

CITY OF LAGRANGE, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2008

Prepared by:  
DEPARTMENT OF FINANCE

**CITY OF LAGRANGE, GEORGIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**Year Ended June 30, 2008**

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January 28, 2009

TO: Citizens of the City of LaGrange, Georgia  
Honorable Mayor and Members of the City Council  
City of LaGrange, Georgia

The comprehensive annual report of the City of LaGrange, Georgia (the City), for the fiscal year ended June 30, 2008 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This is the sixth year the City of LaGrange is subject to the requirements of the Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The new GASB pronouncement requires management discussion and analysis of the statements, government-wide financial statements, budgetary comparison schedules, added infrastructure reporting requirements and changes to the statement of cash flows, to name a few. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of LaGrange, incorporated in 1828, operates under the Council-Manager form of government. The City is organized under eight (8) departments: Community and Economic Development, Finance, Human Resources, Fire, Information and Technology, Police, Public Services and Public Utilities. These departments operate under the direct supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services to an estimated 28,000 citizens. Included among these services are traditional city functions, such as police and fire protection, sanitation services (garbage and trash collection, landfill, and recycling center), street construction and maintenance, landscaping, cemeteries, building inspection, zoning enforcement and economic development, as well as electric, gas, water and sewer utilities and telecommunications services.

The Troup County Airport Authority, Housing Authority of the City of LaGrange, and the LaGrange Industrial Development Authority have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. The Solid Waste Management Authority of the City of LaGrange is reported on a blended basis.

The Downtown LaGrange Development Authority, a legally separate entity for which the City is financially accountable, is included as a component unit. The Downtown LaGrange Development authority is presented as a discretely presented component unit under GASB-14 because the Authority is legally separate, the municipality appoints a voting majority of the Authority and is able to impose its will on the Authority, and the Authority provides services and benefits which are not limited to the City.

## **ECONOMIC CONDITION AND OUTLOOK**

The City of LaGrange is located in the west central part of Georgia, approximately 70 miles southwest of the city of Atlanta with Interstate 85 and Interstate 185 adjacent on the east side of the city and West Point Lake adjacent on the west side. Hartsfield Atlanta International Airport is 45 minutes away via I-85 and Columbus is less than an hour away via I-185 south. CSX provides full-service rail facilities with east/west and north/south lines. Truck lines include interstate and intrastate carriers and local terminals. United Parcel Service, Federal Express, and several other national and local firms provide delivery services.

LaGrange is home to over 35 industries in two industrial parks. The 1600-acre LaGrange Industrial Park and LaGrange Industrial Park East, a 640-acre park, are home to a dozen Fortune 50 and Fortune 500 companies. A new industrial park, Callaway South Industrial Park, is currently under construction. This park is approximately 1100 acres in size and will be marked to Kia suppliers.

The economic condition and outlook for LaGrange and Troup County has shown signs of improvement over the last 12 months due to the diversity of industry here, and the announcement of Kia Motors that a site within Troup County was selected for construction of a 2.8 million square foot auto assembly plant. Construction of the plant is still underway, with operations planned to begin in 2009. Kia Motors projects employment at the plant to be 2,800, with many of its supplies to locate nearby. The Kia announcement continues to spark the interest of local and regional developers to plan residential and retail developments in and around LaGrange.

The City's local option sales tax receipts increased by \$330,493, roughly a 7% increase over 2007. In September of 2006, the Citizens of LaGrange and Troup County voted for the passage of a Special Local Option Sales Tax. These funds are earmarked for road, street and bridge projects, utility relocation and public safety facilities and equipment.

The unemployment rate for LaGrange for FY 2008 increased 2.4% over last year, and is an indicator of an difficult economic times for business and industrial community. The Georgia counties of Carroll, Coweta, Harris, Heard, Meriwether, Talbot and Troup combined with the nearby Alabama counties of Chambers and Randolph contribute in excess of 150,000 potential workers to LaGrange's labor pool.

The Industrial Development Authority reports continuing activity in its contact and discussions with industrial prospects from across the country. The City and the Industrial Development Authority through an Existing Industry Program continue its efforts in working with all of LaGrange's existing industries to offer assistance through Quickstart programs and low-cost financing which allows them to grow and remain competitive in the U.S. and abroad.

## **MAJOR INITIATIVES**

The following is a list of the highlights of the many activities, initiatives and accomplishments of the City of LaGrange over the past year.

## PUBLIC SAFETY

Using the SPLOST funds, the City completed construction of three new fire stations, Mooty Bridge Road, Davis Road and the new administrative headquarters on Hill Street. Utilizing the existing facility on Hill Street and managing the construction of the projects ourselves, we were able to complete all three stations for about \$500,000 less than we had anticipated. The new station configuration allows us to cover a much larger geographic area, particularly on the east side of LaGrange, than the old three station configuration.

CALEA Reaccreditation and State Certification. In 2008, the City Police Department was awarded reaccreditation by CALEA and was recognized as compliant with all standards to receive State of Georgia certification. The City of LaGrange is one of the few agencies in Georgia to be both State certified and CALEA accredited. The adherence to the high standards of police operations not only insure that our citizens receive a fair and professional police service, but has also resulted in the remarkable fact that in spite of answering approximately 50,000 calls for service per year and arresting over 5,000 persons, currently there are no lawsuits against the police department or any anti-litem notices filed.

## PUBLIC SERVICES

SPLOST Projects. With the help of Troup County, The City was granted a substantial resurfacing program that will continue for the next couple of years. The City paved 15 miles of streets and saved a substantial amount of money using County labor and equipment. The equipment was purchased using county-wide SPLOST funds.

Long Cane sewer work. This year the City completed a major capital investment in the sewer system, completing a new lift station on Hamilton Road and main gravity sewer line to serve the Long Cane Creek basin. This project currently serves the Bryant Lake Development but ultimately will serve new developments at Magnolia, River Mill, and Northpointe. It was anticipated that this investment would be debt financed but difficulty in the financing markets has forced us to proceed using City funds.

Traffic signal monitor. The City into a contract to have the traffic signals in LaGrange monitored daily for communication and operational functionality. During the first month of operation, it was discovered that most of the traffic lights in LaGrange were not communicating properly. Service complaints on traffic signals have decreased substantially since the monitoring began.

City cemetery. The City purchased a new cemetery which should last the City for many years on Hamilton Road. The purchase price of \$450,000 was offset by approximately \$60,000 in the leased cemetery trust fund reserve which had been deposited into the City's general fund.

## UTILITIES

Cast iron project. The City's cast iron replacement project is 80% complete. The last remaining section of LaGrange to be completed is in southeast LaGrange adjacent to the Hamilton Road main line. We have purposely worked our way around LaGrange in the hopes the Hamilton Road project would be further along but probably we will just have to complete the work and have to deal with utility relocation at the time U.S. 27 widening project is done.

Kia. While we are very fortunate that the City is able to successfully win the Kia gas business, the load is so large it will require an upgrade to the facilities that deliver gas to LaGrange. We are currently evaluating a

number of options but it is likely that whatever option we choose, a debt financing of the improvements will be necessary. Unfortunately with the uncertain economy and financial markets, arranging this financing may be challenging.

Sewon. In addition to successfully attracting Sewon to LaGrange, the City was successful in being awarded their electric service contract. Sewon, the largest economic development project in the State of Georgia during 2008, will employ 700 people and invest \$170 million in the community. They also will be one of our largest electric customers when they become operational next year. The City also secured the electric load for the other Korean suppliers in LaGrange, Daelim USA and Sejon.

MEAG Competitive Trust. In 2009, funds will begin to be disbursed from the MEAG Competitive Trust. The City has over \$35 million invested in the Trust and the disbursements over the next several years will help to assure the City's financial stability in the very difficult economic times. We do not plan to use the disbursements of the trust other than for investment purposes unless it becomes operationally necessary for the City.

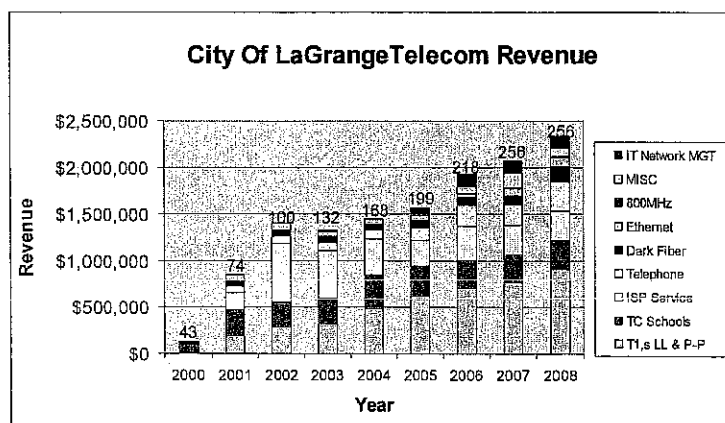
Water Treatment Permit. The City is in the final stages of receiving an upgrade to our water treatment permit from 16 million gallons per day to our planned capacity of 22 million gallons per day. We expect the final permit to be granted by the end of this calendar year.

Hogansville Water Contract. This year we completed construction of the interconnection of a LaGrange water system to the City of Hogansville. We currently are providing them water and will sell approximately 350,000 gallons per day to Hogansville. It also represents a strategic accomplishment for the City water system as we now has distribution from the City of West Point to the south, the City of Hogansville to the north, to Meriwether County to the east.

Electronic customer service and banking. In addition to taking utility payments online, we now do online billing and electronic depositing of receipts. This increases our "float" by one day. While that may not seem significant, an additional day of deposits in a fiscal year averages approximately \$300,000.

Charter. This year we negotiated an end to our business relationship with Charter Communications. They purchased the excess bandwidth owned by the City for \$1.5 million.

Revenue and customer growth. Once again, our customer base continues to expand in telecommunications. The current economic situation has made customer retention and margins more difficult, however, I remain optimistic that this will continue to be our most rapidly growing utility with our highest margin.



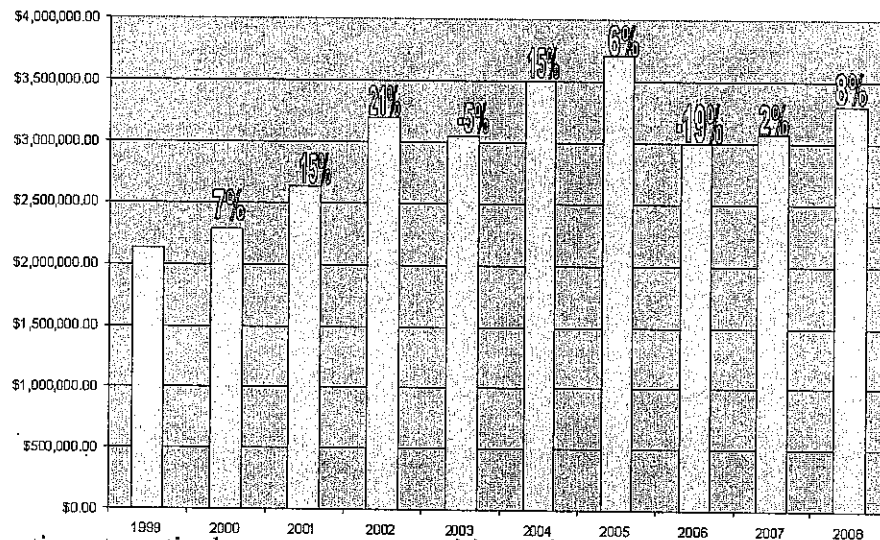


Multicast. During the year, Multicast Media has terminated its lease relationship with the City and the facility on Church Street is now only occupied by LGTV. We are, however, in the process of marketing that facility for both office lease space and are developing a business model for hosting servers and co-location arrangements.

Greenwood Park and Meadow Terrace. This year we closed on a transaction involving the sale of the City's interest in apartment properties on Mooty Bridge Road and North Greenwood Street. The properties were sold to Wilkinson Real Estate for \$2.5 million. The negotiation was very difficult as we have had a stressed relationship with the former owner, Winn Development out of Boston. However, we were able to close the transaction on terms very favorable to LaGrange.

City Health Plan. The City wellness initiative continues to be successful. Presented below is a multi-year history of our claims. Also, we have seen improvements in employee achievement in the health screenings.

City of LaGrange Medical Claims



West Point Lake. We continue to actively pursue opportunities to improve conditions at West Point Lake. We have established strong relationships with many stakeholders that will have an opportunity to influence future water control plans by the Corps of Engineers.

## **FINANCIAL INFORMATION**

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

### **Budgeting Controls**

In addition, the City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of LaGrange. Activities of the general fund and debt service fund are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects and special revenue funds. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level.

The City also maintains an encumbrance account system as one technique of accomplishing budgetary control. Encumbered amounts lapse at year-end and are re-appropriated in the following year's budget.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The following schedule presents a summary of the total governmental funds revenues for the fiscal year ended June 30, 2008 and the amount and percentage of increases and decreases in relation to the prior year's revenue.

Revenues	Amount	% of Total	Increase (Decrease) from 2007	Percent of Increase (Decrease)
Taxes, Licenses and Permits	13,971,595	70%	4,477,206	47 %
Intergovernmental	1,791,439	9%	530,318	42%
Charges for services	389,462	2%	15,788	4.2%
Fines	1,783,541	9%	385,368	27.5%
Investment Income	233,222	1%	(59,900)	(20%)
Lease Income	410,000	2%	410,000	100%
Miscellaneous	1,441,823	7%	516,174	56%
TOTAL	20,021,082	100%	6,274,954	46%

As shown in the above chart, taxes, licenses and permits revenue increased by \$4,477,206. Overall the General fund revenue, was up \$6,274,954 or 46%.

The following schedule presents a summary of governmental funds expenditures for fiscal year ended June 30, 2008, and the percentage of increases and decreases in relation to the prior year amounts.

Expenditures	Amount	% of Total	Increase (Decrease) from 2007	Percent of Increase (Decrease)
General Government	1,875,601	7%	(13,456)	(.7%)
Public Safety	12,611,373	48%	252,136	2%
Public Services	2,308,335	9%	(10,294)	(.4%)
Culture and Recreation	1,003,840	4%	146,461	17%
Community Development	1,944,052	7%	(832,802)	(30%)
Capital Outlay	2,021,992	8%	(3,739,429)	(65%)
Debt Service	4,619,200	17%	3,317,231	254%
TOTAL	26,384,393	100%	(880,153)	(3.2%)

### **Enterprise Fund**

Total Utility Fund operating revenues (electric, gas, water, sewer and telecommunications) increased by \$4,331,360, while expenses increased by \$1,293,035 from 2007.

### **Pension Benefit Plan**

The City contributes to the Georgia Municipal Employees Benefit System, an agent multiple/employer public employee retirement system administered by the Georgia Municipal Association. All full time City employees and all City officials are eligible to participate in the system, and the employee becomes vested after 10 years of service.

The employee's participation is non-contributory; however, the City is subject to the minimum funding standards for the Public Retirement System Standard Law. The policy set by the City for contributing the annual pension expenses exceeds the minimum requirements. The Georgia Municipal Employees Benefit System is actuarially sound and all indications are that this will continue.

### **Debt Administration**

At June 30, 2008, the governmental long-term debt balance was \$14,213,502, consisting of \$3,015,000 loans, which were issued to finance the construction of a facility to be leased to the State of Georgia, \$6,550,000 intergovernmental agreements and \$4,268,307 in capital leases. Enterprise Fund debt included \$15,760,000 in water and sewer bonds, \$6,790,000 in gas bonds, and \$3,585,000 in solid waste bonds, plus \$425,265 in unamortized premiums. Outstanding debt in the Enterprise Fund also included capital leases of \$2,934,297 and notes payable of \$5,425,407 in the form of loans from the State of Georgia Environmental Facilities Authority for water and sewer improvements and sanitation improvements.

### **Cash Management**

Cash temporarily idle during the year was invested in certificates of deposit, interest bearing checking accounts, money market accounts, the Georgia Fund local government investment pool and the Municipal Electric Authority of Georgia Trust. Interest rates varied between 2 and 5 percent.

### **Risk Management**

The City is "self-insured" in the area of group health and dental, liability, property and workers' compensation, meaning that the City assumes some increased liability for insurance losses but is protected from catastrophic losses and aggregate losses through the purchase of excess insurance coverage. Savings since the program's inception exceed \$3.2 million when compared with a similar conventional insurance program.

## **OTHER INFORMATION**

### **Independent Audit**

Georgia Law requires cities to be audited every two years by independent certified public accountants. The City chooses to have an annual audit and this year the Council selected the firm of Abbott, Jordan & Koon, LLC to perform the audit. The auditor's report on basic financial statements and individual fund and account group statements and schedules is included in the financial section of this report.

### Awards

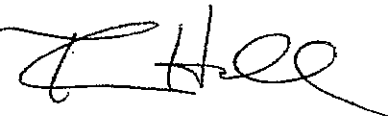
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the twenty first year the City has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

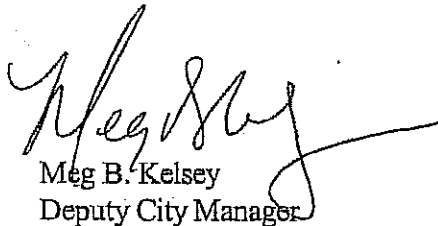
### Acknowledgments

The timely preparation of this report was possible because of the hard work and dedication of the Finance Department, the cooperation of all City employees in following City policy in purchasing and accounting for revenues and expenditures and the invaluable assistance of Abbott, Jordan & Koon, LLC, the City's auditors. All of these individuals and organizations have our sincere appreciation for their contributions in the preparation of this report. We also wish to acknowledge the leadership and support of the Mayor and Council of the City of LaGrange.

Respectfully submitted,



Thomas H. Hall  
City Manager



Meg B. Kelsey  
Deputy City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of LaGrange  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

City of LaGrange, Georgia

LIST OF PRINCIPAL OFFICIALS

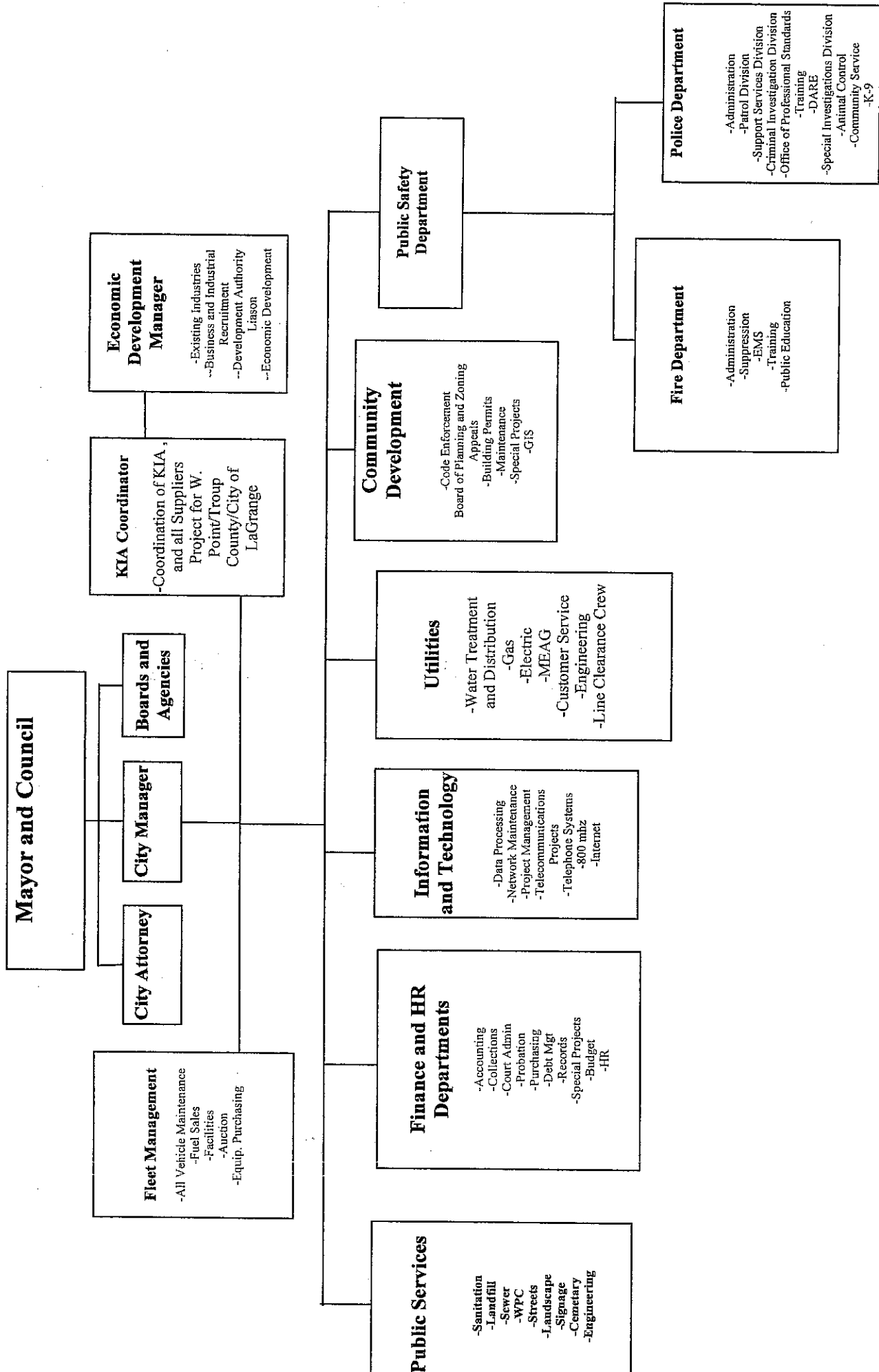
June 30, 2008

ELECTED OFFICIALS

W. Jeff Lukken	Mayor
Norma Tucker	Council Member
Willie T. Edmondson	Council Member
Tom Gore	Council Member
LeGree McCamey	Council Member
Bobby A. Traylor	Council Member
Nick Woodson	Council Member

OTHER OFFICIALS

Thomas H. Hall	City Manager
Meg Kelsey	Deputy City Manager Administration and Finance
Jeffrey M. Todd	City Attorney
Alton West	Director of Community Development
David E. Brown	Director of Public Services
Patrick C. Bowie, Jr.	Director of Public Utilities
Louis M. Dekmar	Director of Public Safety
Alan Slaughenhaupt	Director of Information and Technology



## NOTICE

Certain pages of this report have been left blank intentionally.  
These pages are identified as shown on this page.







