRMA or any fund established by GIRMA being required to pay claim for loss or injuries to municipal property when such loss or injury is within the scope of the protection of a fund or funds in which the City participates.
- The City retains the first \$1,000 of each risk of loss in the form of a deductible. The City files all claims with GIRMA. GIRMA bills the City for any risk of loss up to \$1,000 deductible.

The Fund is to defend, in the name of and on behalf of the members, any suits or other proceedings which may at time be instituted against them on account of injuries or death within the preview of the Workers' Compensation Law of Georgia, or on the basis of employer's liability, including suits or other proceedings alleging such injuries and demanding for compensation therefore, although such suits, other proceedings, allegations or demands be wholly groundless, false, or fraudulent. The Fund is to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation, or defense.

There were no significant reductions in insurance coverage from prior year, and there have been no settlements that exceed the City's insurance coverage during the past three years.

4-C. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

4-D. Joint Venture

Under Georgia law, the City, in conjunction with other municipalities and counties in the five county Central Georgia area, is a member of the McIntosh Trail Regional Development (RDC). Membership in the RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes representation from each county and municipality of the area, as well as representatives from the private sector and other governmental entities. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements for the RDC are available from:

McIntosh Trail Regional Development
Hill Street
Griffin, Ga 30223

4-E. Related Organizations

The Barnesville Housing Authority, Conventional, and Section 8 are deemed to be related organizations of the City. The financial statements of the related organization are not included in the City of Barnesville's audited financial statements.

Required Supplementary Information

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-General Fund Types
For the Year Ended September 30, 2011

	GENERAL FUND (MAJOR FUND)			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Taxes				
2010 Property	\$ 490,662	\$ 451,604	\$ 451,604	\$ -----
Sales	540,000	615,477	615,477	-----
Intangible and Transfer	2,260	6,356	6,356	-----
Motor Vehicle	28,000	33,665	33,665	-----
Public Utilities Franchise	106,380	106,748	106,748	-----
Insurance Premium	332,000	316,838	316,838	-----
Malt Beverage	155,000	165,436	165,436	-----
Liquor	28,000	28,606	28,606	-----
	<u>\$ 1,682,302</u>	<u>\$ 1,724,730</u>	<u>\$ 1,724,730</u>	<u>\$ -----</u>
Business License and Permits	<u>\$ 116,000</u>	<u>\$ 113,841</u>	<u>\$ 113,841</u>	<u>\$ -----</u>
Departmental Revenues				
Police	\$ 397,500	\$ 588,868	\$ 588,868	\$ -----
Fire	-----	76,279	76,279	-----
Street and Right of Way	1,500	3,564	3,564	-----
Cemetery	21,000	20,482	20,482	-----
Civic Center	48,500	52,549	52,549	-----
Swimming Facilities	2,000	3,183	3,183	-----
	<u>\$ 470,500</u>	<u>\$ 744,925</u>	<u>\$ 744,925</u>	<u>\$ -----</u>
Other Revenues				
Rental Income	\$ 6,400	\$ 78,190	\$ 78,190	\$ -----
Tax Interest	6,000	5,766	5,766	-----
Miscellaneous	50	39	39	-----
Interest Earned	1,000	3,283	3,283	-----
	<u>\$ 13,450</u>	<u>\$ 87,278</u>	<u>\$ 87,278</u>	<u>\$ -----</u>
TOTAL REVENUE-CARRIED FORWARD	<u>\$ 2,282,252</u>	<u>\$ 2,670,774</u>	<u>\$ 2,670,774</u>	<u>\$ -----</u>

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-General Fund Types
For the Year Ended September 30, 2011
 (Continued)