## Abbott, Jordan & Koon, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 □ 405 Second Street □ Manchester, GA 31816  
(706) 846-8401 □ Fax (706) 846-3370

### INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council  
City of LaGrange, 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 LaGrange, Georgia, as of and for the year ended June 30, 2008, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

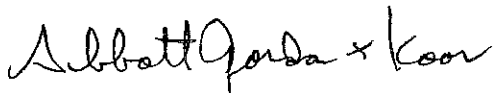
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, based on our audit, 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 LaGrange, Georgia, as of June 30, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2009 on our consideration of the City'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 and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit conducted in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis and the Schedule of Funding Progress are not required parts 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's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and statistical tables 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 supplemental information have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical section, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on them.

A handwritten signature in cursive script, reading "Abbott Gorda & Koon".

Manchester, Georgia  
January 27, 2009

## **Management's Discussion and Analysis**

As management of the City of LaGrange (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2008. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i –viii of this report.

### **Financial Highlights**

- The assets of the City exceeded its liabilities at the close of 2008 by \$133,472,662. Of this amount, \$13,891,406 may be used to meet the City's ongoing obligations.
- The City's total net assets increased by \$9,901,783.
- As of the close of 2008, the City's governmental funds reported combined ending fund balances of \$9,134,955, an increase of \$3,704,083 from the prior year.
- At the end of 2008, the fund balance for the general fund was \$2,810,614 or 14 percent of general fund expenditures.

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and fines and forfeiture revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government activities of the City include general government, public safety, public works, community services, and development services. The business-type activities of the City include water and sewer, solid waste, telecommunications, electric and natural gas services.

The government-wide financial statements include not only the City of LaGrange itself (known as the primary government), but also a legally separate Downtown LaGrange Development Authority (DLDA) for which the City of LaGrange is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

#### Fund financial statements

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

#### *Governmental funds*

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

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and government activities.

The City maintains four individual governmental fund types. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, special revenue funds, and general capital project funds, of which the general fund and capital projects funds are considered to be a major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this fund. Budgetary comparison statements have been provided for the Debt Service Fund and the Special Revenue Funds in the supplementary financial information elsewhere in this report. Since the Capital Project Fund budget is adopted on a project basis, a supplementary budgetary comparison statement has not been provided.

#### *Proprietary funds*

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility operation, and Solid Waste operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Group Insurance, and Property and Casualty activities. These two services primarily benefit the City's general governmental operations and have been allocated to the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the Utility and Solid Waste operations. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

#### **Notes to the basic financial statements**

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

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$133,472,662 at the close of 2008.

A substantial portion of the City's net assets (71 percent) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the statement of net assets as of June 30, 2008 and June 30, 2007, are as follows:

	Governmental Activities	Governmental Activities	Business- type Activities	Business-type Activities	Totals	Totals
	2008	2007 (restated)	2008	2007 (restated)	2008	2007 (restated)
Current and other assets	\$14,386,704	\$10,081,389	\$52,427,386	52,341,687	\$66,814,090	\$62,423,076
Capital assets	<u>36,701,054</u>	<u>34,224,292</u>	<u>127,689,233</u>	<u>121,996,894</u>	<u>164,390,287</u>	<u>156,221,186</u>
Total assets	<u>51,087,758</u>	<u>44,305,681</u>	<u>180,116,619</u>	<u>174,338,581</u>	<u>231,204,377</u>	<u>218,644,262</u>
Long-term liabilities	12,909,099	9,762,665	38,982,814	42,558,886	51,891,913	52,321,551
Other liabilities	<u>3,851,884</u>	<u>2,893,402</u>	<u>41,987,918</u>	<u>39,858,430</u>	<u>45,839,802</u>	<u>42,751,832</u>
Total liabilities	<u>16,760,983</u>	<u>12,656,067</u>	<u>80,970,732</u>	<u>82,417,316</u>	<u>97,731,715</u>	<u>95,073,383</u>
Net assets						
Invested in capital assets,						
net of related debt	29,417,747	27,138,772	87,979,264	80,896,454	117,397,011	108,035,226
Restricted	2,184,245	3,763,692	0	0	2,184,245	3,763,692
Unrestricted	<u>2,724,783</u>	<u>747,150</u>	<u>11,166,623</u>	<u>11,024,811</u>	<u>13,891,406</u>	<u>11,771,961</u>
Total net assets	<u>\$34,326,775</u>	<u>\$31,649,614</u>	<u>\$99,145,887</u>	<u>\$91,921,265</u>	<u>\$133,472,662</u>	<u>\$123,570,879</u>

A portion of the City's net assets (2.8 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net assets (\$13,891,406) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of 2008, the City is able to report positive balances in all categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities, with the exception of the Grant Fund and the Capital Projects Fund. Monies are expended from this fund are subsequently reimbursed by revenue resources and transfers from the General Fund.

### Governmental activities

Governmental activities increased the City's net assets by \$2,677,161. Key elements of this increase are as follows:

	Governmental Activities 2008	Governmental Activities 2007	Business- type Activities 2008	Business-type Activities 2007	Totals 2008	Totals 2007
<b>Revenues</b>						
Program revenues						
Charges for services	\$5,466,027	\$3,686,648	\$87,129,411	\$82,956,178	\$92,595,438	\$86,642,826
Grants & Contributions	\$651,422	\$603,647	\$452,189	0	\$1,103,611	\$603,647
General revenues						
Other taxes	\$13,670,411	\$9,161,410	0	0	\$13,670,411	\$9,161,410
Other	\$208,931	\$1,175,003	\$556,085	\$1,246,126	\$765,016	2,421,129
Total revenues	<u>19,996,791</u>	<u>\$14,626,708</u>	<u>\$88,137,685</u>	<u>\$84,202,304</u>	<u>\$108,134,476</u>	<u>\$98,829,012</u>
<b>Expenses</b>						
General government	\$2,371,433	\$2,035,303	0	0	\$2,371,433	\$2,035,303
Public safety	\$12,927,862	\$12,451,424	0	0	\$12,927,862	\$12,451,424
Public service	\$2,822,341	\$2,811,952	0	0	\$2,822,341	\$2,811,952
Culture and recreation	\$1,201,017	\$1,033,239	0	0	\$1,201,017	\$1,033,239
Community development	\$5,840,174	\$3,023,456	0	0	\$5,840,174	\$3,023,456
Interest on long-term debt	\$874,110	\$388,276	0	0	\$874,110	\$388,276
Utilities	0	0	\$66,003,232	\$64,681,614	\$66,003,232	\$64,681,614
Solid waste	0	0	\$6,192,524	\$5,956,236	\$6,192,524	\$5,956,236
Total expenses	<u>\$26,036,937</u>	<u>\$21,743,650</u>	<u>\$72,195,756</u>	<u>\$70,637,850</u>	<u>\$98,232,693</u>	<u>\$92,381,500</u>
Increase in net assets						
before transfers	<u>\$(6,040,146)</u>	<u>\$(7,116,942)</u>	<u>\$15,941,929</u>	<u>\$13,564,454</u>	<u>\$9,901,783</u>	<u>\$6,447,512</u>
Transfers	<u>\$8,717,307</u>	<u>\$9,427,959</u>	<u>\$(8,717,307)</u>	<u>\$(9,427,959)</u>	<u>0</u>	<u>0</u>
Increase (decrease) in net assets	\$2,677,161	\$2,311,017	\$7,224,622	\$4,136,495	\$9,901,783	\$6,447,512
Net assets - beginning of year	<u>\$31,649,614</u>	<u>29,338,597</u>	<u>\$91,921,265</u>	<u>\$87,784,770</u>	<u>\$123,570,879</u>	<u>\$117,123,367</u>
Net assets - end of year	<u>\$34,326,775</u>	<u>\$31,649,614</u>	<u>\$99,145,887</u>	<u>\$91,921,265</u>	<u>\$133,472,662</u>	<u>\$123,570,879</u>

### Business-type activities

Business-type activities increased the City's net assets by \$7,224,622. Key elements of the increase are as follows:

- Operating revenues increased by \$3,935,381.
- Operating expenses also increased by \$1,557,906.

The wholesale price of natural gas and electricity purchases by the City are automatically passed through to customers through rate adjustments. Volatility in wholesale prices can cause dramatic swings in these

expenses and the accompanying revenues. The Cities water and sewer rates were increased during the fiscal year. The City's net income remains relatively stable.

## **Financial Analysis of the Government's Funds**

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

### Governmental funds

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

The general fund is the chief operating fund of the City. At the end of 2008, unreserved fund balance of the general fund was \$1,967,494, while total fund balances reached \$2,810,614. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 9.8 percent of the total general fund expenditures, while total fund balance represents 14 percent of that same amount. Transfers in from other funds to supplement the general fund were \$441,636 non-major governmental funds, \$39,340 internal service funds, \$8,518,574 proprietary funds, for a total of \$8,999,550, representing 45 percent of total fund expenditures. The City of LaGrange does not levy a property tax and uses the enterprise funds to help fund general governmental services.

The fund balance of the General fund increased by \$570,787.

Other non-major governmental funds have a total fund balance of \$6,587,662. The net increase in the fund balance during the current year for non-major government funds was \$2,994,335. This is attributed to an increase in special revenue and department services.

In the FY 2008 Audit, the Capital Projects fund was presented separately as a major fund. The Capital Projects Fund, had a deficit fund balance of (\$263,321) at June 30, 2008. This decrease is attributed to decreases in intergovernmental and miscellaneous revenue.

### Proprietary funds

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

Unrestricted net assets of the Utility Fund at the end of 2008 amounted to \$18,913,299, and those for the Solid Waste Fund amounted to (\$7,746,676). The total change in net assets for each fund was \$7,263,618 and (\$389,996), respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## **General Fund Budgetary Highlights**

There were no differences between the original budget and the final budget. During the year, however, revenues were more than budgetary estimates and expenditures were more than budgetary estimates. The increase in transfers out increased the need to draw upon the fund balance to the extent shown in the budget statement.

## Capital Asset and Debt Administration

### Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2008, amounts to \$117,397,011 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park and pool facilities, storm sewers, bridges, streets, gas lines, electric lines, and water and sewer lines.

	Governmental Activities 2008	Governmental Activities 2007	Business- type Activities 2008	Business- type Activities 2007	Totals 2008	Totals 2007
Land	11,969,719	11,932,709	2,010,561	2,010,561	13,980,280	13,943,270
Buildings	11,125,881	11,114,313	26,638,043	26,631,784	37,763,924	37,746,097
Machinery and equipment	6,942,604	6,395,070	13,317,213	12,515,840	20,259,817	18,910,910
Vehicles	2,873,190	2,649,465	1,606,575	1,454,345	4,479,765	4,103,810
Transmission and distribution	0	0	139,782,626	135,722,908	139,782,626	135,722,908
Other	15,449,591	15,374,461	0	0	15,449,591	15,374,461
Construction in progress	<u>3,670,229</u>	<u>304,572</u>	<u>7,943,844</u>	<u>2,814,811</u>	<u>11,614,073</u>	<u>3,119,383</u>
Total	52,031,214	47,770,590	191,298,862	181,150,249	243,330,076	228,920,839
Less accumulated depreciation	<u>(15,330,160)</u>	<u>(13,546,298)</u>	<u>(63,609,629)</u>	<u>(59,153,355)</u>	<u>(78,939,789)</u>	<u>(72,699,653)</u>
Total net of accumulated depreciation	<u>\$36,701,054</u>	<u>\$34,224,292</u>	<u>127,689,233</u>	<u>\$121,996,894</u>	<u>\$164,390,287</u>	<u>\$156,221,186</u>

More detailed information can be found in the Notes to the Financial Statements, Note 4.

### Long-term debt

At the end of 2008, the City had total bonded debt outstanding of \$26,135,000. Of this amount, none is debt backed by the full faith and credit of the City. All of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

The City maintains a "A -" rating from Standard & Poor's for its general obligation bonds. The rating for the Water and Sewer Utility revenue bonds is an "A -" rating from Standard & Poor's and an "A 3" rating from Moody's.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is \$93,306,857, which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

More detailed information can be found in the Notes to the Financial Statements, Note 6.

### Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Meg B. Kelsey, Deputy City Manager, P.O. Box 430, 200 Ridley Avenue, LaGrange, Georgia 30241.



CITY OF LAGRANGE, GEORGIA  
STATEMENT OF NET ASSETS  
June 30, 2008

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Reporting Entity	Downtown LaGrange Development Authority
<u>Assets</u>				
Cash and cash equivalents	\$ 8,505,706	\$ 6,837,735	\$ 15,343,441	\$ 123,111
Investments	42,094	5,009,556	5,051,650	283,195
Receivables (net of allowance):				
Taxes	1,113,333		1,113,333	222
Accounts		9,433,696	9,433,696	
Loans	1,564,767		1,564,767	346,316
Other	840,053	1,293,892	2,133,945	1,750
Internal balances	1,393,331	( 1,393,331)		
Accrued interest				5,207
Inventory	218,438	1,663,670	1,882,108	
Prepaid assets	64,400	107,168	171,568	
Restricted cash	133,732	517,869	651,601	146,711
Restricted investments	510,850	28,770,690	29,281,540	
Capital assets:				
Land and construction in progress	15,639,948	9,954,405	25,594,353	2,013,250
Other capital assets, net of accumulated depreciation	21,061,106	117,734,828	138,795,934	7,632,444
Other assets		186,441	186,441	200
Total assets	<u>51,087,758</u>	<u>180,116,619</u>	<u>231,204,377</u>	<u>10,552,406</u>
<u>Liabilities</u>				
Accounts and claims payable	2,123,775	5,390,936	7,514,711	
Accrued liabilities	190,724	75,145	265,869	2,278
Accrued interest	207,673		207,673	
Unearned revenue	25,309	28,770,690	28,795,999	
Payable from restricted assets		6,239,457	6,239,457	
Noncurrent liabilities:				
Due within one year	1,304,403	1,511,690	2,816,093	
Due in more than one year	12,909,099	38,982,814	51,891,913	
Total liabilities	<u>16,760,983</u>	<u>80,970,732</u>	<u>97,731,715</u>	<u>2,278</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt:				
Unrestricted	29,417,747	87,979,264	117,397,011	9,645,694
Restricted for:				
Redevelopment programs	1,564,767		1,564,767	
Perpetual care	619,478		619,478	
Unrestricted	<u>2,724,783</u>	<u>11,166,623</u>	<u>13,891,406</u>	<u>904,434</u>
Total net assets	<u>\$ 34,326,775</u>	<u>\$ 99,145,887</u>	<u>\$ 133,472,662</u>	<u>\$ 10,550,128</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		Component Unit
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	
Primary government:							Downtown LaGrange Development Authority
Governmental activities:							
General government	\$ 2,071,915	\$ 404,484		\$ 477,496	\$( 1,189,935)	\$( 1,189,935)	
Public safety	12,927,862	2,193,003			( 10,734,859)	( 10,734,859)	
Public service	2,822,341	301,184			( 2,521,157)	( 2,521,157)	
Culture and recreation	1,201,017	72,083			( 1,128,934)	( 1,128,934)	
Community development	5,320,867	2,438,571	\$ 120,626	53,300	( 2,708,370)	( 2,708,370)	
Redevelopment and housing	519,307	56,702			( 462,605)	( 462,605)	
Telecommunications	299,518				( 299,518)	( 299,518)	
Interest on long-term debt	874,110				( 874,110)	( 874,110)	
Total governmental activities	<u>26,036,937</u>	<u>5,466,027</u>	<u>120,626</u>	<u>530,796</u>	<u>( 19,919,488)</u>	<u>( 19,919,488)</u>	
Business-type activities:							
Water and sewer	11,535,187	15,235,164			3,699,977	3,699,977	
Gas system	18,427,268	21,265,823			2,838,555	2,838,555	
Electric system	33,811,521	39,330,658	452,189		5,519,137	5,519,137	
Sanitation	6,192,524	6,894,842			1,154,507	1,154,507	
Telecommunications	2,229,256	4,402,924			2,173,668	2,173,668	
Total business-type activities	<u>72,195,756</u>	<u>87,129,411</u>	<u>452,189</u>	<u>0</u>	<u>15,385,844</u>	<u>15,385,844</u>	
Total primary government	<u>\$ 98,232,693</u>	<u>\$ 92,595,438</u>	<u>\$ 572,815</u>	<u>\$ 530,796</u>	<u>( 19,919,488)</u>	<u>( 4,533,644)</u>	
Components units:							
Downtown LaGrange Dev Authority	\$ 471,426	\$ 116,067	\$ 0	\$ 0			\$( 355,359)
Total component units	<u>\$ 471,426</u>	<u>\$ 116,067</u>	<u>\$ 0</u>	<u>\$ 0</u>			
General revenues:							
Taxes:							
Franchise tax					1,097,656	1,097,656	
Insurance premium tax					1,421,021	1,421,021	
Alcoholic beverage tax					673,950	673,950	
Sales tax					9,591,123	9,591,123	
Other					886,661	886,661	88,272
Gain (loss) on sale of assets					( 24,291)	( 90,650)	( 114,941)
Investment earnings					233,222	646,735	
Transfers					8,717,307	( 8,717,307)	
Total general revenues and transfers					<u>22,596,649</u>	<u>( 8,161,222)</u>	
Change in net assets					2,677,161	7,224,622	
Net assets at beginning of year, as restated for governmental and business-type activities					31,649,614	91,921,265	123,570,879
Net assets at end of year					<u>\$ 34,326,775</u>	<u>\$ 99,145,887</u>	<u>\$ 133,472,662</u>
							<u>10,777,565</u>
							<u>\$ 10,550,128</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2008

<u>Assets</u>	<u>General</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Cash and cash equivalents	\$ 1,203,321	\$ 471,313	\$ 4,929,378	\$ 6,604,012
Investments	42,039			42,039
Receivables (net of allowance):				
Taxes	1,113,333			1,113,333
Notes			1,564,767	1,564,767
Intergovernmental		63,196	588,206	651,402
Other	7,518		1,113	8,631
Due from other funds	394,000			394,000
Inventory	218,438			218,438
Prepaid items	5,204		36,482	41,686
Restricted cash and cash equivalents	133,732			133,732
Restricted investments	510,850			510,850
 Total assets	 <u>\$ 3,628,435</u>	 <u>\$ 534,509</u>	 <u>\$ 7,119,946</u>	 <u>\$ 11,282,890</u>
 <u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 477,208	\$ 2,521	\$ 481,485	\$ 961,214
Accrued liabilities	189,925		799	190,724
Accrued vacation	81,463			81,463
Due to other funds	69,225	770,000	50,000	889,225
Unearned revenue		25,309		25,309
Total liabilities	<u>817,821</u>	<u>797,830</u>	<u>532,284</u>	<u>2,147,935</u>
 Fund Balances:				
Reserved for:				
Inventory	218,438			218,438
Perpetual care	619,478			619,478
Prepaid items	5,204		36,482	41,686
Long-term receivables			1,564,767	1,564,767
Capital projects			1,151,398	1,151,398
Unreserved	1,967,494	( 263,321)		1,704,173
Unreserved reported in nonmajor:				
Special revenue			2,325,087	2,325,087
Dept service			1,509,928	1,509,928
Total fund balances	<u>2,810,614</u>	<u>( 263,321)</u>	<u>6,587,662</u>	<u>9,134,955</u>
 Total liabilities and fund balances	 <u>\$ 3,628,435</u>	 <u>\$ 534,509</u>	 <u>\$ 7,119,946</u>	 <u>\$ 11,282,890</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS  
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS  
June 30, 2008