	GENERAL FUND (MAJOR FUND)			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)
TOTAL REVENUES- BROUGHT FORWARD	\$ 2,282,252	\$ 2,670,774	\$ 2,670,774	\$ -----
EXPENDITURES				
Current Operations				
Administrative and General	\$ 1,277,187	\$ 1,462,262	\$ 1,462,262	\$ -----
Police	1,310,256	1,438,640	1,438,640	-----
Fire	324,756	346,249	346,249	-----
Street and Right of Way	601,461	660,411	660,411	-----
Cemetery and Recycle Center	237,747	320,314	320,314	-----
Civic Center	141,056	145,304	145,304	-----
Swimming Facilities	32,660	38,773	38,773	-----
Capital Outlay				
Current Operations	81,000	125,712	125,712	-----
Debt Service				
Principle	25,000	50,097	50,097	-----
Interest	3,300	2,093	2,093	-----
Total Expenditures	\$ 4,034,423	\$ 4,589,855	\$ 4,589,855	\$ -----
EXCESS REVENUE OVER <UNDER> EXPENDITURES	\$ <1,752,171>	\$ <1,919,081>	\$ <1,919,081>	\$ -----
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 1,752,171	\$ 2,177,336	\$ 2,177,336	\$ -----
Transfers Out	-----	-----	-----	-----
Loan Proceeds	-----	-----	-----	-----
Total Other Financing Sources (Uses)	\$ 1,752,171	\$ 2,177,336	\$ 2,177,336	\$ -----
NET CHANGE IN FUND BALANCES	\$ -----	\$ 258,255	\$ 258,255	\$ -----
FUND BALANCE- BEGINNING OF YEAR	-----	1,448,012	1,448,012	-----
FUND BALANCE- END OF YEAR	\$ ----- =====	\$ 1,706,267 =====	\$ 1,706,267 =====	\$ ----- =====

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-Special Revenue Fund Types
 (Does Not Include Trust Fund Data)
For the Year Ended September 30, 2011

	CDBG (MAJOR FUND)			VARIANCE POSITIVE (NEGATIVE)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Intergovernmental	\$ 260,000	\$ 218,396	\$ 218,396	-----
Interest	-----	-----	-----	\$ -----
TOTAL REVENUES	<u>\$ 260,000</u>	<u>\$ 218,396</u>	<u>\$ 218,396</u>	<u>\$ -----</u>
EXPENDITURES				
Current				
Miscellaneous	\$ -----	\$ -----	\$ -----	\$ -----
Program Payments	-----	-----	-----	-----
Capital Outlay				
Current Operations	260,000	218,396	218,396	
Debt Service				
Principal	-----	-----	-----	-----
Total Expenditures	<u>\$ 260,000</u>	<u>\$ 218,396</u>	<u>\$ 218,396</u>	<u>\$ -----</u>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	\$ -----	\$ -----	\$ -----	\$ -----
Transfers In	-----	-----	-----	-----
Total Other Financing Sources (Uses)	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
NET CHANGE IN FUND BALANCES	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ -----</u>
FUND BALANCE - BEGINNING OF YEAR	-----	-----	-----	-----
FUND BALANCE - END OF YEAR	<u>\$ -----</u> =====	<u>\$ -----</u> =====	<u>\$ -----</u> =====	<u>\$ -----</u> =====

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-Capital Project Fund
 (Does Not Include Trust Fund Data)
For the Year Ended September 30, 2011

	SPLOST 2005 (MAJOR FUND)			VARIANCE
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	POSITIVE (NEGATIVE)
REVENUES				
Intergovernmental (Sales Tax)	\$ 650,000	\$ 604,498	\$ 604,498	-----
Interest	8,000	7,815	7,815	\$ -----
TOTAL REVENUES	<u>\$ 658,000</u>	<u>\$ 612,313</u>	<u>\$ 612,313</u>	<u>\$ -----</u>
EXPENDITURES				
Current				
Miscellaneous	\$ -----	\$ -----	\$ -----	\$ -----
Program Payments	-----	-----	-----	-----
Capital Outlay				
Current Operations	<u>658,000</u>	<u>1,056,419</u>	<u>1,056,419</u>	<u>-----</u>
Total Expenditures	<u>\$ 658,000</u>	<u>\$ 1,056,419</u>	<u>\$ 1,056,419</u>	<u>\$ -----</u>
EXCESS REVENUES OVER <UNDER> EXPENDITURES	<u>\$ -----</u>	<u>\$< 444,106></u>	<u>\$< 444,106></u>	<u>\$ -----</u>
OTHER FINANCING SOURCES (USES)				
Loan Proceeds	\$ -----	\$ -----	\$ -----	\$ -----
Transfers Out	<u>-----</u>	<u>< 69,475></u>	<u>< 69,475></u>	<u>-----</u>
Total Other Financing Sources (Uses)	<u>\$ -----</u>	<u>\$< 69,475></u>	<u>\$< 69,475></u>	<u>\$ -----</u>
NET CHANGE IN FUND BALANCES	<u>\$ -----</u>	<u>\$< 513,581></u>	<u>\$< 513,581></u>	<u>\$ -----</u>
FUND BALANCE- BEGINNING OF YEAR	<u>-----</u>	<u>1,688,926</u>	<u>1,688,926</u>	<u>-----</u>
FUND BALANCE- END OF YEAR	<u>\$ -----</u> =====	<u>\$ 1,175,345</u> =====	<u>\$ 1,175,345</u> =====	<u>\$ -----</u> =====

Supplementary Information

Governmental Funds

City of Barnesville
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
 Budget and Actual-Special Revenue Fund Types
 (Does Not Include Trust Fund Data)
For the Year Ended September 30, 2011

	HOTEL / MOTEL TAX (NON-MAJOR FUND)			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES				
Hotel-Motel Tax	\$ 16,000	\$ 16,521	\$ 16,521	\$ -----
TOTAL REVENUES	\$ 16,000	\$ 16,521	\$ 16,521	\$ -----
EXPENDITURES				
Current				
Cultural and Recreation (Tourism)	\$ 16,000	\$ 20,365	\$ 20,365	\$ -----
Total Expenditures	\$ 16,000	\$ 20,365	\$ 20,365	\$ -----
EXCESS REVENUES OVER <UNDER> EXPENDITURES	\$ -----	\$< 3,844>	\$< 3,844>	\$ -----
NET CHANGE IN FUND BALANCES	\$ -----	\$< 3,844>	\$< 3,844>	\$ -----
FUND BALANCE- BEGINNING OF YEAR	-----	13,110	13,110	-----
FUND BALANCE- END OF YEAR	\$ ----- =====	\$ 9,266 =====	\$ 9,266 =====	\$ ----- =====

City of Barnesville
General Fund
SCHEDULE OF ADMINISTRATIVE
AND GENERAL EXPENDITURES
For the Year Ended September 30, 2011

	<u>2011</u>	<u>2010</u>
Salaries	\$ 269,902	\$ 267,236
Employee Benefits	91,343	86,990
Contract Labor	36,000	40,888
Legal and Professional Fees	170,957	76,734
Bank Charges	217	815
Dues and Subscriptions	3,789	3,532
Advertising	2,019	2,462
Industrial Development Authority-Donation	72,000	72,000
E.P. Roberts Center	60,309	64,592
Office Supplies	27,443	30,410
Travel	3,600	3,600
Training Courses	5,196	6,613
Postage	23,100	22,525
Insurance	241,701	258,972
Utilities and Telephone	27,394	10,784
Public Property Expenditure	24,700	-----
Maintenance Agreement	24,164	22,019
Repairs and Maintenance	6,898	6,220
Miscellaneous	25,383	62,387
McIntosh Trail RDC	6,351	5,998
Lamar County Health Clinic	500	500
Radio Contract	2,073	2,277
Flint River Regional Library	11,615	11,616
Barnesville-Lamar County Library	187,556	185,994
Phone System*	<u>6,995</u>	<u>-----</u>
Total Expenditures	\$1,331,205 =====	\$1,249,966 =====

*Considered Capital Outlay

City of Barnesville
General Fund
**SCHEDULE OF ADMINISTRATIVE
AND GENERAL EXPENDITURES
MAYOR AND COUNCIL**
For the Year Ended September 30, 2011