Total fund balance - all governmental funds	\$ 9,134,955
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	36,701,054
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets. Balances at June 30, 2008 are:

Accrued interest payable	\$( 207,673)	
Compensated absences	( 298,732)	
Notes payable	( 3,015,000)	
Capital leases	( 4,268,307)	
Intergovernmental agreements	<u>( 6,550,000)</u>	( 14,339,712)

Internal service funds are used by management to charge costs of certain activities, such as insurance, to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net assets.	<u>2,830,478</u>
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Net assets of governmental activities	<u><u>\$ 34,326,775</u></u>
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See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year Ended June 30, 2008

	General	Capital Projects Funds	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Sales	\$ 5,097,403		\$ 4,493,720	\$ 9,591,123
Franchise	1,097,656			1,097,656
Insurance premium	1,421,021			1,421,021
Alcoholic beverage	673,950			673,950
Other	445,225		441,436	886,661
Licenses and permits	301,184			301,184
Intergovernmental	56,702	\$ 1,083,315	651,422	1,791,439
Charges for services	389,462			389,462
Fines, forfeitures, and penalties	1,783,541			1,783,541
Lease income		410,000		410,000
Investment income	67,184	10,435	155,603	233,222
Miscellaneous	496,567	65,680	879,576	1,441,823
Total revenues	<u>11,829,895</u>	<u>1,569,430</u>	<u>6,621,757</u>	<u>20,021,082</u>
Expenditures:				
Current:				
General government	1,576,963		3,967	1,580,930
Public safety	12,611,373			12,611,373
Public service	2,308,335			2,308,335
Culture and recreation	1,003,840			1,003,840
Community development	1,249,895		174,850	1,424,745
Redevelopment and housing			519,307	519,307
Telecommunications and technology	294,671			294,671
Debt service:				
Principal retirements			1,285,445	1,285,445
Interest			736,547	736,547
Capital outlay:				
General government	28,343	125,819		154,162
Public safety	522,539		978,444	1,500,983
Public service	388,420	5,679	2,493,486	2,887,585
Redevelopment and housing			37,010	37,010
Culture and recreation	39,460			39,460
Total expenditures	<u>20,023,839</u>	<u>131,498</u>	<u>6,229,056</u>	<u>26,384,393</u>
Excess of revenues over (under) expenditures	<u>( 8,193,944)</u>	<u>1,437,932</u>	<u>392,701</u>	<u>( 6,363,311)</u>
Other financing sources (uses):				
Capital lease	307,094		961,138	1,268,232
Proceeds from sale of asset	81,855			81,855
Transfers in	8,999,550	200,000	2,146,682	11,346,232
Transfers out	( 623,768)	( 1,498,971)	( 506,186)	( 2,628,925)
Total other financing sources (uses)	<u>8,764,731</u>	<u>( 1,298,971)</u>	<u>2,601,634</u>	<u>10,067,394</u>
Net change in fund balances	570,787	138,961	2,994,335	3,704,083
Fund balance, beginning of year	<u>2,239,827</u>	<u>( 402,282)</u>	<u>3,593,327</u>	<u>5,430,872</u>
Fund balance, end of year	<u>\$ 2,810,614</u>	<u>\$ ( 263,321)</u>	<u>\$ 6,587,662</u>	<u>\$ 9,134,955</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
Year Ended June 30, 2008

Net change in fund balances - All governmental funds \$ 3,704,083

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	4,487,652
Depreciation	( 1,904,744)

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net assets.	( 106,147)
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Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount consists of the change in the following balances:

Compensated absences	( 58,723)
Accrued interest payable	( 137,562)

Capital lease proceeds provide current financial resources to governmental funds, but issuing debt increase long-term liabilities in the statement of net assets. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Principal retirements	1,285,445
Proceeds from capital leases	( 1,268,232)

Internal service funds are used by management to charge costs of certain activities, such as insurance to certain funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities.	100,389
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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 the governmental funds.	( <u>3,425,000</u> )
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Change in net assets of governmental activities	<u>\$ 2,677,161</u>
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See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	\$ 4,600,000	\$ 5,097,403	\$ 497,403
Franchise	1,051,000	1,097,656	46,656
Insurance premium	1,450,000	1,421,021	( 28,979)
Alcoholic beverage	660,000	673,950	13,950
Other	753,000	445,225	( 307,775)
Licenses and permits	310,000	301,184	( 8,816)
Intergovernmental	89,500	56,702	( 32,798)
Fines, forfeitures and penalties	1,288,500	1,783,541	495,041
Charges for services	357,000	389,462	32,462
Investment income	65,000	67,184	2,184
Miscellaneous	166,000	496,567	330,567
Total revenues	<u>10,790,000</u>	<u>11,829,895</u>	<u>1,039,895</u>
Expenditures:			
Current:			
General government:			
Administrative	845,100	969,377	( 124,277)
Finance	626,300	615,901	10,399
Garage	( 102,700)	( 189,217)	86,517
General government	38,000	49,424	( 11,424)
City hall	133,300	131,478	1,822
Total general government	<u>1,540,000</u>	<u>1,576,963</u>	<u>( 36,963)</u>
Public safety:			
Court administration	242,500	265,727	( 23,227)
Probation	169,100	166,298	2,802
Police	7,182,000	7,667,950	( 485,950)
Community service	78,300	96,428	( 18,128)
Traffic control	546,500	553,644	( 7,144)
Fire services	3,647,300	3,667,883	( 20,583)
Animal control	185,000	193,443	( 8,443)
Total public safety	<u>12,050,700</u>	<u>12,611,373</u>	<u>( 560,673)</u>
Public service:			
Engineering and supervision	136,000	128,070	7,930
Streets	1,197,600	1,396,943	( 199,343)
Street cleaning	78,600	97,884	( 19,284)
Trash and refuse	671,700	685,438	( 13,738)
Total public service	<u>2,083,900</u>	<u>2,308,335</u>	<u>( 224,435)</u>

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
Year Ended June 30, 2008  
(Continued)

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:			
Landscaping and cemetery maintenance	<u>1,034,400</u>	<u>1,003,840</u>	<u>30,560</u>
Community development:			
Community development	607,200	643,188	( 35,988)
DAL marketing	134,900	122,341	12,559
Kia project manager	129,500	141,289	( 11,789)
Other community support	<u>344,800</u>	<u>343,077</u>	<u>1,723</u>
Total community development	<u>1,216,400</u>	<u>1,249,895</u>	<u>( 33,495)</u>
Telecommunications:			
Administration	126,800	134,320	( 7,520)
LGTV	<u>136,500</u>	<u>160,351</u>	<u>( 23,851)</u>
Total telecommunications	<u>263,300</u>	<u>294,671</u>	<u>( 31,371)</u>
Capital outlay:			
General government	30,600	28,343	2,257
Public safety	521,700	522,539	( 839)
Public service	505,000	388,420	116,580
Community development	6,900		6,900
Telecommunications	26,000		26,000
Culture and recreation	<u>76,000</u>	<u>39,460</u>	<u>36,540</u>
Total capital outlay	<u>1,166,200</u>	<u>978,762</u>	<u>187,438</u>
Total expenditures	<u>19,354,900</u>	<u>20,023,839</u>	<u>( 668,939)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>( 8,564,900)</u>	<u>( 8,193,944)</u>	<u>370,956</u>
Other financing sources (uses):			
Transfers in	8,500,000	8,999,550	499,550
Transfers out		( 623,768)	( 623,768)
Sale of capital assets	10,000	81,855	71,855
Capital leases		<u>307,094</u>	<u>307,094</u>
Total other financing sources (uses)	<u>8,510,000</u>	<u>8,764,731</u>	<u>254,731</u>
Net change in fund balance	<u>( 54,900)</u>	<u>570,787</u>	<u>625,687</u>
Fund balance, beginning of year	<u>2,239,827</u>	<u>2,239,827</u>	
Fund balance, end of year	<u>\$ 2,184,927</u>	<u>\$ 2,810,614</u>	<u>\$ 625,687</u>

See the accompanying notes to the financial statements.



CITY OF LAGRANGE, GEORGIA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUNDS  
June 30, 2008

	Business-type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Sanitation Fund	Total	Governmental Activities
<u>Assets</u>				
Current assets:				
Cash and cash equivalents	\$ 5,717,587	\$ 1,120,148	\$ 6,837,735	\$ 1,901,694
Investments	5,009,556		5,009,556	55
Receivables:				
Accounts	9,340,218	93,478	9,433,696	180,020
Other	1,293,892		1,293,892	
Due from other funds	2,675,925	200,000	2,875,925	300,000
Prepays	103,448	3,720	107,168	22,714
Inventory	1,662,202	1,468	1,663,670	
Restricted assets:				
Restricted investments	28,770,690		28,770,690	
Restricted deposits	517,869		517,869	
Total current assets	<u>55,091,387</u>	<u>1,418,814</u>	<u>56,510,201</u>	<u>2,404,483</u>
Noncurrent assets:				
Capital assets, not being depreciated	691,928	9,262,477	9,954,405	
Capital assets, being depreciated	105,440,590	12,294,238	117,734,828	
Other assets	186,441		186,441	
Advances to other funds				1,588,556
Total noncurrent assets	<u>106,318,959</u>	<u>21,556,715</u>	<u>127,875,674</u>	<u>1,588,556</u>
Total assets	<u>161,410,346</u>	<u>22,975,529</u>	<u>184,385,875</u>	<u>3,993,039</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	4,123,992	1,266,944	5,390,936	37,561
Accrued liabilities	59,310	15,835	75,145	
Due to other funds	75,000	2,605,700	2,680,700	
Accrued compensated absences	183,318	58,242	241,560	
Unearned revenue	28,770,690		28,770,690	
Claims reserve				1,125,000
Notes payable, current	111,811	68,888	180,699	
Capital leases, current	511,637	412,794	924,431	
Intergovernmental agreement payable - Current	165,000		165,000	
Liabilities payable from restricted assets:				
Customer deposits	1,482,830	1,530	1,484,360	
Accrued interest	80,833	14,264	95,097	
Revenue bonds, current	<u>4,020,000</u>	<u>640,000</u>	<u>4,660,000</u>	
Total current liabilities	<u>39,584,421</u>	<u>5,084,197</u>	<u>44,668,618</u>	<u>1,162,561</u>
Noncurrent liabilities:				
Revenue bonds, long-term	18,971,407	2,928,858	21,900,265	
Notes payable, long-term	2,153,088	3,091,620	5,244,708	
Capital leases, long-term	1,173,372	836,494	2,009,866	
Intergovernmental agreement payable - Long-term	4,625,000		4,625,000	
Landfill postclosure liability		5,202,975	5,202,975	
Advances from other funds	1,588,556		1,588,556	
Total noncurrent liabilities	<u>28,511,423</u>	<u>12,059,947</u>	<u>40,571,370</u>	<u>0</u>
Total liabilities	<u>68,095,844</u>	<u>17,144,144</u>	<u>85,239,988</u>	<u>1,162,561</u>
<u>Net assets</u>				
Invested in capital assets, net of debt	74,401,203	13,578,061	87,979,264	
Unrestricted	<u>18,913,299</u>	<u>( 7,746,676)</u>	<u>11,166,623</u>	<u>2,830,478</u>
Total net assets	<u>\$ 93,314,502</u>	<u>\$ 5,831,385</u>	<u>\$ 99,145,887</u>	<u>\$ 2,830,478</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
PROPRIETARY FUNDS  
Year Ended June 30, 2008

	Business-type Activities Major Enterprise Funds			Internal Service Funds Governmental Activities
	Utility Fund	Sanitation Fund	Total	
Operating revenues:				
Water and sewer system	\$ 15,182,573		\$ 15,182,573	
Gas system	21,208,736		21,208,736	
Electric system	39,205,287		39,205,287	
Sanitation		\$ 6,557,211	6,557,211	
Premiums				\$ 4,934,506
Telecommunications	4,402,924		4,402,924	
Other sales	235,049	337,631	572,680	
Total operating revenues	<u>80,234,569</u>	<u>6,894,842</u>	<u>87,129,411</u>	<u>4,934,506</u>
Operating expenses:				
Water and sewer system	7,441,898		7,441,898	
Gas system	16,888,469		16,888,469	
Electric system	33,052,906		33,052,906	
Sanitation		5,172,672	5,172,672	
Telecommunications	1,664,783		1,664,783	
Administrative services	1,558,194	232,833	1,791,027	298,919
Depreciation and amortization	3,985,710	555,608	4,541,318	
Risk management				4,679,905
Total operating expenses	<u>64,591,960</u>	<u>5,961,113</u>	<u>70,553,073</u>	<u>4,978,824</u>
Operating income (loss)	<u>15,642,609</u>	<u>933,729</u>	<u>16,576,338</u>	<u>( 44,318)</u>
Nonoperating revenues (expenses):				
Grant income		54,526	54,526	
Investment income	611,357	35,378	646,735	144,707
Gain (loss) on sale of assets	( 6,004)	( 84,646)	( 90,650)	
Interest expense	( 1,407,237)	( 235,446)	( 1,642,683)	
Other		397,663	397,663	
Total nonoperating revenues (expenses)	<u>( 801,884)</u>	<u>167,475</u>	<u>( 634,409)</u>	<u>144,707</u>
Net income (loss) before transfers	<u>14,840,725</u>	<u>1,101,204</u>	<u>15,941,929</u>	<u>100,389</u>
Transfers in	577,550	232,833	810,383	39,340
Transfers out	( 8,154,657)	( 1,373,033)	( 9,527,690)	( 39,340)
Total transfers	<u>( 7,577,107)</u>	<u>( 1,140,200)</u>	<u>( 8,717,307)</u>	<u>0</u>
Change in net assets	7,263,618	( 38,996)	7,224,622	100,389
Net assets, beginning of year (as restated)	<u>86,050,884</u>	<u>5,870,381</u>	<u>91,921,265</u>	<u>2,730,089</u>
Net assets, end of year	<u>\$ 93,314,502</u>	<u>\$ 5,831,385</u>	<u>\$ 99,145,887</u>	<u>\$ 2,830,478</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2008

	Business-type Activities Enterprise Funds			Internal Service Funds Governmental Activities
	Utility Fund	Sanitation Fund	Total	
Cash flows from operating activities:				
Cash received from customers and users	\$ 79,438,158	\$ 6,883,961	\$ 86,322,119	\$ 4,885,510
Cash paid to employees	( 4,693,823)	( 1,165,700)	( 5,859,523)	
Cash paid to suppliers	( 55,406,031)	( 787,043)	( 56,193,074)	( 5,161,149)
Net cash provided (used) by operating activities	<u>19,338,304</u>	<u>4,931,218</u>	<u>24,269,522</u>	<u>( 275,639)</u>
Cash flow from noncapital financing activities:				
Advances to other funds				57,147
Transfers in	577,550	232,833	810,383	39,340
Transfers out	( 8,154,657)	( 1,373,033)	( 9,527,690)	( 39,340)
Net cash provided (used) by noncapital financing activities	<u>( 7,577,107)</u>	<u>( 1,140,200)</u>	<u>( 8,717,307)</u>	<u>57,147</u>
Cash flows from capital and related financing activities:				
Grant proceeds		54,526	54,526	
Intergovernmental loan	( 360,053)		( 360,053)	
Principal payments on revenue bonds	( 3,885,000)	( 605,000)	( 4,490,000)	
Proceeds from sale of assets	6,953	3,998	10,951	
Acquisition of capital assets	( 4,699,023)	( 5,636,236)	( 10,335,259)	
Capital lease proceeds	832,791	342,277	1,175,068	
Capital lease payments	( 535,456)	( 396,994)	( 932,450)	
Note payable proceeds	901,219	2,330,973	3,232,192	
Payments on notes payable	( 81,129)	( 43,116)	( 124,245)	
Payments on intergovernmental agreement	( 155,000)		( 155,000)	
Interest paid	( 1,497,852)	( 245,575)	( 1,743,427)	
Net cash provided (used) by capital financing activities	<u>( 9,472,550)</u>	<u>( 4,195,147)</u>	<u>( 13,667,697)</u>	<u>0</u>
Cash flows from investing activities:				
Sale (purchase) of investments	( 2,806,710)		( 2,806,710)	( 1)
Interest income	<u>611,357</u>	<u>35,378</u>	<u>646,735</u>	<u>144,707</u>
Net cash provided (used) by investing activities	<u>( 2,195,353)</u>	<u>35,378</u>	<u>( 2,159,975)</u>	<u>144,706</u>
Net increase (decrease) in cash	93,294	( 368,751)	( 275,457)	( 73,786)
Cash, beginning of year	<u>6,142,162</u>	<u>1,488,899</u>	<u>7,631,061</u>	<u>1,975,480</u>
Cash, end of year	<u>\$ 6,235,456</u>	<u>\$ 1,120,148</u>	<u>\$ 7,355,604</u>	<u>\$ 1,901,694</u>

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended June 30, 2008  
(Continued)

	Business-Type Activities Major Enterprise Fund			Internal Service Funds
	Utility Fund	Sanitation Fund	Total	Governmental Activities
Report on the balance sheet as:				
Cash and cash equivalents	\$ 5,717,587	\$ 1,120,148	\$ 6,837,735	\$ 1,901,694
Restricted cash	<u>517,869</u>		<u>517,869</u>	
Total	<u>\$ 6,235,456</u>	<u>\$ 1,120,148</u>	<u>\$ 7,355,604</u>	<u>\$ 1,901,694</u>
Cash flows from operating activities:				
Operating income (loss)	\$ 15,642,609	\$ 933,729	\$ 16,576,338	\$ ( 44,318)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	3,985,710	555,608	4,541,318	
Changes in operating assets and liabilities:				
Accounts receivable	( 856,539)	( 10,881)	( 867,420)	( 48,996)
Inventory	( 385,572)		( 385,572)	
Other assets	12,000		12,000	( 770)
Accounts payable	178,389	981,691	1,160,080	8,445
Accrued vacation	9,998	( 678)	9,320	
Due from other fund	( 1,034,309)	800,000	( 234,309)	( 190,000)
Due to other funds	( 82,147)	1,536,231	1,454,084	
Unearned revenue	1,785,401		1,785,401	
Other accrued expenses	22,636	6,608	29,244	
Customer deposits	60,128		60,128	
Closure/postclosure		<u>128,910</u>	<u>128,910</u>	
Net cash provided (used) by operating activities	<u>\$ 19,338,304</u>	<u>\$ 4,931,218</u>	<u>\$ 24,269,522</u>	<u>\$ ( 275,639)</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of LaGrange, Georgia (the City) was incorporated in 1828, under the provisions of the State of Georgia. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and social services, culture and recreation, community development, planning and zoning and general administrative services.

The accounting policies of the City of LaGrange, Georgia conform to generally accepted accounting principles applicable to governments. The following is a summary of the City's more significant accounting policies used in the preparation of the accompanying financial statements.

- A. The Reporting Entity - The City of LaGrange, Georgia is a municipal corporation governed by a Mayor and six member Council. The City has considered all potential component units for inclusion in these financial statements and determined that the Solid Waste Management Authority of the City of LaGrange should be included on a blended basis and that the Downtown LaGrange Development Authority should be included as a discretely presented component unit.

The Solid Waste Management Authority of the City of LaGrange (the "Authority"), consists of an eight member board appointed by the governing authority of the City. The Authority provides a means to issue revenue bonds. Although it is legally separate from the City, the Authority is reported as if it were a part of the City's Solid Waste Fund because its sole purpose is to finance, construct, equip, expand and maintain the City's solid waste facilities. Separate financial statements are not prepared by the Solid Waste Management Authority.