	2011	2010
Mayor and Council Salaries / Benefits	\$ 110,242	\$ 100,539
Mayor and Council Travel	20,100	20,175
Mayor and Council School and Training	22,666	31,194
Mayor and Council Supplies	2,669	1,146
Mayor and Council Telephone	<u>1,412</u>	<u>1,441</u>
Total Expenditures	\$ 157,089 =====	\$ 154,495 =====

*Mayor's Office

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
POLICE DEPARTMENT
For the Year Ended September 30, 2011

	<u>2011</u>	<u>2010</u>
REVENUES		
Fines	\$ 511,418	\$ 453,004
Accident Reports	563	546
Miscellaneous	12,010	30,775
Parking Violations	2,800	4,423
Interest	37	32
Intergovernmental Revenues	<u>62,040</u>	<u>28,500</u>
Total Revenues	\$ 588,868	\$ 517,280
EXPENDITURES		
Salaries	\$ 777,398	\$ 786,478
Employee Benefits	371,419	340,046
Supplies	28,083	21,043
Repairs and Maintenance	58,151	38,210
Maintenance of Prisoners	6,458	17,189
Utilities	7,764	8,073
Gas and Oil	52,363	39,714
Tires and Tire Repairs	2,586	4,187
Uniforms	6,768	5,692
Dues and Subscriptions (Computer)	10,584	6,978
Radio Contract	2,120	2,037
Travel and Training Courses	5,686	3,106
Miscellaneous	14,180	5,997
Traffic Court Judge, Indigent Defense & Solicitor	35,400	29,000
Peace Officers and Prosecutions	27,523	25,560
Peace Officers' Annuity Benefits	9,606	8,756
GA Crime Victims Emergency Fund	5,914	6,109
Drug Testing	996	920
Jr Police/Community Projects	1,842	545
New Equipment and Vehicles*	35,892	43,994
Crime Lab and Brain and Spinal Injury Funds	1,257	1,041
County Drug Abuse Treatment	9,051	4,286
Driver Education and Training Fund	<u>3,491</u>	<u>3,902</u>
Total Expenditures	\$ 1,474,532	\$ 1,402,863
EXCESS EXPENDITURES OVER REVENUES	\$< 885,664> =====	\$< 885,583> =====

*Reported under Capital Outlay on other Statements and Schedules

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
FIRE DEPARTMENT
For the Year Ended September 30, 2011

	<u>2011</u>	<u>2010</u>
REVENUES		
Intergovernmental	\$ 74,100	\$ -----
Miscellaneous	<u>2,179</u>	<u>-----</u>
Total Revenues	<u>\$ 76,279</u>	<u>\$ -----</u>
EXPENDITURES		
Salaries	\$ 221,016	\$ 219,087
Employee Benefits	80,312	75,958
Supplies	3,884	7,123
Fire Calls and Drills	14,526	10,118
Gas and Oil	3,206	2,958
Radio Contract	969	848
Uniforms	990	974
Utilities	7,166	8,073
Retirement- Voluntary Firemen	3,960	3,960
Repairs and Maintenance	6,993	705
Debt Service	*52,190	*28,494
Drug Testing and Certifications	2,977	3,933
Miscellaneous	250	1,614
New Equipment**	<u>82,825</u>	<u>-----</u>
Total Expenditures	<u>\$ 481,264</u>	<u>\$ 363,845</u>
EXCESS EXPENDITURES OVER REVENUES	\$< 404,985> =====	\$< 363,845> =====

*Shown as interest and principal under debt service on page 15.

**Reported as Capital Outlay on other statements and schedules.

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
STREET AND RIGHT OF WAY DEPARTMENT
For the Year Ended September 30, 2011

	2011	2010
REVENUES		
Sale of Pipe	\$ -----	\$ 153
Miscellaneous (Donation)	515	15,022
Animal Control	<u>3,049</u>	<u>1,796</u>
Total Revenues	\$ <u>3,564</u>	\$ <u>16,971</u>
EXPENDITURES		
Salaries	\$ 83,431	\$ 43,799
Contract Labor	2,979	42,684
Employee Benefits	33,102	31,496
Supplies	68,378	35,647
Tires and Tire Repairs	349	1,696
Radio Contract	1,893	1,893
Gas and Oil	20,592	12,349
Utilities	2,869	3,062
Miscellaneous	27,414	24,757
Repairs (Including Service Agreements)	14,621	18,281
Public Works Contract	324,573	315,284
Street Mowing Contract	60,625	63,230
State Contract	<u>19,585</u>	<u>17,528</u>
Total Expenditures	\$ <u>660,411</u>	\$ <u>611,706</u>
EXCESS EXPENDITURES OVER REVENUES	\$< 656,847> =====	\$< 594,735> =====

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
CEMETERY AND RECYCLE CENTER DEPARTMENT
For the Year Ended September 30, 2011

	<u>2011</u>	<u>2010</u>
REVENUES		
Sale of Cemetery Lots	\$ 4,025	\$ 7,000
Opening Graves	16,450	20,125
Recycle Center	<u>7</u>	<u>5</u>
Total Revenues	\$ 20,482	\$ 27,130
EXPENDITURES		
Salaries	\$ 137,508	\$ 146,345
Contract Labor	29,463	14,675
Supplies	6,171	10,149
Employee Benefits	66,421	63,313
Gas and Oil	22,259	12,035
Tires and Tire Repairs	1,368	1,844
Repairs	16,289	9,849
Miscellaneous	3,841	6,474
Utilities	1,124	1,480
Mowing Contract	<u>35,870</u>	<u>32,300</u>
Total Expenditures	\$ 320,314	\$ 298,464
EXCESS EXPENDITURES OVER REVENUES	\$< 299,832> =====	\$< 271,334> =====

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
CIVIC CENTER
For the Year Ended September 30, 2011

	<u>2011</u>	<u>2010</u>
REVENUES		
Miscellaneous-Rentals	\$ 22,276	\$ 23,138
Membership Fees	<u>30,273</u>	<u>32,355</u>
Total Revenues	\$ 52,549	\$ 55,493
EXPENDITURES		
Salaries	\$ 82,643	\$ 78,084
Supplies	13,045	13,774
Employee Benefits	20,998	26,806
Utilities	2,178	2,106
Miscellaneous	3,220	47
Uniforms	527	1,268
Repairs	1,137	2,077
Drug Testing	144	146
Contract Labor	<u>21,412</u>	<u>-----</u>
Total Expenditures	\$ 145,304	\$ 149,897
EXCESS EXPENDITURES OVER REVENUES	\$< 92,755> =====	\$< 94,404> =====

City of Barnesville
General Fund
SCHEDULE OF REVENUES AND EXPENDITURES
SWIMMING FACILITIES
For the Year Ended September 30, 2011

	<u>2011</u>	<u>2010</u>
REVENUES		
Fees	\$ 3,183	\$ 2,994
Total Revenues	<u>\$ 3,183</u>	<u>\$ 2,994</u>
EXPENDITURES		
Salaries	\$ 26,341	\$ 29,628
Supplies	9,374	6,615
Employee Benefits	2,015	2,267
Utilities	619	904
Drug Testing	315	621
Repairs	<u>109</u>	<u>456</u>
Total Expenditures	<u>\$ 38,773</u>	<u>\$ 40,491</u>
EXCESS EXPENDITURES OVER REVENUES	\$< 35,590> =====	\$< 37,497> =====

City of Barnesville
General Fund
SCHEDULE OF TAX DIGEST FOR YEAR 2010
AND TAX COLLECTIONS
For the Year Ended September 30, 2011