The component unit column in the financial statements includes the financial data of the Downtown LaGrange Development Authority, the City's only discretely presented component unit. The purpose of the Authority is to revitalize and redevelop central business districts and to promote the public good and the general welfare of the State. It is reported in a separate column to emphasize that it is legally separate from the City. The Downtown LaGrange Development Authority is presented as a discretely presented component unit under GASB-14 because the Authority is legally separate, the municipality appoints a voting majority of the Authority and is able to impose its will on the Authority, and the Authority provides services and benefits which are not limited to the City. The Downtown LaGrange Development Authority is presented as an enterprise fund type. It is not considered necessary to present condensed financial statements for the Downtown LaGrange Development Authority here since it is the only component unit for the City and has been discretely presented in a separate column in these financial statements. Complete financial statements can be obtained from the Downtown LaGrange Development Authority, 111 Bull Street, P.O. Box 518, LaGrange, Georgia 30241.

The Downtown Development Authority of the City of LaGrange also meets the above criteria for inclusion as a component unit of the City but is not included in these financial statements due to immaterial financial activity.

- B. Government-wide and Fund Financial Statements - The government-wide statements (the statement of net assets and the statement of activities) report information on all of the activities of the primary government and the component unit of the City. As a general rule, the effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items such as internally dedicated resources, not properly included among program revenues are reported instead as general revenues.

CITY OF LAGRANGE, GEORGIA  
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The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds and proprietary funds. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

- C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Grants from other governments, sales tax, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

**General Fund** - The General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

**Capital Projects Fund** - The Capital Projects Fund accounts for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds.

Additionally, the City reports the following major proprietary funds:

**Enterprise Funds** - These funds account for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include sanitation, water and sewer, electricity, telecommunication and natural gas services.

- ▶ **Sanitation Fund** - The Sanitation Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.
- ▶ **Utility Fund** - The Utility Fund accounts for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include water and sewer, electricity, telecommunication and natural gas services.

Additionally, the government reports the following fund types:

**Internal Service Fund** - The Group Insurance Fund and the Property & Casualty Insurance Fund account for the City's partial self-insurance of employee medical claims and worker's compensation and liability claims provided to other departments of the government on a cost reimbursement basis.

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

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish *operating revenues* and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and production and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's net assets are reported in three parts - (1) invested in capital assets, net of related debt; (2) restricted net assets; and (3) unrestricted net assets. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

- D. Budgets and Budgetary Accounting - On or about May 1 of each year, the City Manager presents a proposed operating budget to the City Council for the fiscal year commencing the following July 1. After revisions, if any, by the council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Any supplemental appropriations are approved by the City Council. No supplemental appropriations were made during the year ended June 30, 2008.

Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary process. Encumbrances outstanding do not constitute expenditures or liabilities and are re-appropriated in the subsequent year. Unencumbered appropriations lapse at year-end.

The budgets for the General Fund, Debt Service Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Capital Projects Fund and SPLOST Fund are budgeted on a project basis, which may be one or more years in length. Proprietary fund type budgets are adopted for management control purposes only.

- E. Cash and Cash Equivalents - Cash and cash equivalents shown on the balance sheet represent demand deposits and non-negotiable certificates of deposit. All highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.
- F. Investments - The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligation; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "A" or better by Moody's Investors Service, Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

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

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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- G. Receivables and Payables - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

- H. Inventory and Prepaid Items - Inventory is valued at cost determined principally using the first-in, first-out (FIFO) method. Inventory is recorded on the consumption method which means that inventory acquisitions are recorded in inventory accounts initially and charged as expenditures or expenses when used. Prepaid items are also recorded on the consumption method.

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

- I. Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, traffic signals, sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or greater and an estimated useful life in excess of one year. Some assets are capitalized when the aggregated amount of a group of an asset is material. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their estimated fair market value on the date donated. Construction period interest is capitalized with the cost of the asset. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment, and infrastructure of the primary government, as well as any reported component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings .....	40-50 years
Distribution systems .....	33-50 years
Furniture and fixtures .....	5-10 years
Equipment and vehicles .....	5-25 years
Infrastructure .....	10-50 years

- J. Bond Discounts, Premiums and Issuance Costs - Bond discounts, premiums and issuance costs related to the Water and Sewer Revenue Bonds are deferred and amortized over the term of the bonds using the interest method. Unamortized bond discounts are presented as a reduction of the face amount of bond payable whereas issuance costs are presented as other assets. Unamortized premiums are presented as an increase in the face amount of bonds payable.
- K. Accrued Vacation - A liability for accrued vacation pay is recorded by the City. A liability for unused sick leave pay is not recorded since these amounts do not vest.
- L. Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.



CITY OF LAGRANGE, GEORGIA  
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- M. Reclassifications - Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.
- N. Allocation of Administrative Expenses - The City does not allocate indirect costs. It is the City's policy to allocate to the proprietary funds overhead administrative expenses that are paid by and expended in the General Fund. This allocation is to recover the direct costs of General Fund Services provided (finance, personnel, purchasing, legal, etc.). These expenses allocated to the proprietary funds are presented in these financial statements as "administrative charges" on the proprietary funds financial statement and are included in "other revenue" on the General Fund financial statements.
- O. Use of Estimates to Prepare Financial Statements - Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

## 2. DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the City's deposits was \$15,995,042, which includes \$18,100 petty cash and the bank balance was \$16,543,205. Of the bank balance, \$214,794 was covered by federal deposit insurance paid, \$14,802,817 was covered by collateral held in the pledging bank's trust department or by its agent in the City's name. The remaining \$1,525,594 is unsecured and uncollateralized.

As of June 30, 2008, the City had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Municipal Competitive Trust	July 2006 - December 2011	\$ 33,780,190
Federal Home Loan Bank		111
Coca Cola Stock		510,850
Total investments		34,291,151
Georgia fund 1 (State Investment Pool)	24 day WAM	42,039
Total pooled cash and investments		<u>\$ 34,333,190</u>

**Interest Rate Risk** - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2008, the City's investment in the state investment pool was rated AAAM by Standard & Poor's. The City's investment in the Federal Home Loan Bank was rated AAA by Moody's Investors Service and AAA by Standard & Poor's.

**Concentration of Credit Risk** - The City places no limit on the amount the City may invest in one issuer. The investment in the Municipal Competitive Trust is 98.4% total investments.

The City's investment of \$42,039 in the Georgia Fund 1 local government investment pool has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAA rated market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission as an investment company. The Office of Treasury and Fiscal Services is the regulatory oversight agency of Georgia Fund 1. The pool's primary objectives are safety of capital, investment income liquidity and diversification while maintaining principal (\$1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on \$1.00 per share.

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008  
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3. NOTES AND ACCOUNTS RECEIVABLE

**Primary Government**

Notes receivable are from various federal, state and local community development programs. Funds were loaned to homeowners, landlords and businesses for rehabilitation and construction. These notes receivable bear interest at various rates up to 10% per annum. Upon collection, the proceeds from these notes receivable must be used for future program activity approved by the Department of Housing and Urban Development.

The City has also agreed to loan up to \$1,500,000 to the Development Authority of LaGrange to assist in the construction of a manufacturing plant that will be leased to a local business. At June 30, 2008, the Authority had drawn \$1,293,892 of the total loan. The authority agreed to make monthly interest-only payments at a rate of 5.75% and to repay any unpaid principal and accrued interest in 2012.

The following is a schedule of future maturities of these notes by fiscal years ending June 30 and the allowance for doubtful accounts:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
2009	\$ 81,355	\$ 0
2010	278,120	0
2011	276,529	0
2012	276,529	1,293,892
2013	292,997	0
Thereafter	<u>424,766</u>	<u>0</u>
	1,630,296	1,293,892
Less, allowance for doubtful accounts	( 65,529)	0
	<u>\$ 1,564,767</u>	<u>\$ 1,293,892</u>

Accounts receivable in the Utility fund is reported net of an allowance for doubtful accounts of \$6,041,800.

**Component Unit**

Note receivable from Tulla White, 5.0% per annum, to be paid in interest only payments through January 1, 2006 and monthly installments of principal and interest in the amount of \$1,091 from February 1, 2006 through January 1, 2015. \$ 74,116

Note receivable from Wealth of Health, Inc., 5.0% per annum, to be paid in monthly installments of principal and interest in the amount of \$5,640 from January 1, 2006 through December 1, 2012 272,200

\$ 346,316

Due within one year \$ 64,969

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2008, was as follows:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2008</u>
<b><u>Primary Government</u></b>				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,932,709	\$ 37,010		\$ 11,969,719
Construction in progress	<u>304,572</u>	<u>3,377,225</u>	<u>\$( 11,568)</u>	<u>3,670,229</u>
Total capital assets not being depreciated	<u>12,237,281</u>	<u>3,414,235</u>	<u>( 11,568)</u>	<u>15,639,948</u>
Capital assets being depreciated:				
Buildings	11,114,313	11,568		11,125,881
Machinery and equipment	6,395,070	700,869	( 153,335)	6,942,604
Vehicles	2,649,465	297,418	( 73,693)	2,873,190
Infrastructure	<u>15,374,461</u>	<u>75,130</u>		<u>15,449,591</u>
Total capital assets being depreciated	<u>35,533,309</u>	<u>1,084,985</u>	<u>( 227,028)</u>	<u>36,391,266</u>
Less, accumulated depreciation for:				
Buildings	( 2,075,280)	( 477,425)		( 2,552,705)
Machinery and equipment	( 3,316,662)	( 362,215)	78,816	( 3,600,061)
Vehicles	( 1,242,864)	( 346,396)	42,066	( 1,547,194)
Infrastructure	<u>( 6,911,492)</u>	<u>( 718,708)</u>		<u>( 7,630,200)</u>
Total accumulated depreciation	<u>( 13,546,298)</u>	<u>( 1,904,744)</u>	<u>120,882</u>	<u>( 15,330,160)</u>
Total capital assets being depreciated, net	<u>21,987,011</u>	<u>( 819,759)</u>	<u>( 106,146)</u>	<u>21,061,106</u>
Governmental activities capital assets, net	<u>\$ 34,224,292</u>	<u>\$ 2,594,476</u>	<u>\$( 117,714)</u>	<u>\$ 36,701,054</u>

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

Government activities:	
General government	\$ 332,297
Public safety	365,849
Public service	538,272
Culture and recreation	198,291
Community development	468,036
Telecommunications	<u>1,999</u>
Total depreciation expense for governmental activities	<u>\$ 1,904,744</u>

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008  
(Continued)

A summary of business-type activities for property, plant and equipment at June 30, 2008 is presented below:

	<u>June 30, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2008</u>
<b><u>Business-Type Activities</u></b>				
Capital assets, not being depreciated:				
Land	\$ 2,010,561			\$ 2,010,561
Construction in progress	<u>2,814,811</u>	<u>\$ 5,213,660</u>	<u>\$( 84,627)</u>	<u>7,943,844</u>
Total capital assets, not being depreciated	<u>4,825,372</u>	<u>5,213,660</u>	<u>( 84,627)</u>	<u>9,954,405</u>
Capital assets being depreciated:				
Buildings	26,631,784	6,259		26,638,043
Machinery and equipment	12,515,840	988,018	( 186,645)	13,317,213
Vehicles	1,454,345	152,230		1,606,575
Infrastructure	<u>135,722,908</u>	<u>4,059,718</u>		<u>139,782,626</u>
Total capital assets being depreciated	<u>176,324,877</u>	<u>5,206,225</u>	<u>( 186,645)</u>	<u>181,344,457</u>
Less, accumulated depreciation for:				
Buildings	( 10,755,027)	( 498,783)		( 11,253,810)
Machinery and equipment	( 6,773,624)	( 784,456)	85,044	( 7,473,036)
Vehicles	( 889,053)	( 150,716)		( 1,039,769)
Infrastructure	<u>( 40,735,651)</u>	<u>( 3,107,363)</u>		<u>( 43,843,014)</u>
Total accumulated depreciation	<u>( 59,153,355)</u>	<u>( 4,541,318)</u>	<u>85,044</u>	<u>( 63,609,629)</u>
Total capital assets being depreciated, net	<u>117,171,522</u>	<u>664,907</u>	<u>( 101,601)</u>	<u>117,734,828</u>
Business-type activities capital assets, net	<u>\$121,996,894</u>	<u>\$ 5,878,567</u>	<u>\$( 186,228)</u>	<u>\$127,689,233</u>

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

Business-type activities:	
Water and sewer	\$ 2,439,434
Electric system	346,679
Gas system	832,137
Telecommunications	367,460
Sanitation	<u>555,608</u>
Total depreciation expense for business-type activities	<u>\$ 4,541,318</u>

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008  
(Continued)

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2008, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Discretely Presented Component Unit</u></b>				
Capital assets not being depreciated:				
Land	\$ 891,500			\$ 891,500
Land - Property held for lease	<u>1,121,750</u>			<u>1,121,750</u>
Total capital assets not being depreciated	<u>2,013,250</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>2,013,250</u>
Capital assets being depreciated:				
Buildings and improvements - Property held for lease	8,195,740			8,195,740
Equipment	<u>16,281</u>			<u>16,281</u>
Total capital assets being depreciated	<u>8,212,021</u>	<u>0</u>	<u>0</u>	<u>8,212,021</u>
Less, accumulated depreciation	( 356,838)	( 222,739)		( 579,577)
Total capital assets being depreciated, net	<u>7,855,183</u>	( 222,739)		<u>7,632,444</u>
Total capital assets, net	<u>\$ 9,868,433</u>	<u>\$ ( 222,739)</u>	<u>\$ 0</u>	<u>\$ 9,645,694</u>

Depreciation expense for the Authority was charged to functions as follows:

Community development	<u>\$ 222,739</u>
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## 5. CAPITAL LEASES

The City has entered into lease agreements for financing the acquisition of various pieces of equipment and vehicles for the governmental activities and business-type activities. Capital leases for governmental activities are being repaid through the Debt Service Fund. Capital leases for business-type activities are being repaid through the Utility and Sanitation Funds. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Machinery and equipment	\$ 5,614,365	\$ 11,349,388
Less, accumulated depreciation	( 3,009,200)	( 5,876,294)
Total	<u>\$ 2,605,165</u>	<u>\$ 5,473,094</u>

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008  
(Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2008, were as follows:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2009	\$ 1,088,351	\$ 995,631
2010	1,014,135	890,425
2011	864,382	678,139
2012	617,267	327,838
2013	515,954	184,218
2014-2018	<u>889,775</u>	<u>166,955</u>
Total lease payments	4,989,864	3,243,206
Less, amount representing interest	<u>( 721,557)</u>	<u>( 308,909)</u>
	<u>\$ 4,268,307</u>	<u>\$ 2,934,297</u>

6. LONG-TERM DEBT

A. Notes Payable

**Governmental Activities**

The City has entered into notes payable for the purpose of financing the City's Transition Center. The total amount of loans issued in prior years was \$3,640,000.

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Financing of the City's Transition Center - Debt Service Fund	4.85%	<u>\$ 3,015,000</u>

Loans payable currently outstanding are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2009	\$ 180,000	\$ 146,228
2010	200,000	137,498
2011	230,000	127,798
2012	250,000	116,643
2013	280,000	104,518
2014-2018	<u>1,875,000</u>	<u>289,303</u>
	<u>\$ 3,015,000</u>	<u>\$ 921,988</u>

**Business-Type Activities**

The City's Utility Fund borrowed funds for system improvements under notes payable. As of June 30, 2008, the City had drawn \$2,797,600 against the \$3,597,069 of these notes. The City's Sanitation Fund also entered into a notes payable agreement with the Georgia Environmental Facilities Authority whereby the City could borrow up to \$4,000,000.

The City has borrowed \$3,330,873 of the \$4,000,000 available.

CITY OF LAGRANGE, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008  
(Continued)

Notes payable currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
System improvements - Utility Fund	4.24%	\$ 1,363,680
Gas recirculation project at landfill - Sanitation Fund	2.33%	829,535
Construction of water line - Utility Fund	4.10%	901,219
Construction of landfill cell - Sanitation Fund	4.40%	2,330,973
		<u>\$ 5,425,407</u>

Notes payable service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2009	\$ 180,699	\$ 263,903
2010	244,229	205,882
2011	253,971	196,140
2012	264,117	185,994
2013	274,684	175,427
2014-2018	1,547,953	702,700
2019-2023	1,516,407	381,371
2024-2028	1,137,858	124,094
2029	5,489	19
	<u>\$ 5,425,407</u>	<u>\$ 2,235,530</u>

**B. Revenue Bonds**

**Business-Type Activities**

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. In prior years, the City issued \$52,265,000 in revenue bonds to finance construction projects to expand existing facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 1997 Solid Waste Revenue Bonds	4.50% - 4.85%	\$ 3,585,000
Series 1999 Water & Sewerage Revenue Bonds	3.50% - 4.30%	2,210,000
Series 2002 Water & Sewerage Revenue Bonds	4.70% - 5.25%	13,550,000
Series 2003 Gas Authority Revenue Bonds	2.13% - 4.38%	6,790,000
		<u>\$ 26,135,000</u>

Revenue bond service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2009	\$ 4,660,000	1,004,129
2010	4,850,000	806,944
2011	5,070,000	599,861
2012	5,285,000	372,603
2013	1,160,000	222,485
2014-2018	2,025,000	821,406
2019-2023	2,510,000	394,187
2024	575,000	12,578
	<u>\$ 26,135,000</u>	<u>\$ 4,234,193</u>

CITY OF LAGRANGE, GEORGIA  
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C. Compensated Absences - The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2008. Accrued compensated absences from governmental activities are repaid through the General Fund. Business-type activities accrued compensated absences are repaid through the Utility Fund and Sanitation Fund.

D. Intergovernmental Agreements Payable

The City of LaGrange has entered into three separate intergovernmental contracts:

- ▶ The LaGrange Development Authority (LDA), the Troup County Development Authority, the City of LaGrange, and Troup County entered into an intergovernmental contract under which the LDA is to acquire, construct and equip a new industrial park (Callaway South Industrial Park) on approximately 1,100 acres located within LaGrange. The LDA issued two series of revenue bonds, Series 2007A in the aggregate amount of \$1,565,000 and Series 2007B in the aggregate amount of \$5,285,000. The revenue bonds are secured by the intergovernmental contract under which the City of LaGrange and Troup County have agreed to each pay one-half of the debt service on the bonds when due, commencing in February, 2008. LDA is obligated for up to 50 years to reimburse the City of LaGrange and Troup County for payments made under the intergovernmental contract from net proceeds received from the sale or lease of parcels.
- ▶ The City entered into a contract dated April 1, 2005, with the Downtown LaGrange Development Authority obligating the City to service the principal and interest on the Authority's Series 2005 Revenue Bonds. The bond proceeds were used to construct a movie theater in the downtown area of LaGrange.
- ▶ The City also entered into a contract dated December 1, 2005 with the LaGrange Development Authority obligating the City to service the debt of the Authority's Series 2005A and 2005B Revenue Bonds. The proceeds of the bonds were used to acquire, construct and equip a new office park (Ridley Office Park). The Authority is obligated to reimburse the City for payments made under the contract from net proceeds received from the sale of parcels.

The amounts outstanding under the debt related to the intergovernmental agreements at year end are as follows:

**Business-Type Activities**

	Principal	Interest
Year ending June 30:		
2009	\$ 165,000	\$ 232,930
2010	170,000	223,855
2011	180,000	214,505
2012	195,000	204,605
2013	205,000	193,880
2014-2018	1,205,000	788,175
2019-2023	1,555,000	457,758
2024-2026	1,115,000	99,887
	<u>\$ 4,790,000</u>	<u>\$ 2,415,595</u>

**Governmental Activities**

Year ending June 30:		
2009	\$ 207,500	\$ 380,812
2010	217,500	368,433
2011	232,500	355,456
2012	245,000	341,588
2013	262,500	326,969
2014-2018	1,547,500	1,381,980
2019-2023	2,055,000	863,000
2024-2026	1,782,500	237,556
	<u>\$ 6,550,000</u>	<u>\$ 4,255,794</u>



CITY OF LAGRANGE, GEORGIA  
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E. Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Intergovernmental agreements	\$ 3,340,000	\$ 3,425,000	\$ 215,000	\$ 6,550,000	\$ 207,500
Capital leases	3,910,520	1,268,232	910,445	4,268,307	835,159
Notes payable	3,175,000		160,000	3,015,000	180,000
Compensated absences	<u>358,347</u>	<u>594,997</u>	<u>573,149</u>	<u>380,195</u>	<u>81,744</u>
Governmental activities long-term liabilities	<u>\$ 10,783,867</u>	<u>\$ 5,288,229</u>	<u>\$ 1,858,594</u>	<u>\$ 14,213,502</u>	<u>\$ 1,304,403</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 30,625,000		\$ 4,490,000	\$ 26,135,000	\$ 4,660,000
Add, unamortized premium	<u>521,301</u>		<u>96,036</u>	<u>425,265</u>	
Total bonds	31,146,301	\$ 0	4,586,036	26,560,265	4,660,000
Intergovernmental agreements	4,945,000		155,000	4,790,000	165,000
Capital leases	2,691,679	1,175,068	932,450	2,934,297	924,431
Notes payable	2,317,460	3,232,192	124,245	5,425,407	180,699
Compensated absences	<u>232,239</u>	<u>294,388</u>	<u>285,067</u>	<u>241,560</u>	<u>241,560</u>
Business-type activities long-term liabilities	<u>\$ 41,332,679</u>	<u>\$ 4,701,648</u>	<u>\$ 6,082,798</u>	<u>\$ 39,951,529</u>	<u>\$ 6,171,690</u>

The government-wide statement of net assets includes \$4,660,000 of the long-term liabilities due within one year for business-type activities in liabilities "payable from restricted assets." The remaining amount of \$1,511,690 is displayed as "noncurrent liabilities, due within one year" on that same statement.