	DIGEST VALUATIONS	TAXES ON VALUATIONS	AMOUNT OF TAXES ON DIGEST
SUMMARY OF AD VALOREM TAXES			
Digest of Taxpayers	\$109,166,438	\$ 443,544	
NODS	1,797,162	7,302	
Less Freeport Credit	-----	-----	
Public Utilities	<u>1,982,221</u>	<u>8,053</u>	
TOTAL ASSESSMENT	<u>\$112,945,821</u>	<u>\$ 458,899</u>	\$ 458,899
Net Charge-Ons/Charge Offs			<u>< 4,888 ></u>
TOTAL TAX DIGEST			\$ 454,011
Collection of 2010 Taxes			<u>< 410,433 ></u>
TOTAL 2010 TAXES RECEIVABLE			\$ 43,578
TOTAL PRIOR YEAR'S TAXES RECEIVABLE			<u>17,034</u>
TOTAL TAXES RECEIVABLE			<u>\$ 60,612</u> =====

Proprietary Funds

City of Barnesville
Proprietary Funds
DEPARTMENT OF SCHEDULE OF REVENUES AND EXPENDITURES
ELECTRIC, SANITATION, AND INDUSTRIAL DEVELOPMENT FUND
For the Year Ended September 30, 2011

	ELECTRIC	SANITATION	INDUSTRIAL DEVELOPMENT	TOTALS
OPERATING REVENUES				
Charges for Service	\$ 7,866,509	\$ 671,043	\$ -----	\$ 8,537,552
Miscellaneous (MEAG)	614,012	-----	-----	614,012
Intergovernmental	60,224	-----	-----	60,224
Total Operating Revenues	<u>\$ 8,540,745</u>	<u>\$ 671,043</u>	<u>\$ -----</u>	<u>\$ 9,211,788</u>
OPERATING EXPENSES				
Personal Services				
Salaries	\$ 440,494	\$ -----	\$ -----	\$ 440,494
Employee Benefits	185,361	-----	-----	185,361
Total Personal Services	<u>\$ 625,855</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 625,855</u>
Operating Expenses				
Contractual Services	\$ 6,104,002	\$ 422,952	\$ -----	\$ 6,526,954
Supplies	73,955	-----	-----	73,955
Gas and Oil	20,145	-----	-----	20,145
Repairs and Maintenance	23,933	-----	-----	23,933
System Improvements	-----	-----	-----	-----
Waste Disposal Fees	-----	24,644	-----	24,644
Miscellaneous	38,533	15,157	-----	53,690
Utilities	5,877	-----	-----	5,877
Depreciation	13,700	1,522	-----	15,222
Total Operating Expenses	<u>\$ 6,280,145</u>	<u>\$ 464,275</u>	<u>\$ -----</u>	<u>\$ 6,744,420</u>
Other Expenses				
Bad Debts	\$ 34,498	\$ 6,088	\$ -----	\$ 40,586
Total Other Expenses	<u>\$ 34,498</u>	<u>\$ 6,088</u>	<u>\$ -----</u>	<u>\$ 40,586</u>
Total Expenses	<u>\$ 6,940,498</u>	<u>\$ 470,363</u>	<u>\$ -----</u>	<u>\$ 7,410,861</u>
OPERATING INCOME <LOSS>	<u>\$ 1,600,247</u>	<u>\$ 200,680</u>	<u>\$ -----</u>	<u>\$ 1,800,927</u>
NONOPERATING REVENUE <EXPENSE>				
Interest Revenue	\$ 6,924	\$ 6,072	\$ 5,381	\$ 18,377
Interest Expense	< 27 >	-----	-----	< 27 >
TOTAL NONOPERATING REVENUE <EXPENSE>	<u>\$ 6,897</u>	<u>\$ 6,072</u>	<u>\$ 5,381</u>	<u>\$ 18,350</u>
NET INCOME <LOSS>	<u>\$ 1,607,144</u> =====	<u>\$ 206,752</u> =====	<u>\$ 5,381</u> =====	<u>\$ 1,819,277</u> =====

City of Barnesville
Proprietary Funds
DEPARTMENT OF SCHEDULE OF REVENUES AND EXPENDITURES
WATER AND SEWERAGE FUND
For the Year Ended September 30, 2011

	WATER	SEWERAGE	TOTALS
OPERATING REVENUES			
Charges for Service	\$ 1,167,667	\$ 1,163,212	\$ 2,332,879
Miscellaneous	4,927	4,927	9,854
Capacity Recovery Fees	-----	-----	-----
Total Operating Revenues	<u>\$ 1,174,594</u>	<u>\$ 1,168,139</u>	<u>\$ 2,342,733</u>
OPERATING EXPENSES			
Personal Services			
Salaries	\$ 275,979	\$ -----	\$ 275,979
Employee Benefits	105,597	-----	105,597
Total Personal Services	<u>\$ 381,576</u>	<u>\$ -----</u>	<u>\$ 381,576</u>
Operating Expenses			
Contractual Services	\$ 425,183	\$ 298,035	\$ 723,218
Supplies and Materials	109,062	-----	109,062
Utilities	3,936	-----	3,936
Depreciation	259,441	197,690	457,131
Equipment Repairs	52,663	-----	66,935
Miscellaneous	2,107	-----	2,107
Total Operating Expenses	<u>\$ 852,392</u>	<u>\$ 509,997</u>	<u>\$ 1,362,389</u>
Other Expenses			
Bad Debts	\$ 10,927	\$ 10,927	\$ 21,854
Amortization of Bond Expense	6,158	6,157	12,315
Total Other Expenses	<u>\$ 17,085</u>	<u>\$ 17,084</u>	<u>\$ 34,169</u>
Total Expenses	<u>\$ 1,251,053</u>	<u>\$ 527,081</u>	<u>\$ 1,778,134</u>
OPERATING INCOME <LOSS>	<u>\$< 76,459></u>	<u>\$ 641,058</u>	<u>\$ 564,599</u>
NONOPERATING REVENUE <EXPENSE>			
Interest Revenue	\$ 10,801	\$ -----	\$ 10,801
Interest Expense	< 160,072>	-----	< 160,072>
Loss on Bond Refunding	< 8,340>	-----	< 8,340>
TOTAL NONOPERATING REVENUE <EXPENSE>	<u>\$< 157,611></u>	<u>\$ -----</u>	<u>\$< 157,611></u>
NET INCOME <LOSS>	<u>\$< 234,070></u> =====	<u>\$ 641,058</u> =====	<u>\$ 406,988</u> =====

City of Barnesville
Proprietary Funds
COMBINED SCHEDULE OF CHANGES IN RESERVED FUND NET ASSETS
WATER AND SEWERAGE DEBT RETIREMENT FUND
All Enterprise Funds
For the Year Ended September 30, 2011

	1998 & 2003 BOND SERIES			TOTALS
	DEBT SERVICE	DEBT SERVICE RESERVE	RENEWAL & EXTENSION FUND	WATER AND SEWAGE DEBT RETIREMENT FUND
REVENUES				
Interest Income	\$ 282	\$ 10,461	\$ 82	\$ 10,825
EXPENSES				
Interest Expense	\$ 150,305	\$ -----	\$ -----	\$ 150,305
Miscellaneous	1,000	-----	15	1,015
	<u>\$ 151,305</u>	<u>\$ -----</u>	<u>\$ 15</u>	<u>\$ 151,320</u>
TOTAL EXPENSES				
INCOME (LOSS) BEFORE TRANSFERS	\$< 151,023>	\$ 10,461	\$ 67	\$< 140,495>
TRANSFERS				
To General & Renewal Fund	\$ -----	\$ -----	\$ -----	\$ -----
From Water and Sewerage Fund	528,000	-----	-----	528,000
From Debt Service Reserve	-----	-----	-----	-----
TOTAL TRANSFERS	<u>\$ 528,000</u>	<u>\$ -----</u>	<u>\$ -----</u>	<u>\$ 528,000</u>
NET INCOME	\$* 376,977	\$ 10,461	\$ 67	\$ 387,505
	=====	=====	=====	=====

* Not including Principal Reduction of \$360,000.