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2008 is as follows:

Due to/from other funds:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
General Fund	Utility Fund	\$ 69,225
Capital Projects Fund	General Fund	120,000
Capital Projects Fund	Utility Fund	450,000
Capital Projects Fund	Sanitation Fund	200,000
Nonmajor Governmental Funds	Utility Fund	50,000
Utility Fund	General Fund	75,000
Sanitation Fund	Internal Service Fund	300,000
Sanitation Fund	Utility Fund	2,106,700
Sanitation Fund	General Fund	<u>199,000</u>
		<u>\$ 3,569,925</u>

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All due to/from balances were made during the year to supplement operations. All due to/from balances are expected to be repaid within one year.

Advances to/from other funds at June 30, 2008 consisted of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Utility Fund	Internal Service Fund	<u>\$ 1,588,556</u>

This amount represents the noncurrent portion of interfund loans and is therefore classified as a noncurrent asset/liability on the Proprietary Funds Statement of Net Assets. A reconciliation to the government-wide Statement of Net Assets is as follows:

Total Enterprise Fund non-current liabilities per fund level Statement of Net Assets	\$ 40,571,370
Advances from other funds	<u>( 1,588,556)</u>

Non-current liabilities - Due in more than one year per government-wide Statement of Net Assets \$ 38,982,814

Interfund transfers were made during the year to supplement operations. These transfers were as follows:

	Transfers Out						Total
	General Fund	Capital Projects	Nonmajor Governmental	Utility Fund	Sanitation Fund	Internal Service	
Transfers in:							
General Fund			\$ 441,636	\$ 7,414,844	\$ 1,103,730	\$ 39,340	\$ 8,999,550
Capital Projects Fund				200,000			200,000
Nonmajor governmental	\$ 584,428	\$ 1,235,971		306,980	19,303		2,146,682
Utility Fund		263,000	64,550		250,000		577,550
Sanitation Fund				232,833			232,833
Internal service	<u>39,340</u>						<u>39,340</u>
	<u>\$ 623,768</u>	<u>\$ 1,498,971</u>	<u>\$ 506,186</u>	<u>\$ 8,154,657</u>	<u>\$ 1,373,033</u>	<u>\$ 39,340</u>	<u>\$ 12,195,955</u>

## 8. RISK MANAGEMENT AND SELF-INSURANCE

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage and provide for these risks, the City has established a Group Insurance Fund and a Property and Casualty Insurance Fund which are reported as internal service funds. These funds account for the risk financing activities of the City and do not constitute a transfer of risk from the City.

Charges to other funds for these benefits are based upon an estimate of actual claims, administrative costs and stop-loss insurance premiums. Such charges are reported as revenue in the internal service funds and expenditures/expenses in the paying fund. An estimate of unpaid claims has been accrued as of June 30, 2008.

The City records an estimated liability for employee medical claims, workers' compensation, torts and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

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- A. Group Insurance Fund - The purpose of this Fund is to pay the medical claims of City employees and their covered dependents and to minimize the total cost of medical insurance to the City. Under this plan, the City is self-insured for claims aggregating up to \$2,597,984 for the year ended June 30, 2008. Claims exceeding this amount are covered by a private insurance carrier.
- B. Property and Casualty Insurance Fund - The purpose of this Fund is to pay worker's compensation, general, automobile and personal liability claims. This program is administered by a third party, which provides claims review and processing. Under this plan, the City is self-insured for claims aggregating up to \$1,000,000 for general insurance liability and \$1,000,000 for workers compensation liability for the plan year ended June 30, 2008. Claims exceeding this amount are covered by a private insurance carrier.

The following represents changes in these liabilities for the last two fiscal years:

	<u>Group Insurance</u>	<u>Property and Casualty</u>
Liability balance, June 30, 2006	\$ 525,000	\$ 600,000
Claims and changes in estimate	3,166,211	350,848
Claims payments	( 3,166,211)	( 350,848)
Liability balance, June 30, 2007	525,000	600,000
Claims and changes in estimate	3,370,115	427,349
Claims payments	( 3,370,115)	( 427,349)
Liability balance, June 30, 2008	<u>\$ 525,000</u>	<u>\$ 600,000</u>

- C. Changes in Coverage and Claims Paid - Neither the Group Insurance Fund nor the Property and Casualty Fund had significant decreases in coverage from the prior year. Also, neither fund paid claims that exceeded its insurance coverage for the past three years.

#### 9. DEFINED BENEFIT PENSION PLAN

The City of LaGrange Retirement Plan ("Plan"), a defined benefit pension plan, is affiliated with the Georgia Municipal Employees Benefit System ("System"), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association.

All full-time City employees with one year service and all City officials are eligible to participate in the System. Benefits fully vest after ten years of service. Annual retirement benefits are based on 1% of covered compensation plus 1.75% of average earnings in excess of covered compensation multiplied by the number of years of credited service. Normal retirement age is 65 with 5 years of service or age 55 with 30 years of credited service. The System also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and city ordinance.

The City's employees participation is noncontributory. However, the City is subject to the minimum funding standards of the Public Retirement Systems Standard Law. Policy set by the City for contributing the annual pension expense exceeds the minimum requirements.

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The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling 404/688-0472.

Total pension expense amounted to approximately \$1,199,760 for the year ended June 30, 2008. The participant data and the asset values used in the actuarial valuation are as of January 1, 2008.

Significant actuarial assumptions and other information used to compute the actuarial accrued liability and the annual recommended contribution of the plan are as follows:

Actuarial Cost Method	Projected unit credit.
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Actuarial Assumptions:	
Investment rate of return	8.00%
Projected salary increase	5.50%
Cost of living adjustments	0.00%
Post retirement benefit increase	Not applicable

It is the City's policy to contribute an amount equal to the recommended contribution each year.

The System has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability (initial unfunded accrued liability over 30 years from 1982 and changes in the unfunded actuarial accrued liabilities over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods from the end of the year which such changes arise), and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). The total level dollar amortization must be within a corridor of the 10 year and the 30 year amortization of the unfunded/(surplus) actuarial accrued liability.

The annual recommended contribution is the greater of 1) the minimum contribution described above or 2) normal cost (including administrative expenses) with interest, adjusted by a full funding credit to insure that contributions are not required if a plan's assets exceed the present value of future benefits. However, any amount over the minimum contribution will be phased in over five years, starting 2003. Therefore, 80% of the amount over the minimum contribution (if any) is recognized for the 2007 recommended contribution.

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Listed below is a summary of the key valuation results.

Contributions for plan year beginning January 1, 2008:	
Recommended	\$ 1,199,760
Recommended as a percent of payroll	7.94%
State minimum requirement	\$ 1,182,675

Funding elements for plan year beginning January 1, 2008:	
Normal cost, including administrative expenses	\$ 765,582
Market value of assets	\$ 22,919,810
Actuarial value of assets	\$ 21,971,785
Actuarial accrued liability	\$ 24,797,006
Unfunded (surplus) actuarial accrued liability	\$ 2,825,221
Ratio of unfunded (surplus) to annual covered payroll	18.70%

GASB 25/27 for plan year beginning January 1, 2008:	
Annual required contributions	\$ 1,199,760
Funded ratio	88.61%

Demographic data for plan year beginning January 1, 2008:	
Number of retired participants and beneficiaries	154
Number of vested former participants	104
Number of active employees, including 7 elected officials:	
Fully vested	162
Not vested	197
Total membership in the plan	<u>617</u>
 Total payroll	 <u>\$ 15,107,991</u>
 Average payroll	 <u>\$ 42,920</u>

Historical trend information is shown in the table below:

**TREND INFORMATION**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/08	\$ 1,199,760	100%	\$ 0
06/30/07	\$ 702,844	100%	\$ 0
06/30/06	\$ 651,614	100%	\$ 0

10. DEFINED CONTRIBUTION PLAN

The City has a defined contribution plan which is administered by Nationwide Retirement Services. The plan is a combined 457 plan and 401A plan. The City matches employee contributions on a 1:2 ratio up to a maximum of \$667 per year. During the year ended June 30, 2008, the City contributed \$118,607 and employees contributed \$340,299. Plan provisions and contribution requirements are established and amended by a resolution of the City Council.

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11. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The following Enterprise Funds have been created to provide various services to the general public:

- A. Utility Fund - Established to account for the operation of the City's water, sewer, electrical, gas and telecommunication services.
- B. Sanitation Fund - Established to account for the operation of the City's waste disposal activities.

The Utility Fund includes water and sewer system operations, of which the revenues are pledged against revenue bonds. The following segment information presented is a summary of activities for water and sewer operations for the year ended June 30, 2008.

Segment information for the Sanitation Fund for the year ended June 30, 2008 is not presented below since it is presented in the basic financial statements.

Condensed Statement of Net Assets

<b>Assets:</b>	
Current assets	\$ 12,248,485
Capital assets	69,116,699
Total assets	<u>81,365,184</u>
<b>Liabilities:</b>	
Current liabilities	423,730
Current liabilities payable from restricted assets	1,482,830
Noncurrent liabilities	<u>20,163,713</u>
Total liabilities	<u>22,070,273</u>
<b>Net assets:</b>	
Invested in capital assets, net of related debt	48,952,986
Unrestricted	<u>10,341,925</u>
Total net assets	<u>\$ 59,294,911</u>

Condensed Statement of Revenues, Expenses, and Changes in Net Assets

Water and sewer charges	\$ 15,235,164
Depreciation expense	( 2,383,982)
Other operating expenses	<u>( 8,015,028)</u>
Operating income	<u>4,836,154</u>
<b>Nonoperating revenues (expenses):</b>	
Investment earnings	104,144
Interest expense	<u>( 706,094)</u>
Nonoperating revenues (expenses)	<u>( 601,950)</u>
Income before transfers	4,234,204
Transfers in	1,372,600
Transfers out	<u>( 516,873)</u>
Change in net assets	5,089,931
Beginning net assets	<u>54,204,980</u>
Ending net assets	<u>\$ 59,294,911</u>

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Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 2,792,931
Noncapital financing activities	855,727
Capital and related financing activities	( 2,594,299)
Investing activities	<u>160,060</u>
Net increase (decrease)	1,214,419
Beginning cash and cash equivalents	<u>3,732,291</u>
Ending cash and cash equivalents	<u>\$ 4,946,710</u>

12. COMMITMENT AND CONTINGENCIES

- A. 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 instrumentality 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 June 30, 2008, the outstanding debt of the Authority was approximately \$3.6 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately \$173 million at June 30, 2008.

On April 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 an 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.

At June 30, 2008, \$33,780,190 has been placed into the Trust for the benefit of the City, of which \$5,009,500 is available without restriction and \$28,770,690 is subject to restrictions. Due to the restricted nature of the \$28,770,690, the amount is reported as unearned revenue at June 30, 2008.

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13. JOINT VENTURES

The City has joined with Troup County, Georgia and other municipalities to create the Troup County Airport Authority for the purpose of operating the LaGrange-Callaway Airport. The City appoints four of the twelve members serving on the Authority. The operating capital budgets are funded by user fees, government grants, and appropriations from the participant governments which vary each year based on the Authority's request. The Authority has final authority for all budgeting and financial management. The City's interest is limited to certain City owned capital assets used by the Authority. These capital assets are included in the capital assets of the City's governmental activities.

Complete financial statements for the Troup County Airport Authority can be obtained from the Authority's administrative office at 101 Airport Parkway, LaGrange, Georgia 30240.

Under Georgia Law, the City, in conjunction with other cities and counties in the five county west Georgia area, is a member of the Chattahoochee-Flint Regional Development Center (the "RDC") and is required to pay annual dues thereto. During the year ended June 30, 2008, the City paid \$26,603 in dues.

Membership in an 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 the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from: Chattahoochee-Flint Regional Development Center, P.O. Box 1600, Franklin, Georgia 30217.

14. HOTEL / MOTEL LODGING TAX

During the year ended June 30, 2008, the City levied a 5% lodging tax and received \$441,436 for this tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows. The LaGrange-Troup County Chamber of Commerce has certified that the \$174,850 of lodging tax received from the City during the year ended June 30, 2008 was used for the promotion of tourism.

15. RELATED ORGANIZATION

The City's council is responsible for appointing a majority of the board members of the City of LaGrange Housing Authority. However, the City has no further accountability for the Authority.

16. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City's Sanitation Fund to place a cover on landfill sites when it stops accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will not be paid until after the date a landfill stops accepting waste, the Sanitation Fund is required to accrue these closure and post-closure care costs over the landfill's operational period. The \$5,202,975 reported as the landfill closure and post-closure care liability at June 30, 2008 includes \$1,908,322, which represents the cumulative amount accrued to date, less amounts already paid, based on the use of one hundred percent of the estimated capacity of the landfill which was closed during the fiscal year ended June 30, 1998. The liability is based on the current costs of closure and post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.



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The remaining amount reported as landfill closure and post-closure cost of \$3,294,653 relates to an additional landfill site, which began accepting waste during the year ended June 30, 1999. This landfill site has an estimated closure and post-closure cost of \$9,845,785, which is based on the current cost necessary to perform all closure and post-closure care. The City expects to close the landfill in 2017. As of June 30, 2008, 29% of this landfill's capacity had been utilized and accordingly, a liability of \$3,294,653 has been recognized. The City will recognize the remaining estimated closure and post-closure care of \$6,551,132 as the remaining capacity is used.

Liability balance, June 30, 2007	\$ 5,471,729
Additions (Reductions)	( 268,754)
Liability balance, June 30, 2008	<u>\$ 5,202,975</u>

#### 17. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund reported material budget violations when expenditures of the primary government exceeded budgeted appropriations in some of the functions, as shown on page 15 and 16 of these financial statements, respectively. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

The following nonmajor governmental funds reported a material budget violation when expenditures of the City exceeded budgeted appropriations in some of the functions, as shown below. These over-expenditures were funded by available fund balances or advances from other funds. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

<u>Fund</u>	<u>Department</u>	<u>Final Budget Amount</u>	<u>Actual Amount</u>	<u>Variance with Final Budget</u>
Community Development Fund	Redevelopment & Housing	\$ 192,900	\$ 446,569	\$( 253,669)
Community Development Fund	Capital Outlay	0	37,010	( 37,010)
Hotel/Motel	Community Development	150,000	174,850	( 24,850)
Debt Service Fund	General Government:			
	Debt service	1,124,900	2,021,992	( 897,092)

#### 18. DEFICIT FUND BALANCE

The Capital Projects Fund, a major capital projects fund of the primary government, had a deficit fund balance of \$263,321 at June 30, 2008.

The Grant fund, a nonmajor Special Revenue Fund of the primary government, had a deficit fund balance of \$7,105 at June 30, 2008. The City plans to liquidate the deficit fund balance through operating transfers of the General Fund.

#### 19. POST-EMPLOYMENT HEALTH CARE BENEFITS

The City provides post-employment coverage for health and dental care, in accordance with council resolution adopted as in *Personnel Policy 6.15 Retirement System*, to employees aged 60 or over who are vested in the City Retirement System at half of the current health and dental insurance premium costs. The City also offers employees who retire and are at least 55 years of age with 15 or more years of service the ability to retain coverage for health and dental care. Employees with 15-20 years of service are responsible for 50% of the insurance premium. Employees with more than 25 years of service are responsible for 25% of the insurance premium. The health and dental insurance premium reductions offered by the City will continue until the employee and/or spouse reaches 65 or becomes eligible for Medicare. Currently, 18 retirees receive post-employment benefits. Expenditures for post-employment health care and dental care are recognized on a pay-as-you-go basis as expenditures are paid. During the year, expenditures of \$203,569 were recognized for post-employment insurance benefits.

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June 30, 2008  
(Continued)

The GASB has issued Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, which provides guidance on all aspects of OPEB by employers. The City is required to implement this standard for the fiscal year ending June 30, 2009. The City has not yet determined the full impact that the adoption of this statement will have on the financial statements.

20. RESTATEMENT OF NET ASSETS

In prior years, the City entered into various contracts with the Downtown LaGrange Development Authority and the LaGrange Development Authority under which the City was obligated to pay amounts sufficient to service principal and interest amounts on two separate bond issues. The debt guarantee was not recorded in prior years. The principal outstanding amount of the bonds has been recorded as a restatement. The restatements decreased net assets of \$4,945,000 in the business-type entities and \$3,340,000 in the governmental entities.

CITY OF LAGRANGE, GEORGIA  
SCHEDULE OF FUNDING PROGRESS  
DEFINED BENEFIT PENSION PLAN  
Year Ended June 30, 2008

	Actuarial Valuation Date		
	January 1, 2008	January 1, 2007	January 1, 2006
Actuarial value of plan assets	\$ 21,971,785	\$ 20,481,861	\$ 19,338,025
Actuarial accrued liability	24,797,006	20,412,914	19,510,737
Total unfunded actuarial liability (or funding excess)	2,825,221	( 68,947)	172,712
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	88.61%	100.30%	99.10%
Annual covered payroll	15,107,991	13,797,131	12,528,917
Ratio of the unfunded actuarial liability (or funding excess) to annual covered	18.70%	( .50)%	1.38%

**L***a*GRANGE *georgia*  
S M A R T M O V E <sup>SM</sup>

## NONMAJOR GOVERNMENTAL FUNDS

**Capital Projects Fund** - Capital projects funds account for the accumulation of resources and the subsequent disbursements of such resources in obtaining or renovation major fixed assets (other than those financed by the Enterprise Funds).

- ▶ **Special Purpose Local Option Sales Tax “SPLOST” Fund:** The purpose of this fund is to account for the City’s portion of a countywide 1% local options sales tax for construction projects and capital improvements.

**Special Revenue Funds** - Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes. They are as follows:

- ▶ **Community Development Fund:** This fund is used to account for the financial activity related to loans and notes advanced to private third parties for community development projects.
- ▶ **Grant Fund:** This fund is used to account for certain grant activity that is legally restricted for particular purposes or required by state law to be presented as a special revenue fund.
- ▶ **Hotel/Motel Tax Fund:** This fund is used to account for the City’s share of hotel/motel tax revenues that are legally restricted to promote tourism, conventions and trade shows.

**Debt Service Fund** - This fund accounts for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of Proprietary Fund Types).