Grant Information

COMMUNITY DEVELOPMENT BLOCK GRANT
Source & Applicable of Funds Schedule

City of Barnesville
06bx085-2-3191
For the Period Ending September 30, 2011

Total Program Year 2006 Funds Allocated to Recipient	\$ 800,000
Less: Total Program Year 2006 Funds Drawn by Recipient	800,000
Funds still available from Program Year 2006 Resources	-----
Total Program Year 2006 Funds Drawn and Received by Recipient	800,000
Less: Funds Applied and Expended to Program Year 2006 Costs	<u>800,000</u>
Total Program Year 2006 Funds held by Recipient	\$ ----- =====

STATEMENT OF SOURCE AND USE OF FUNDS

Community Development Block Grant
06bx085-2-3191
City of Barnesville

Year Ended

September 30, 2011

	H-003-05	H-001-01	A-21A-00	H-008-00
Funds Draw Down Prior Years	\$ 389,958	\$ 296,887	\$ 56,000	\$ 57,156
Funds Draw Down Current Year	-----	-----	-----	-----
Total Funds Draw Down	<u>\$ 389,958</u>	<u>\$ 296,887</u>	<u>\$ 56,000</u>	<u>\$ 57,156</u>
Funds Disbursed Prior Years	\$ 389,858	\$ 296,887	\$ 56,000	\$ 57,156
Funds Disbursed Current Year	100	-----	-----	-----
Total Funds Disbursed	<u>\$ 389,958</u>	<u>\$ 296,887</u>	<u>\$ 56,000</u>	<u>\$ 57,156</u>
Cash on Hand September 30, 2011	\$ ----- =====	\$ ----- =====	\$ ----- =====	\$ ----- =====

COMMUNITY DEVELOPMENT BLOCK GRANT
Source & Applicable of Funds Schedule

City of Barnesville
10p-x-085-2-5306
For the Period Ending September 30, 2011

Total Program Year 2010 Funds Allocated to Recipient	\$ 500,000
Less: Total Program Year 2010 Funds Drawn by Recipient	218,397
Funds still available from Program Year 2010 Resources	281,603
Total Program Year 2010 Funds Drawn and Received by Recipient	281,603
Less: Funds Applied and Expended to Program Year 2010 Costs	<u>281,603</u>
Total Program Year 2010 Funds held by Recipient	\$ ----- =====

STATEMENT OF SOURCE AND USE OF FUNDS

Community Development Block Grant 10p-x-085-2-5306 City of Barnesville	Year Ended	
	September 30, 2011	
	A-21A-00	P-03J-01
Funds Draw Down Prior Years	\$ -----	\$ -----
Funds Draw Down Current Year	-----	218,397
Total Funds Draw Down	\$ -----	\$ 218,397
Funds Disbursed Prior Years	\$ -----	\$ -----
Funds Disbursed Current Year	-----	218,397
Total Funds Disbursed	\$ -----	\$ 218,397
Cash on Hand September 30, 2011	\$ -----	\$ -----
	=====	=====

SPLOST Schedule

City of Barnesville
SCHEDULE OF PROJECTS CONSTRUCTED
WITH SPECIAL SALES TAX PROCEEDS
For the Year Ended September 30, 2011

PROJECT	ORIGINAL ESTIMATED COSTS	EXPENDITURES		TOTAL	ESTIMATED PERCENTAGE OF COMPLETION
		PRIOR YEARS	CURRENT YEAR		
Storm Drain & Sidewalk	\$ 691,728	\$ 196,083	\$ 381,953	\$ 578,036	84%
Public Works	386,000	220,548	69,077	289,625	75%
Paving	150,949	60,750	16,000	76,750	51%
Water/Sewer Lines Impr	1,332,290	435,409	467,654	903,063	68%
Housing Redevelopment	200,000	200,000	-----	200,000	100%
Water/Sewer Plant Impr	232,000	116,907	27,418	144,325	62%
Renovation - City Hall	137,500	101,195	44,271	145,466	106%
Facilities	-----	-----	119,522	119,522	100%
Total	\$3,130,467 =====	\$1,330,892 =====	\$1,125,895 =====	\$2,457,087 =====	

*A transfer of \$69,475 was made to Enterprise funds for Capital Outlay. This amount is included in current year expenditures.