CITY OF LAGRANGE, GEORGIA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
June 30, 2008

	Capital Projects	Special Revenue				Total Nonmajor Governmental Funds
	SPLOST Fund	Community Development Fund	Grant Fund	Hotel/Motel Tax Fund	Debt Service Fund	
<u>Assets</u>						
Cash and cash equivalents	\$ 1,038,639	\$ 2,337,916	\$ 42,895		\$ 1,509,928	\$ 4,929,378
Receivables:						
Notes		1,564,767				1,564,767
Intergovernmental	588,206					588,206
Other		1,113				1,113
Prepaid items					36,482	36,482
Total assets	<u>\$ 1,626,845</u>	<u>\$ 3,903,796</u>	<u>\$ 42,895</u>	<u>\$ 0</u>	<u>\$ 1,546,410</u>	<u>\$ 7,119,946</u>
<u>Liabilities and Fund Balance</u>						
Liabilities:						
Accounts payable	\$ 475,447	\$ 6,038				\$ 481,485
Accrued payroll		799				799
Due to other funds			\$ 50,000			50,000
Total liabilities	<u>475,447</u>	<u>6,837</u>	<u>50,000</u>			<u>532,284</u>
Fund balance:						
Reserved for prepaid items					\$ 36,482	36,482
Reserved for long-term receivables		1,564,767				1,564,767
Reserved for capital projects	1,151,398					1,151,398
Unreserved		2,332,192	( 7,105)		1,509,928	3,835,015
Total fund balance	<u>1,151,398</u>	<u>3,896,959</u>	<u>( 7,105)</u>		<u>1,546,410</u>	<u>6,587,662</u>
Total liabilities and fund balance	<u>\$ 1,626,845</u>	<u>\$ 3,903,796</u>	<u>\$ 42,895</u>	<u>\$ 0</u>	<u>\$ 1,546,410</u>	<u>\$ 7,119,946</u>

CITY OF LAGRANGE, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
Year Ended June 30, 2008

	Capital Projects	Special Revenue				Total Nonmajor Governmental Funds
	SPLOST Fund	Community Development Fund	Grant Fund	Hotel/Motel Tax Fund	Debt Service Fund	
Revenues:						
Hotel/Motel tax				\$ 441,436		\$ 441,436
Special purpose sales tax	\$ 4,493,720					4,493,720
Intergovernmental	477,496	\$ 73,300	\$ 100,626			651,422
Investment income (loss)	1,237	76,924			\$ 77,442	155,603
Miscellaneous		879,576				879,576
Total revenues	<u>4,972,453</u>	<u>1,029,800</u>	<u>100,626</u>	<u>441,436</u>	<u>77,442</u>	<u>6,621,757</u>
Expenditures:						
Current:						
General government			3,967			3,967
Redevelopment and housing		446,569	72,738			519,307
Community development				174,850		174,850
Debt service:						
Principal retirement					1,285,445	1,285,445
Interest					736,547	736,547
Capital outlay:						
Public safety	978,444					978,444
Public service	2,493,486					2,493,486
Redevelopment and housing		37,010				37,010
Total expenditures	<u>3,471,930</u>	<u>483,579</u>	<u>76,705</u>	<u>174,850</u>	<u>2,021,992</u>	<u>6,229,056</u>
Excess of revenues over (under expenditures	<u>1,500,523</u>	<u>546,221</u>	<u>23,921</u>	<u>266,586</u>	<u>( 1,944,550)</u>	<u>392,701</u>
Other financing sources (uses):						
Capital lease					961,138	961,138
Transfers in				174,850	1,971,832	2,146,682
Transfers out		( 200)		( 441,436)	( 64,550)	( 506,186)
Total other financing sources	<u>0</u>	<u>( 200)</u>	<u>0</u>	<u>( 266,586)</u>	<u>2,868,420</u>	<u>2,601,634</u>
Net change in fund balance	1,500,523	546,021	23,921	0	923,870	2,994,335
Fund balance, beginning of year	( 349,125)	3,350,938	( 31,026)	0	622,540	3,593,327
Fund balance, end of year	<u>\$ 1,151,398</u>	<u>\$ 3,896,959</u>	<u>\$ ( 7,105)</u>	<u>\$ 0</u>	<u>\$ 1,546,410</u>	<u>\$ 6,587,662</u>

CITY OF LAGRANGE, GEORGIA  
SPLOST FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,038,639	\$ 82,390
Receivables:		
Intergovernmental	<u>588,206</u>	<u>656,088</u>
Total assets	<u>\$ 1,626,845</u>	<u>\$ 738,478</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 475,447	\$ 151,040
Due to other funds	<u>                    </u>	<u>936,563</u>
Total liabilities	<u>475,447</u>	<u>1,087,603</u>
Fund balance:		
Reserved for capital project	<u>1,151,398</u>	( <u>349,125</u> )
Total fund balance	<u>1,151,398</u>	( <u>349,125</u> )
Total liabilities and fund balance	<u>\$ 1,626,845</u>	<u>\$ 738,478</u>



CITY OF LAGRANGE, GEORGIA  
SPLOST FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Special purpose sales tax	\$ 4,493,720	\$ 656,088
Intergovernmental	477,496	
Investment income (loss)	<u>1,237</u>	<u>272</u>
Total revenues	<u>4,972,453</u>	<u>656,360</u>
Expenditures:		
Capital outlay:		
Public safety	978,444	847,204
Public service	<u>2,493,486</u>	<u>158,281</u>
Total expenditures	<u>3,471,930</u>	<u>1,005,485</u>
Excess of revenues over (under) expenditures	<u>1,500,523</u>	( <u>349,125</u> )
Net change in fund balance	1,500,523	( 349,125)
Fund balance, beginning of year	( <u>349,125</u> )	<u>0</u>
Fund balance, end of year	<u>\$ 1,151,398</u>	<u>\$ ( 349,125)</u>

CITY OF LAGRANGE, GEORGIA  
COMMUNITY DEVELOPMENT FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 2,337,916	\$ 206,184
Receivables:		
Notes	1,564,767	3,147,038
Other	<u>1,113</u>	<u>7,793</u>
Total assets	<u>\$ 3,903,796</u>	<u>\$ 3,361,015</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 6,038	
Accrued payroll	799	\$ 477
Customer deposits		<u>9,600</u>
Total liabilities	<u>6,837</u>	<u>10,077</u>
Fund balance:		
Reserved for long-term receivables	1,564,767	3,147,038
Unreserved	<u>2,332,192</u>	<u>203,900</u>
Total fund balance	<u>3,896,959</u>	<u>3,350,938</u>
Total liabilities and fund balance	<u>\$ 3,903,796</u>	<u>\$ 3,361,015</u>

CITY OF LAGRANGE, GEORGIA  
COMMUNITY DEVELOPMENT FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Intergovernmental	\$ 73,300	\$ 518,750
Investment income (loss)	76,924	
Miscellaneous	<u>879,576</u>	<u>123,653</u>
Total revenues	<u>1,029,800</u>	<u>642,403</u>
Expenditures:		
Current:		
Redevelopment and housing	446,569	
Administrative and management		721,256
Capital outlay:		
Redevelopment and housing	<u>37,010</u>	<u>          </u>
Total expenditures	<u>483,579</u>	<u>721,256</u>
Excess of expenditures over revenues	<u>546,221</u>	( 78,853)
Other financing sources (uses):		
Transfer out	( 200)	<u>          </u>
Total other financing sources	( 200)	<u>0</u>
Net change in fund balance	546,021	( 78,853)
Fund balance, beginning of year	<u>3,350,938</u>	<u>3,429,791</u>
Fund balance, end of year	<u>\$ 3,896,959</u>	<u>\$ 3,350,938</u>

CITY OF LAGRANGE, GEORGIA  
COMMUNITY DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2008

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 132,100	\$ 73,300	\$( 58,800)
Interest	8,000	76,924	68,924
Miscellaneous	<u>10,600</u>	<u>879,576</u>	<u>868,976</u>
Total revenues	<u>150,700</u>	<u>1,029,800</u>	<u>879,100</u>
Expenditures:			
Current:			
Redevelopment and housing	192,900	446,569	( 253,669)
Capital outlay:			
Redevelopment and housing	<u>                    </u>	<u>37,010</u>	<u>( 37,010)</u>
Total expenditures	<u>192,900</u>	<u>483,579</u>	<u>( 290,679)</u>
Excess of revenue over (under) expenditures	<u>( 42,200)</u>	<u>546,221</u>	<u>588,421</u>
Other financing sources (uses):			
Transfer out	<u>                    </u>	<u>( 200)</u>	<u>( 200)</u>
Total other financing sources (uses)	<u>0</u>	<u>( 200)</u>	<u>( 200)</u>
Net change in fund balance	<u>( 42,200)</u>	<u>546,021</u>	<u>588,221</u>
Fund balance, beginning of year	<u>3,350,938</u>	<u>3,350,938</u>	<u>0</u>
Fund balance, end of year	<u>\$ 3,308,738</u>	<u>\$ 3,896,959</u>	<u>\$ 588,221</u>

CITY OF LAGRANGE, GEORGIA  
GRANT FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 42,895	\$ 28,974
Total assets	<u>\$ 42,895</u>	<u>\$ 28,974</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Due to other funds	\$ 50,000	\$ 60,000
Total liabilities	<u>50,000</u>	<u>60,000</u>
Fund balance:		
Unreserved	( 7,105)	( 31,026)
Total fund balance	<u>( 7,105)</u>	<u>( 31,026)</u>
Total liabilities and fund balance	<u>\$ 42,895</u>	<u>\$ 28,974</u>

CITY OF LAGRANGE, GEORGIA  
GRANT FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Intergovernmental	\$ <u>100,626</u>	\$ <u>84,897</u>
Total revenues	<u>100,626</u>	<u>84,897</u>
Expenditures:		
Current:		
Administrative and management	3,967	9,988
Redevelopment and housing	<u>72,738</u>	<u>85,999</u>
Total expenditures	<u>76,705</u>	<u>95,987</u>
Excess of expenditures over revenues	<u>23,921</u>	( <u>11,090</u> )
Net change in fund balance	23,921	( 11,090)
Fund balance, beginning of year	( <u>31,026</u> )	( <u>19,936</u> )
Fund balance, end of year	<u><u>\$ ( 7,105)</u></u>	<u><u>\$ ( 31,026)</u></u>

CITY OF LAGRANGE, GEORGIA  
GRANT FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2008

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 613,950	\$ 100,626	\$( 513,324)
Total revenues	<u>613,950</u>	<u>100,626</u>	<u>( 513,324)</u>
Expenditures:			
Current:			
Administrative and management	15,100	3,967	11,133
Redevelopment and housing	<u>598,950</u>	<u>72,738</u>	<u>526,212</u>
Total expenditures	<u>614,050</u>	<u>76,705</u>	<u>537,345</u>
Excess of expenditures over revenues	<u>( 100)</u>	<u>23,921</u>	<u>24,021</u>
Net change in fund balance	( 100)	23,921	24,021
Fund balance, beginning of year	<u>( 31,026)</u>	<u>( 31,026)</u>	<u>0</u>
Fund balance, end of year	<u><u>\$( 31,126)</u></u>	<u><u>\$( 7,105)</u></u>	<u><u>\$ 24,021</u></u>

CITY OF LAGRANGE, GEORGIA  
HOTEL/MOTEL TAX FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Hotel/Motel tax	\$ 441,436	\$ 383,507
Total revenues	<u>441,436</u>	<u>383,507</u>
Expenditures:		
Current:		
Community development	<u>174,850</u>	<u>150,482</u>
Total expenditures	<u>174,850</u>	<u>150,482</u>
Excess of revenues over expenditures	<u>266,586</u>	<u>233,025</u>
Other financing sources (uses):		
Transfers in	174,850	150,482
Transfers out	( 441,436)	( 383,507)
Total other financing sources (uses)	<u>( 266,586)</u>	<u>( 233,025)</u>
Net change in fund balance	0	0
Fund balance, beginning of year	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$ 0</u>	<u>\$ 0</u>



CITY OF LAGRANGE, GEORGIA  
HOTEL/MOTEL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2008

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Hotel/Motel tax	\$ 375,000	\$ 441,436	\$ 66,436
Total revenues	<u>375,000</u>	<u>441,436</u>	<u>66,436</u>
Expenditures:			
Current:			
Community development	<u>150,000</u>	<u>174,850</u>	( 24,850)
Total expenditures	<u>150,000</u>	<u>174,850</u>	( 24,850)
Excess of expenditures over revenues	<u>225,000</u>	<u>266,586</u>	<u>41,586</u>
Other financing sources (uses):			
Transfers in		174,850	174,850
Transfers out		( 441,436)	( 441,436)
Total other financing sources (uses)	<u>0</u>	( 266,586)	( 266,586)
Net change in fund balance	225,000	0	( 225,000)
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$ 225,000</u>	<u>\$ 0</u>	<u>\$( 225,000)</u>

CITY OF LAGRANGE, GEORGIA  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash	\$ 1,509,928	\$ 591,857
Prepaid items	<u>36,482</u>	<u>30,683</u>
Total assets	<u>\$ 1,546,410</u>	<u>\$ 622,540</u>
<u>Liabilities and Fund Balance</u>		
Fund balance:		
Reserved for prepaid items	\$ 36,482	\$ 30,683
Unreserved	<u>1,509,928</u>	<u>591,857</u>
Total fund balance	<u>1,546,410</u>	<u>622,540</u>
Total liabilities and fund balance	<u>\$ 1,546,410</u>	<u>\$ 622,540</u>

CITY OF LAGRANGE, GEORGIA  
DEBT SERVICE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Interest	\$ 77,442	\$ 107,246
Total revenues	<u>77,442</u>	<u>107,246</u>
Expenditures:		
Principal retirement	1,285,445	496,710
Interest	<u>736,547</u>	<u>113,239</u>
Total expenditures	<u>2,021,992</u>	<u>609,949</u>
Excess of expenditures over revenues	( 1,944,550)	( 502,703)
Other financing sources:		
Capital lease	961,138	
Transfers in	1,971,832	362,350
Transfers out	( 64,550)	( 408,025)
Total other financing sources	<u>2,868,420</u>	( 45,675)
Net change in fund balance	923,870	( 548,378)
Fund balance, beginning of year	<u>622,540</u>	<u>1,170,918</u>
Fund balance, end of year	<u>\$ 1,546,410</u>	<u>\$ 622,540</u>

CITY OF LAGRANGE, GEORGIA  
DEBT SERVICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
Year Ended June 30, 2008

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 40,000	\$ 77,442	\$ 37,442
Total revenues	<u>40,000</u>	<u>77,442</u>	<u>37,442</u>
Expenditures:			
Debt service:			
Principal retirement	522,600	1,285,445	( 762,845)
Interest and fiscal charges	<u>602,300</u>	<u>736,547</u>	<u>( 134,247)</u>
Total expenditures	<u>1,124,900</u>	<u>2,021,992</u>	<u>( 897,092)</u>
Excess of revenues over (under) expenditures	( 1,084,900)	( 1,944,550)	( 859,650)
Other financing sources (uses):			
Capital lease		961,138	961,138
Transfers in	1,214,300	1,971,832	757,532
Transfers out	( 263,000)	( 64,550)	198,450
Total other financing sources (uses)	<u>951,300</u>	<u>2,868,420</u>	<u>1,917,120</u>
Net change in fund balance	( 133,600)	923,870	1,057,470
Fund balance, beginning of year	<u>622,540</u>	<u>622,540</u>	<u>0</u>
Fund balance, end of year	<u>\$ 488,940</u>	<u>\$ 1,546,410</u>	<u>\$ 1,057,470</u>

## MAJOR GOVERNMENTAL FUNDS

**General Fund** - This fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

**Capital Projects Fund** - This fund accounts for the accumulation of resources and the subsequent disbursements of such resources in obtaining or renovating major fixed assets (other than those financed by the Enterprise Funds).

CITY OF LAGRANGE, GEORGIA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,203,321	\$ 568,987
Investments	42,039	32,001
Receivables:		
Taxes	1,113,333	893,890
Other	7,518	6,955
Due from other funds	394,000	436,564
Inventory	218,438	251,157
Prepaid items	5,204	5,204
Restricted cash and cash equivalents	133,732	128,648
Restricted investments	<u>510,850</u>	<u>512,220</u>
Total assets	<u>\$ 3,628,435</u>	<u>\$ 2,835,626</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 477,208	\$ 330,070
Due to other funds	69,225	22,148
Other accrued liabilities	189,925	243,581
Accrued vacation	<u>81,463</u>	<u></u>
Total liabilities	<u>817,821</u>	<u>595,799</u>
Fund balance:		
Reserved for prepaid items	5,204	5,204
Reserved for inventory	218,438	251,157
Reserved for perpetual care	619,478	616,599
Unreserved	<u>1,967,494</u>	<u>1,366,867</u>
Total fund balance	<u>2,810,614</u>	<u>2,239,827</u>
Total liabilities and fund balance	<u>\$ 3,628,435</u>	<u>\$ 2,835,626</u>

CITY OF LAGRANGE, GEORGIA  
GENERAL FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Taxes:		
Sales	\$ 5,097,403	\$ 4,575,194
Franchise	1,097,656	1,047,832
Insurance premium	1,421,021	1,362,291
Alcoholic beverage	673,950	650,917
Other	445,225	485,582
Licenses and permits	301,184	332,979
Intergovernmental	56,702	74,906
Charges for services	389,462	373,674
Fines and forfeitures	1,783,541	1,398,173
Investment income (loss)	67,184	71,991
Miscellaneous	496,567	470,491
Total revenues	<u>11,829,895</u>	<u>10,844,030</u>
Expenditures:		
Current:		
General government	1,576,963	1,579,740
Public safety	12,611,373	12,359,237
Public service	2,308,335	2,212,625
Culture and recreation	1,003,840	857,379
Community development	1,249,895	846,973
Telecommunications	294,671	262,935
Capital outlay:		
General government	28,343	11,585
Public safety	522,539	530,687
Public service	388,420	229,349
Culture and recreation	39,460	148,345
Community development		26,980
Telecommunications		9,995
Total expenditures	<u>20,023,839</u>	<u>19,075,830</u>
Excess of expenditures over revenues	<u>( 8,193,944)</u>	<u>( 8,231,800)</u>
Other financing sources (uses):		
Sale of assets	81,855	16,147
Capital lease	307,094	800,953
Transfers in	8,999,550	7,856,503
Transfers out	<u>( 623,768)</u>	<u>( 386,844)</u>
Total other financing sources	<u>8,764,731</u>	<u>8,286,759</u>
Net change in fund balance	570,787	54,959
Fund balance, beginning of year	<u>2,239,827</u>	<u>2,184,868</u>
Fund balance, end of year	<u>\$ 2,810,614</u>	<u>\$ 2,239,827</u>

CITY OF LAGRANGE, GEORGIA  
CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Cash	\$ 471,313	\$ 558,338
Receivables:		
Notes	<u>63,196</u>	<u>70,924</u>
Total assets	<u>\$ 534,509</u>	<u>\$ 629,262</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 2,521	\$ 6,235
Unearned revenue	25,309	25,309
Due to other funds	<u>770,000</u>	<u>1,000,000</u>
Total liabilities	<u>797,830</u>	<u>1,031,544</u>
Fund balance:		
Unreserved	( <u>263,321</u> )	( <u>402,282</u> )
Total fund balance	( <u>263,321</u> )	( <u>402,282</u> )
Total liabilities and fund balance	<u>\$ 534,509</u>	<u>\$ 629,262</u>



CITY OF LAGRANGE, GEORGIA  
CAPITAL PROJECTS FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
Years ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Revenues:		
Intergovernmental	\$ 1,083,315	\$ 582,568
Lease income	410,000	
Interest	10,435	35,738
Miscellaneous	<u>65,680</u>	<u>409,379</u>
Total revenues	<u>1,569,430</u>	<u>1,027,685</u>
Expenditures:		
Current:		
General government		36,394
Public service		106,004
Community development		972,144
Debt service:		
Principal retirement		384,629
Interest		307,391
Capital outlay:		
General government	125,819	
Public service	5,679	3,602,401
Community development	<u></u>	<u>196,594</u>
Total expenditures	<u>131,498</u>	<u>5,605,557</u>
Excess of expenditures over revenues	<u>1,437,932</u>	<u>( 4,577,872)</u>
Other financing sources (uses):		
Sales of assets		891,000
Transfers in	200,000	2,500,000
Transfers out	<u>( 1,498,971)</u>	<u>( 263,000)</u>
Total other financing sources	<u>( 1,298,971)</u>	<u>3,128,000</u>
Net change in fund balance	138,961	<u>( 1,449,872)</u>
Fund balance, beginning of year	<u>( 402,282)</u>	<u>1,047,590</u>
Fund balance, end of year	<u><u>\$ ( 263,321)</u></u>	<u><u>\$ ( 402,282)</u></u>

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## **SUPPLEMENTAL INFORMATION ENTERPRISE FUNDS**

**Utility Fund** - This fund accounts for the provision of utility services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, financing and related debt service, and billing and collection.

**Sanitation Fund** - This fund accounts for the operation of the City's solid waste disposal activities.

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 5,717,587	\$ 5,640,859
Investments	5,009,556	3,988,247
Receivables:		
Accounts	9,340,218	8,483,679
Other	1,293,892	933,839
Due from other funds	2,675,925	1,641,616
Prepays	103,448	115,448
Inventory	1,662,202	1,276,630
Restricted assets:		
Restricted investments	28,770,690	26,985,289
Restricted deposits	517,869	501,303
Total current assets	<u>55,091,387</u>	<u>49,566,910</u>
Noncurrent assets:		
Capital assets, not being depreciated	572,828	572,828
Capital assets, being depreciated	105,559,690	104,859,332
Other assets	186,441	198,093
Total noncurrent assets	<u>106,318,959</u>	<u>105,630,253</u>
Total assets	<u>161,410,346</u>	<u>155,197,163</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	4,123,992	3,945,603
Accrued liabilities	59,310	36,674
Due to other funds	75,000	100,000
Accrued compensated absences	183,318	173,320
Unearned revenue	28,770,690	26,985,289
Notes payable - Current	111,811	81,129
Capital leases - Current	511,637	453,109
Intergovernmental agreement payable - Current	165,000	155,000
Liabilities payable from restricted assets:		
Customer deposits	1,482,830	1,422,702
Accrued interest payable	80,833	83,029
Revenue bonds - Current	4,020,000	3,885,000
Total current liabilities	<u>39,584,421</u>	<u>37,320,855</u>
Non-current liabilities:		
Revenue bonds - Long-term	18,971,407	23,091,476
Notes payable - Long-term	2,153,088	1,363,680
Capital leases - Long-term	1,173,372	934,565
Intergovernmental agreement payable - Long-term	4,625,000	4,790,000
Advances from other funds	1,588,556	1,645,703
Total noncurrent liabilities	<u>28,511,423</u>	<u>31,825,424</u>
Total liabilities	<u>68,095,844</u>	<u>69,146,279</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	74,401,203	70,678,201
Unrestricted	<u>18,913,299</u>	<u>15,372,683</u>
Total net assets	<u>\$ 93,314,502</u>	<u>\$ 86,050,884</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Water and sewer system	\$ 15,182,573	\$ 15,182,942
Gas system	21,208,736	19,559,836
Electric system	39,205,287	38,525,416
Telecommunications	4,402,924	2,377,509
Other sales	<u>235,049</u>	<u>257,506</u>
Total operating revenues	<u>80,234,569</u>	<u>75,903,209</u>
Operating expenses:		
Water and sewer system	7,441,898	8,525,705
Gas system	16,888,469	16,126,034
Electric system	33,052,906	32,215,867
Telecommunications	1,664,783	1,533,234
Administrative services	1,558,194	1,366,198
Depreciation and amortization	<u>3,985,710</u>	<u>3,531,887</u>
Total operating expenses	<u>64,591,960</u>	<u>63,298,925</u>
Operating income	<u>15,642,609</u>	<u>12,604,284</u>
Nonoperating revenues (expenses):		
Gain (loss) on sale of assets	( 6,004)	134,503
Investment income	611,357	931,453
Interest expense	<u>( 1,407,237)</u>	<u>( 1,382,689)</u>
Total nonoperating revenues (expenses)	<u>( 801,884)</u>	<u>( 316,733)</u>
Net income before transfers	14,840,725	12,287,551
Transfers in	577,550	1,169,417
Transfers out	<u>( 8,154,657)</u>	<u>( 8,503,122)</u>
Change in net assets	7,263,618	4,953,846
Net assets, beginning of year (as restated)	<u>86,050,884</u>	<u>81,097,038</u>
Net assets, end of year	<u>\$ 93,314,502</u>	<u>\$ 86,050,884</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 79,438,158	\$ 75,484,636
Cash paid to employees	( 4,693,823)	( 4,435,866)
Cash paid to suppliers	( 55,406,031)	( 53,284,146)
Net cash provided (used) by operating activities	<u>19,338,304</u>	<u>17,764,624</u>
Cash flow from noncapital financing activities:		
Transfers in	577,550	1,169,417
Transfers out	( 8,154,657)	( 8,503,122)
Net cash provided (used) by noncapital financing activities	<u>( 7,577,107)</u>	<u>( 7,333,705)</u>
Cash flows from capital and related financial activities:		
Intergovernmental loan	( 360,053)	
Payments on intergovernmental agreement	( 155,000)	( 145,000)
Payments received on loans to third parties		570,404
Principal payments on revenue bonds	( 3,885,000)	( 3,745,000)
Proceeds from sale of assets	6,953	134,503
Acquisition of capital assets	( 4,699,023)	( 4,561,594)
Capital lease proceeds	832,791	681,415
Capital lease payments	( 535,456)	( 472,266)
Note payable proceeds	901,219	
Payments on notes payable	( 81,129)	( 77,778)
Interest paid	( 1,497,852)	( 1,473,268)
Net cash provided (used) by capital and related financing activities	<u>( 9,472,550)</u>	<u>( 9,088,584)</u>
Cash flows from investing activities:		
Sale (Purchase) of investments	( 2,806,710)	( 3,803,558)
Investment income	611,357	931,453
Net cash provided (used) by investing activities	<u>( 2,195,353)</u>	<u>( 2,872,105)</u>
Net increase (decrease) in cash	93,294	( 1,529,770)
Cash, beginning of year	<u>6,142,162</u>	<u>7,671,932</u>
Cash, end of year	<u>\$ 6,235,456</u>	<u>\$ 6,142,162</u>
Report on the balance sheet as:		
Cash and cash equivalents	\$ 5,717,587	\$ 5,640,859
Restricted cash	<u>517,869</u>	<u>501,303</u>
Total	<u>\$ 6,235,456</u>	<u>\$ 6,142,162</u>

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CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2008 and 2007  
(Continued)

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Operating income	\$ 15,642,609	\$ 12,604,284
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	3,985,710	3,531,887
(Gain)loss on sale of assets		21,927
Changes in operating assets and liabilities:		
Accounts receivable	( 856,539)	( 418,573)
Inventory	( 385,572)	331,143
Prepays	12,000	12,731
Accounts payable	178,389	60,990
Accrued vacation	9,998	34,165
Due from other funds	( 1,034,309)	( 1,641,616)
Due to other funds	( 82,147)	1,745,703
Unearned revenue	1,785,401	1,379,584
Customer deposits	60,128	100,047
Other accrued expenses	<u>22,636</u>	<u>2,352</u>
Net cash provided by operating activities	<u>\$ 19,338,304</u>	<u>\$ 17,764,624</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
SCHEDULE OF OPERATING INCOME  
Year Ended June 30, 2008

	<u>Electric System</u>	<u>Gas System</u>	<u>Water and Sewer System</u>	<u>Telecom- munications</u>	<u>Total</u>
Operating revenues	<u>\$ 39,330,658</u>	<u>\$ 21,265,823</u>	<u>\$ 15,235,164</u>	<u>\$ 4,402,924</u>	<u>\$ 80,234,569</u>
Operating expenses:					
Electricity and natural gas purchase	30,677,259	15,695,637			46,372,896
Administrative services	411,935	376,116	573,128	197,013	1,558,192
Depreciation	352,487	832,137	2,383,982	417,104	3,985,710
Other operating	<u>2,375,647</u>	<u>1,192,832</u>	<u>7,441,900</u>	<u>1,664,783</u>	<u>12,675,162</u>
	<u>33,817,328</u>	<u>18,096,722</u>	<u>10,399,010</u>	<u>2,278,900</u>	<u>64,591,960</u>
Operating income	<u>\$ 5,513,330</u>	<u>\$ 3,169,101</u>	<u>\$ 4,836,154</u>	<u>\$ 2,124,024</u>	<u>\$ 15,642,609</u>



CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE  
Year Ended June 30, 2008

	Historical Cost			Allowance for Depreciation				Net Asset Value	
	Balance June 30, 2007 Reclassified	Additions	Deletions	Balance June 30, 2008	Balance June 30, 2007 Reclassified	Expense	Deletions		
Water and sewer system	\$ 110,972,471	\$ 2,285,522	\$ 0	\$ 113,257,993	\$(41,594,316)	\$( 2,546,976)	\$ 0	\$(44,141,292)	\$ 69,116,701
Gas system	26,247,661	1,304,497	0	27,552,158	( 4,857,285)	( 832,137)	0	( 5,689,422)	21,862,736
Electric system	15,998,044	471,887	( 43,660)	16,426,271	( 6,196,449)	( 346,679)	30,705	( 6,512,423)	9,913,848
Tele-communications	6,257,159	637,117	0	6,894,276	( 1,395,125)	( 259,918)	0	( 1,655,043)	5,239,233
	<u>\$ 159,475,335</u>	<u>\$ 4,699,023</u>	<u>\$( 43,660)</u>	<u>\$ 164,130,698</u>	<u>\$(54,043,175)</u>	<u>\$( 3,985,710)</u>	<u>\$ 30,705</u>	<u>\$(57,998,180)</u>	<u>\$ 106,132,518</u>

CITY OF LAGRANGE, GEORGIA  
UTILITY FUND  
COMPARATIVE SCHEDULES OF REVENUES  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Water and sewer system:		
Water sales	\$ 8,487,585	\$ 8,729,721
Sewer service charges	5,588,196	5,760,272
Fire services	62,397	64,006
Connection fees	1,044,395	628,943
Miscellaneous	52,591	100,300
	<u>15,235,164</u>	<u>15,283,242</u>
Gas system:		
Gas sales	21,208,736	19,559,836
Miscellaneous	57,087	54,187
	<u>21,265,823</u>	<u>19,614,023</u>
Electric system:		
Electricity sales	38,502,798	37,852,727
Street and security lights	702,489	672,689
Miscellaneous	125,371	103,019
	<u>39,330,658</u>	<u>38,628,435</u>
Telecommunications:		
Internet services	3,138,632	1,322,098
Other telecommunications services	1,264,292	1,055,411
	<u>4,402,924</u>	<u>2,377,509</u>
Total operating revenues	<u>\$ 80,234,569</u>	<u>\$ 75,903,209</u>

CITY OF LAGRANGE, GEORGIA  
SANITATION FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
June 30, 2008 and 2007

<u>Assets</u>	<u>2008</u>	<u>2007</u>
Current assets:		
Cash and cash equivalents	\$ 1,120,148	\$ 1,488,899
Receivables:		
Accounts receivable	93,478	82,597
Due from other funds	200,000	1,000,000
Prepays	3,720	3,720
Inventory	1,468	1,468
Total current assets	<u>1,418,814</u>	<u>2,576,684</u>
Noncurrent assets:		
Capital assets, not being depreciated	9,262,477	4,252,544
Capital assets, being depreciated	12,294,238	12,312,190
Total noncurrent assets	<u>21,556,715</u>	<u>16,564,734</u>
Total assets	<u>22,975,529</u>	<u>19,141,418</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	1,266,944	285,253
Accrued liabilities	15,835	9,227
Due to other funds	2,605,700	1,069,469
Accrued compensated absences	58,242	58,920
Notes payable, current	68,888	43,116
Capital leases, current	412,794	436,632
Liabilities payable from restricted assets:		
Customer deposits	1,530	1,530
Accrued interest payable	14,264	28,428
Revenue bonds, current	640,000	605,000
Total current liabilities	<u>5,084,197</u>	<u>2,537,575</u>
Noncurrent liabilities:		
Revenue bonds, long-term	2,928,858	3,564,825
Notes payable, long-term	3,091,620	829,535
Capital leases, long-term	836,494	867,373
Landfill postclosure liability	5,202,975	5,471,729
Total noncurrent liabilities	<u>12,059,947</u>	<u>10,733,462</u>
Total liabilities	<u>17,144,144</u>	<u>13,271,037</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	13,578,061	10,218,253
Unrestricted	( 7,746,676)	( 4,347,872)
Total net assets	<u>\$ 5,831,385</u>	<u>\$ 5,870,381</u>

CITY OF LAGRANGE, GEORGIA  
SANITATION FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Sanitation	\$ 6,557,211	\$ 6,858,938
Other sales	<u>337,631</u>	<u>194,031</u>
Total operating revenues	<u>6,894,842</u>	<u>7,052,969</u>
Operating expenses:		
Sanitation	5,172,672	4,874,581
Administrative services	232,833	204,138
Depreciation and amortization	<u>555,608</u>	<u>528,726</u>
Total operating expenses	<u>5,961,113</u>	<u>5,607,445</u>
Operating income	<u>933,729</u>	<u>1,445,524</u>
Nonoperating revenues (expenses):		
Grant income	54,526	
Investment income	35,378	180,170
Gain (loss) on sale of assets	( 84,646)	( 68,078)
Interest expense	( 235,446)	( 280,713)
Other income	<u>397,663</u>	
Total nonoperating revenues (expenses)	<u>167,475</u>	<u>( 168,621)</u>
Income before transfers	1,101,204	1,276,903
Transfers in	232,833	282,012
Transfers out	<u>( 1,373,033)</u>	<u>( 2,376,266)</u>
Change in net assets	( 38,996)	( 817,351)
Net assets, beginning of year	<u>5,870,381</u>	<u>6,687,732</u>
Net assets, end of year	<u>\$ 5,831,385</u>	<u>\$ 5,870,381</u>

CITY OF LAGRANGE, GEORGIA  
SANITATION FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 6,883,961	\$ 7,046,328
Cash paid to employees	( 1,165,700)	( 1,126,294)
Cash paid to suppliers	( 787,043)	( 3,364,872)
Net cash provided (used) by operating activities	<u>4,931,218</u>	<u>2,555,162</u>
Cash flows from noncapital financing activities:		
Transfers in	232,833	282,012
Transfers out	( 1,373,033)	( 2,376,266)
Net cash provided (used) by noncapital financing activities	<u>( 1,140,200)</u>	<u>( 2,094,254)</u>
Cash flows from capital and related financing activities:		
Grant proceeds	54,526	
Proceeds from sale of assets	3,998	50,818
Capital lease proceeds	342,277	408,633
Capital lease payments	( 396,994)	( 443,791)
Principal payments on revenue bonds	( 605,000)	( 575,000)
Note payable proceeds	2,330,973	
Payments on notes payable	( 43,116)	( 42,126)
Acquisition of capital assets	( 5,636,236)	( 2,999,784)
Interest paid	( 245,575)	( 276,359)
Net cash provided (used) by capital and related financing activities	<u>( 4,195,147)</u>	<u>( 3,877,609)</u>
Cash flows from investing activities:		
Investment income	<u>35,378</u>	<u>180,170</u>
Net cash provided (used) by investing activities	<u>35,378</u>	<u>180,170</u>
Net (decrease) increase in cash	( 368,751)	( 3,236,531)
Cash, beginning of year	<u>1,488,899</u>	<u>4,725,430</u>
Cash, end of year	<u>\$ 1,120,148</u>	<u>\$ 1,488,899</u>
Cash flows from operating activities:		
Operating income	\$ 933,729	\$ 1,445,524
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	555,608	528,726
Changes in operating assets and liabilities:		
Accounts receivable	( 10,881)	
Prepays		( 6,641)
Inventory		560
Accounts payable	981,691	( 2,611)
Accrued vacation	( 678)	15,357
Due from other funds	800,000	139,697
Other accrued expenses	6,608	( 1,000,000)
Due to other funds	1,536,231	1,069,469
Other nonoperating revenue, net		689
Customer deposits		( 250)
Closure/postclosure care	<u>128,910</u>	<u>364,642</u>
Net cash provided by operating activities	<u>\$ 4,931,218</u>	<u>\$ 2,555,162</u>

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## **SUPPLEMENTAL INFORMATION INTERNAL SERVICE FUNDS**

**Group Insurance Fund** - To account for the City's partial self-insurance of employees' medical claims.

**Property and Casualty Insurance Fund** - To account for the City's partial self-insurance of workers' compensation and liability claims.

CITY OF LAGRANGE, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
June 30, 2008

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and cash equivalents	\$ 348,338	\$ 1,553,356	\$ 1,901,694
Investments		55	55
Receivables-other	78,030	101,990	180,020
Due from other funds		300,000	300,000
Prepaid expense	22,714		22,714
Advances to other funds		1,588,556	1,588,556
Total assets	<u>449,082</u>	<u>3,543,957</u>	<u>3,993,039</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	26,344	11,217	37,561
Claims reserve	525,000	600,000	1,125,000
Total liabilities	<u>551,344</u>	<u>611,217</u>	<u>1,162,561</u>
Net assets:			
Unrestricted	( 102,262)	2,932,740	2,830,478
Total net assets	<u>\$( 102,262)</u>	<u>\$ 2,932,740</u>	<u>\$ 2,830,478</u>



CITY OF LAGRANGE, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
Year Ended June 30, 2008

	Group Insurance Fund	Property and Casualty Fund	Total
Operating revenues:			
Charges for services	\$ 3,908,724	\$ 1,025,782	\$ 4,934,506
Operating expenses:			
Administrative services	273,012	25,907	298,919
Risk management	3,804,612	875,293	4,679,905
Total operating expenses	4,077,624	901,200	4,978,824
Operating income (loss)	( 168,900)	124,582	( 44,318)
Nonoperating revenues:			
Investment income	13,231	131,476	144,707
Total nonoperating revenues	13,231	131,476	144,707
Income before transfers	( 155,669)	256,058	100,389
Transfers in	39,340		39,340
Transfers out	( 39,340)		( 39,340)
Change in net assets	( 155,669)	256,058	100,389
Net assets, beginning of year	53,407	2,676,682	2,730,089
Net assets, end of year	\$( 102,262)	\$ 2,932,740	\$ 2,830,478

CITY OF LAGRANGE, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended June 30, 2008

	Group Insurance Fund	Property and Casualty Fund	Total
Cash flows from operating activities:			
Cash received from customers and users	\$ 3,859,728	\$ 1,025,782	\$ 4,885,510
Cash paid to suppliers	( 4,075,473)	( 1,085,676)	( 5,161,149)
Net cash provided (used) by operating activities	( 215,745)	( 59,894)	( 275,639)
Cash flows from non-capital financing activities:			
Repayments of advances to other funds		57,147	57,147
Transfers in	39,340		39,340
Transfers out	( 39,340)		( 39,340)
Net cash provided (used) by non-capital financing activities	0	57,147	57,147
Cash flows from investing activities:			
Sale (purchase) of investments		( 1)	( 1)
Investment income	13,231	131,476	144,707
Net cash provided (used) by investing activities	13,231	131,475	144,706
Net increase (decrease) in cash	( 202,514)	128,728	( 73,786)
Cash, beginning of year	550,852	1,424,628	1,975,480
Cash, end of year	<u>\$ 348,338</u>	<u>\$ 1,553,356</u>	<u>\$ 1,901,694</u>
Report on the balance sheet as:			
Cash and cash equivalents	<u>\$ 348,338</u>	<u>\$ 1,553,356</u>	<u>\$ 1,901,694</u>
Cash flows from operating activities:			
Operating income	\$( 168,900)	\$ 124,582	\$( 44,318)
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	( 48,996)		( 48,996)
(Increase) decrease in prepaid expense	( 770)		( 770)
(Increase) decrease in interfund accounts		( 190,000)	( 190,000)
Increase (decrease) in accounts payable	2,921	5,524	8,445
Net cash provided (used) by operating activities	<u>\$( 215,745)</u>	<u>\$( 59,894)</u>	<u>\$( 275,639)</u>

CITY OF LAGRANGE, GEORGIA  
GROUP INSURANCE FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 348,338	\$ 550,852
Receivables-other	78,030	29,034
Prepaid expense	22,714	21,944
Total assets	<u>449,082</u>	<u>601,830</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	26,344	23,423
Claims reserve	525,000	525,000
Total current liabilities	<u>551,344</u>	<u>548,423</u>
Net assets:		
Unrestricted	<u><u>\$ ( 102,262)</u></u>	<u><u>\$ 53,407</u></u>

CITY OF LAGRANGE, GEORGIA  
GROUP INSURANCE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues	\$ <u>3,908,724</u>	\$ <u>3,828,778</u>
Operating expenses:		
Administrative services	273,012	137,563
Risk management	<u>3,804,612</u>	<u>3,565,602</u>
Total operating expenses	<u>4,077,624</u>	<u>3,703,165</u>
Operating income (loss)	( <u>168,900</u> )	<u>125,613</u>
Nonoperating revenues:		
Investment income	<u>13,231</u>	<u>23,801</u>
Total nonoperating revenues	<u>13,231</u>	<u>23,801</u>
Income (loss) before transfers	( 155,669 )	149,414
Transfers in	39,340	36,996
Transfers out	( <u>39,340</u> )	( <u>36,996</u> )
Change in net assets	( 155,669 )	149,414
Net assets, beginning of year	<u>53,407</u>	( <u>96,007</u> )
Net assets, end of year	<u><u>\$ ( 102,262 )</u></u>	<u><u>\$ 53,407</u></u>

CITY OF LAGRANGE, GEORGIA  
GROUP INSURANCE FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 3,859,728	\$ 3,808,090
Cash paid to suppliers	( 4,075,473)	( 3,730,301)
Net cash provided (used) by operating activities	<u>( 215,745)</u>	<u>77,789</u>
Cash flows from non-capital financing activities:		
Transfers in	39,340	36,996
Transfers out	( 39,340)	( 36,996)
Net cash provided (used) by non-capital financing activities	<u>0</u>	<u>0</u>
Cash flows from investing activities:		
Investment income	13,231	23,801
Net cash provided (used) by investing activities	<u>13,231</u>	<u>23,801</u>
Net increase (decrease) in cash	( 202,514)	101,590
Cash, beginning of year	<u>550,852</u>	<u>449,262</u>
Cash, end of year	<u>\$ 348,338</u>	<u>\$ 550,852</u>
Report on the balance sheet as:		
Cash and cash equivalents	<u>\$ 348,338</u>	<u>\$ 550,852</u>
Cash flows from operating activities:		
Operating income (loss)	\$( 168,900)	\$ 125,613
Adjustments to reconcile operating loss to net cash used for operating activities:		
(Increase) decrease in receivables	( 48,996)	( 20,688)
(Increase) decrease in prepaid expenses	( 770)	( 21,944)
Increase (decrease) in accounts payable	<u>2,921</u>	<u>( 5,192)</u>
Net cash provided (used) by operating activities	<u>\$( 215,745)</u>	<u>\$ 77,789</u>

CITY OF LAGRANGE, GEORGIA  
PROPERTY AND CASUALTY FUND  
COMPARATIVE STATEMENTS OF NET ASSETS  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,553,356	\$ 1,424,628
Investments	55	54
Due from other funds	300,000	110,000
Receivables-other	101,990	101,990
Advances to other funds	<u>1,588,556</u>	<u>1,645,703</u>
Total assets	<u>3,543,957</u>	<u>3,282,375</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	11,217	5,693
Claims reserve	<u>600,000</u>	<u>600,000</u>
Total liabilities	<u>611,217</u>	<u>605,693</u>
Net assets:		
Unrestricted	<u>\$ 2,932,740</u>	<u>\$ 2,676,682</u>

CITY OF LAGRANGE, GEORGIA  
PROPERTY AND CASUALTY FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Operating revenues:		
Charges for services	\$ 1,025,782	\$ 983,206
Operating expenses:		
Administrative services	25,907	20,842
Risk management	875,293	911,777
Total operating expenses	<u>901,200</u>	<u>932,619</u>
Operating income (loss)	<u>124,582</u>	<u>50,587</u>
Nonoperating revenues:		
Investment income	131,476	157,908
Total nonoperating revenues	<u>131,476</u>	<u>157,908</u>
Change in net assets	256,058	208,495
Net assets, beginning of year	<u>2,676,682</u>	<u>2,468,187</u>
Net assets, end of year	<u>\$ 2,932,740</u>	<u>\$ 2,676,682</u>

CITY OF LAGRANGE, GEORGIA  
PROPERTY AND CASUALTY FUND  
COMPARATIVE STATEMENTS OF CASH FLOWS  
Years Ended June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,025,782	\$ 983,205
Cash paid to suppliers	( 1,085,676)	( 941,912)
Net cash provided (used) by operating activities	<u>( 59,894)</u>	<u>41,293</u>
Cash flows from non-capital financing activities:		
Repayment of advances to other funds	<u>57,147</u>	( 1,645,703)
Net cash provided (used) by non-capital financing activities	<u>57,147</u>	<u>( 1,645,703)</u>
Cash flows from investing activities:		
Sale (purchase) of investments	( 1)	( 3)
Investment income	<u>131,476</u>	<u>157,908</u>
Net cash provided (used) by investing activities	<u>131,475</u>	<u>157,905</u>
Net increase (decrease) in cash	128,728	( 1,446,505)
Cash, beginning of year	<u>1,424,628</u>	<u>2,871,133</u>
Cash, end of year	<u>\$ 1,553,356</u>	<u>\$ 1,424,628</u>
Report on the balance sheet as:		
Cash and cash equivalents	<u>\$ 1,553,356</u>	<u>\$ 1,424,628</u>
Cash flows from operating activities:		
Operating income	\$ 124,582	\$ 50,587
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) in investments		( 3)
(Increase) in interfund accounts	( 190,000)	( 10,000)
Increase (decrease) in accounts payable	<u>5,524</u>	<u>706</u>
Net cash provided by operating activities	<u>\$( 59,894)</u>	<u>\$ 41,290</u>



**SUPPLEMENTAL INFORMATION  
CAPITAL ASSETS USED IN THE OPERATION OF  
GOVERNMENTAL FUNDS**

CITY OF LAGRANGE, GEORGIA  
COMPARATIVE SCHEDULES OF CAPITAL ASSETS BY SOURCE  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS\*  
June 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Governmental fund capital assets:		
Land	\$ 11,969,719	\$ 11,932,709
Buildings and improvements	11,125,881	11,114,313
Machinery and equipment	6,942,604	6,395,070
Vehicles	2,873,190	2,649,465
Infrastructure	15,449,591	15,374,461
Construction in progress	<u>3,670,229</u>	<u>304,572</u>
Total governmental fund capital assets	<u>\$ 52,031,214</u>	<u>\$ 47,770,590</u>
Investment in governmental fund capital assets by source:		
General fund revenues	\$ 9,516,866	\$ 8,765,182
General obligation bonds	3,000,000	3,000,000
Capital projects fund	32,354,561	28,882,631
Special revenues fund	3,656,722	3,619,712
Donations	<u>3,503,065</u>	<u>3,503,065</u>
Total governmental fund capital assets	<u>\$ 52,031,214</u>	<u>\$ 47,770,590</u>

\*This schedule presents only the capital asset balances related to governmental funds.

CITY OF LAGRANGE, GEORGIA  
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY\*  
June 30, 2008

<u>Function and Activity</u>	<u>Total</u>	<u>Land and Land Improvements</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>	<u>Construction in Progress</u>
General government	\$ 14,922,157	\$ 3,299,633	\$ 6,350,780	\$ 2,642,246	\$ 488,970	\$ 2,140,528	
Public safety	6,094,240	21,465	2,266,960	2,041,626	1,641,129	123,060	
Public service	13,184,181	1,609,815		1,153,244	407,014	6,648,451	\$ 3,365,657
Culture and recreation	4,834,963	1,737,735	206,943	257,481	291,475	2,341,329	
Community development	12,995,673	5,301,071	2,301,198	848,007	44,602	4,196,223	304,572
Total governmental funds capital assets	<u>\$ 52,031,214</u>	<u>\$ 11,969,719</u>	<u>\$ 11,125,881</u>	<u>\$ 6,942,604</u>	<u>\$ 2,873,190</u>	<u>\$ 15,449,591</u>	<u>\$ 3,670,229</u>

\*This schedule presents only the capital asset balances related to governmental funds.

CITY OF LAGRANGE, GEORGIA  
SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY\*  
Year Ended June 30, 2008

<u>Function and Activity</u>	<u>Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2008</u>
General government	\$ 13,943,395	\$ 978,762		\$ 14,922,157
Public safety	5,988,017	106,223		6,094,240
Public service	9,942,709	3,377,225	\$ 135,753	13,184,181
Culture and recreation	4,937,806		102,843	4,834,963
Community development	<u>12,958,663</u>	<u>37,010</u>		<u>12,995,673</u>
Total governmental funds capital assets	<u>\$ 47,770,590</u>	<u>\$ 4,499,220</u>	<u>\$ 238,596</u>	<u>\$ 52,031,214</u>

Note: Beginning balances agree to the prior year in total; however, certain amounts have been reclassified by management for financial statement presentation in the current year.

\*This schedule presents only the capital asset balances related to governmental funds.

## **ADDITIONAL DATA**

The following data is required by either state statute, specific grant audit requirements, or auditing standards:

**CHIP Schedules** - Disclosure required by specific grants audit requirements.

**Special Local Option Sales Tax Funds** - Disclosure required by State of Georgia law.

CITY OF LAGRANGE, GEORGIA  
SOURCE AND APPLICATION OF FUNDS STATUS REPORT  
COMMUNITY HOME INVESTMENT PROGRAM GRANT  
Year Ended June 30, 2008

**CHIP 04m-x-141-2-2913:**

Total grant	\$ 300,000
Less, total program funds drawn down by recipient for the year ended:	
June 30, 2008	( 10,888)
June 30, 2007	( 84,897)
June 30, 2006	( 104,999)
June 30, 2005	( 96,347)
Program funds available for future draw down	<u>\$ 2,869</u>
 Total program funds drawn down by recipient for the year ended June 30, 2008	 \$ 10,888
Add, program income applicable to the year ended June 30, 2008	<u>0</u>
Total program funds drawn by recipient and program income for the year ended June 30, 2008	<u>\$ 10,888</u>

**CHIP 05m-x-141-2-2921**

Total grant	\$ 298,950
Less, total program funds drawn down by recipient for the year ended June 30, 2008	( 89,738)
Program funds available for future draw down	<u>\$ 209,212</u>
 Total program funds drawn down by recipient for the year ended June 30, 2008	 \$ 89,738
Add, program income applicable to the year ended June 30, 2008	<u>0</u>
Total program funds drawn by recipient and program income for the year ended June 30, 2008	<u>\$ 89,738</u>

CITY OF LAGRANGE, GEORGIA  
PROJECT COST SCHEDULE  
COMMUNITY HOME INVESTMENT PROGRAM GRANT  
Year Ended June 30, 2008

<u>Activity</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>		<u>Questioned Cost</u>
		<u>Year Ended June 30, 2008</u>	<u>Prior Years</u>	
CHIP 04m-x-141-2-2913:				
H-013-00	\$ 285,000		\$ 281,993	None
A-21A-00	<u>15,000</u>	<u>\$ 3,863</u>	<u>11,141</u>	None
	<u>\$ 300,000</u>	<u>\$ 3,863</u>	<u>\$ 293,134</u>	
CHIP 05m-x-141-2-2921:				
H-013-00	\$ 284,000	\$ 72,738	\$ 24,000	None
A-21A-00	<u>14,950</u>	<u></u>	<u></u>	None
	<u>\$ 298,950</u>	<u>\$ 72,738</u>	<u>\$ 24,000</u>	

CITY OF LAGRANGE, GEORGIA  
SPECIAL LOCAL OPTION SALES TAX FUNDS  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS  
Year Ended June 30, 2008

<u>Project</u>	<u>Original Estimated Cost</u>	<u>Expenditures</u>		
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total</u>
Special Local Option Sales Tax - 2006:				
Roads, streets and bridges:				
Construction and resurfacing	\$ 9,800,000	\$ 65,547	\$ 1,849,292	\$ 1,914,839
Bridge repair	880,000	0	0	0
Bike and sidewalk facilities	880,000	0	0	0
Utility relocation and construction	4,880,000	0	644,194	644,194
Public safety facilities and equipment	2,880,000	847,204	978,444	1,825,648



# STATISTICAL SECTION

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

<u>CONTENTS</u>	<u>PAGE</u>
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	88
<u>Revenue Capacity</u> - These schedules present information to help the reader assess the City's most significant local revenue source, utility revenue.	95
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	100
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	104
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	106

Sources: Unless otherwise noted, the information in these schedules is derived from the City's comprehensive annual financial reports for the relevant year.

**City of LaGrange, Georgia**  
**Net Assets by Component**  
**Last Six Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year Ended June 30					
	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>						
Invested in capital assets, net of related debt	\$ 18,895,271	\$ 19,160,513	\$ 20,955,023	\$ 22,872,801	\$ 27,138,772	\$ 29,417,747
Restricted for:						
Redevelopment programs	3,452,942	3,880,395	3,810,657	3,212,506	3,147,093	1,564,767
Perpetual care	619,029	592,765	504,840	521,646	616,599	619,478
Capital outlay	91,871	27,799				
Unrestricted	8,842,707	8,023,687	5,651,212	6,071,644	4,087,150	2,724,783
Total governmental activities net assets	\$ 31,901,820	\$ 31,685,159	\$ 30,921,732	\$ 32,678,597	\$ 34,989,614	\$ 34,326,775
<b>Business-type activities</b>						
Invested in capital assets, net of related debt	\$ 61,607,620	\$ 62,436,197	\$ 74,485,060	\$ 78,006,264	\$ 85,729,997	\$ 87,979,264
Restricted for:						
Redevelopment programs						
Perpetual care						
Unrestricted	19,220,003	23,774,590	15,595,791	14,868,506	11,136,268	11,166,823
Total business-type activities net assets	\$ 80,827,623	\$ 86,210,787	\$ 90,080,851	\$ 92,874,770	\$ 96,866,265	\$ 99,145,887
<b>Primary government</b>						
Invested in capital assets, net of related debt	\$ 80,502,891	\$ 81,596,710	\$ 95,440,083	\$ 100,879,065	\$ 112,868,769	\$ 117,397,011
Restricted for:						
Redevelopment	3,452,942	3,880,395	3,810,657	3,212,506	3,147,093	1,564,767
Perpetual care	619,029	592,765	504,840	521,646	616,599	619,478
Capital outlay	91,871	27,799				
Unrestricted	28,062,710	31,798,277	21,247,003	20,940,150	15,223,418	13,891,406
Total primary government net assets	\$ 112,729,443	\$ 117,895,946	\$ 121,002,583	\$ 125,553,367	\$ 131,855,879	\$ 133,472,662

Note: The City implemented GASB 34 for the fiscal year ended June 30, 2003. In time this schedule will represent the required ten years of data.

**L<sup>a</sup>GRANGE** *georgia*  
S M A R T M O V E <sup>SM</sup>

[illegible]

	Fiscal Year Ended June 30				
	2003	2004	2005	2006	2007
Net (expense)/revenue					
Governmental activities	\$ (14,883,244)	\$ (17,135,810)	\$ (15,366,138)	\$ (15,187,091)	\$ (17,453,355)
Business-type activities	7,438,451	12,263,265	10,670,684	9,715,465	12,241,406
Total primary government net expense	\$ (7,444,793)	\$ (4,872,545)	\$ (4,695,454)	\$ (5,471,626)	\$ (5,211,949)
<b>General Revenues and Other Changes</b>					
<b>Net Assets</b>					
Governmental activities:					
Taxes					
General purpose taxes	\$ 2,395,447	\$ 2,494,787	\$ 2,640,202	\$ 2,763,775	\$ 2,882,297
Sales tax	3,967,466	3,937,371	4,012,504	4,536,174	5,231,281
Franchise taxes	1,324,246	994,855	912,312	987,147	1,047,832
Grants and contributions not restricted	79,039	122,866			
Unrestricted investment earnings	349,563	219,154	266,186	333,920	293,122
Gain on sale of capital assets	11,344	178,178	(680,722)	478,230	881,881
Miscellaneous	83,224	1,645,214			
Transfers	6,997,602	7,326,724	7,327,795	7,844,710	9,427,959
Total government activities	15,207,931	16,919,149	14,478,277	16,943,956	19,764,372
Business-type activities:					
Unrestricted investment earnings	475,855	303,275	500,828	917,203	1,111,623
Gain on sale of capital assets		39,516	26,347	5,961	66,425
Miscellaneous	461,680	103,832			
Transfers	(6,997,602)	(7,326,724)	(7,327,795)	(7,844,710)	(9,427,959)
Total business-type activities	(6,060,067)	(6,880,101)	(6,800,620)	(6,921,546)	(8,249,911)
Total primary government	\$ 9,147,864	\$ 10,039,048	\$ 7,677,657	\$ 10,022,410	\$ 11,514,461
<b>Change in Net Assets</b>					
Government activities	324,687	(216,661)	(887,861)	1,756,865	2,311,017
Business-type Activities	1,376,384	5,383,164	3,870,064	2,793,919	3,981,495
Total primary government	\$ 1,703,071	\$ 5,166,503	\$ 2,982,203	\$ 4,550,784	\$ 6,302,512

Note: The City implemented GASB 34 for the fiscal year ended June 30, 2003. In time this schedule will represent the required ten years of data.

**City of LaGrange, Georgia**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

**Fiscal Year Ended June 30**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General fund										
Reserved	\$ 865,061	\$ 855,918	\$ 718,022	\$ 714,284	\$ 806,803	\$ 782,600	\$ 206,050	\$ 194,759	\$ 251,157	\$ 843,120
Unreserved	395,004	(9,311)	129,386	994,972	777,129	707,072	1,565,837	1,990,109	1,988,670	1,967,494
Total general fund	\$ 1,260,065	\$ 846,607	\$ 847,408	\$ 1,709,256	\$ 1,583,932	\$ 1,489,672	\$ 1,771,887	\$ 2,184,868	\$ 2,239,827	\$ 2,810,614

other governmental funds

Reserved	\$ 3,924,723	\$ 6,836,702	\$ 4,804,653	\$ 6,983,605	\$ 3,585,166	\$ 3,961,841	\$ 3,862,800	\$ 3,273,222	\$ 3,177,721	\$ 2,752,647
Unreserved, reported in:										
Special revenue	102,301	209,940	243,425	253,371	188,067	(350,136)	(364,578)	197,349	172,874	2,325,087
Debt service	2,148,401	2,363,962	2,350,205	233,285	2,295,635	2,291,738	1,762,872	1,124,890	591,857	1,509,928
Capital projects	(298,025)	1,194,663		1,959,188	2,372,093	2,717,370	1,231,130	1,032,902	(751,407)	(263,321)
Total all other government funds	\$ 5,877,400	\$ 10,605,267	\$ 7,398,283	\$ 9,429,449	\$ 8,440,961	\$ 8,620,813	\$ 6,492,224	\$ 5,628,363	\$ 3,191,045	\$ 6,324,341

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**City of LaGrange, Georgia**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**

	Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Revenues</b>										
Fees, licenses and permits	\$ 7,561,380	\$ 8,076,924	\$ 8,253,038	\$ 8,047,152	\$ 7,852,799	\$ 7,697,143	\$ 7,804,356	\$ 8,550,767	\$ 9,494,389	\$ 13,971,595
Governmental	533,609	437,733	303,031	290,242	500,719	176,699	2,288,485	2,100,494	1,261,121	1,791,439
Fees for services	157,221	175,934	263,893	341,695	368,883	251,220	267,242	339,184	373,674	389,462
Fines and forfeitures	999,915	1,123,610	1,270,246	1,265,665	1,031,788	1,016,273	1,272,171	1,402,527	1,398,173	1,783,541
Miscellaneous income										410,000
Investment income	16,352	344,476	211,405	226,852	269,858	219,154	266,186	333,920	293,122	233,222
Miscellaneous	1,394,715	536,285	967,965	815,522	856,032	1,645,214	1,372,690	1,271,448	925,648	1,441,823
Total revenues	10,663,192	10,694,962	11,269,578	10,987,128	10,880,079	11,005,703	13,271,130	13,998,340	13,746,127	20,021,082
<b>Expenditures</b>										
General government	1,412,244	1,445,092	1,305,100	1,274,497	1,364,523	1,410,557	1,575,397	1,624,130	1,626,122	1,580,930
Public safety	7,964,829	8,497,976	8,750,529	8,922,255	9,235,159	10,225,019	10,614,052	11,410,643	12,359,237	12,611,373
Public service	2,814,926	3,046,519	2,962,267	2,449,313	2,745,594	1,902,134	3,763,165	2,798,923	2,318,629	2,308,335
Culture and recreation	876,000	1,048,531	981,100	1,117,854	697,984	819,841	755,436	852,432	857,379	1,003,840
Community development	1,404,540	1,387,525	1,231,218	1,110,537	919,945	1,285,915	1,376,485	1,757,338	1,969,599	1,424,745
Economic development and housing										
Communications and technology										
Administrative and management										
Capital outlay	2,969,169	2,589,741	5,936,643	1,611,655	5,356,631	1,701,653	3,250,998	2,909,976	5,761,421	4,619,200
Miscellaneous										
Interest	1,315,155	1,384,405	1,071,711	1,462,254	726,243	875,391	820,092	814,269	881,339	1,285,445
Total expenditures	18,932,674	19,537,812	22,433,726	18,211,301	21,753,226	18,921,251	23,085,193	23,222,699	27,264,546	26,384,393
Excess of revenues over (under) expenditures	(8,269,482)	(8,842,850)	(11,164,148)	(7,224,173)	(10,873,147)	(7,915,548)	(9,814,063)	(9,224,359)	(13,518,419)	(6,363,311)



Fiscal Year Ended June 30

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Other financing sources (uses)</b>										
Proceeds from capital lease	169,655	4,632,944	1,041,978	4,076,822	612,233	525,419	150,586	398,688	800,953	1,268,232
Sale of fixed assets						178,178	20,183	495,421	907,147	81,855
Note payable										
Transfers in	6,976,681	9,139,732	8,121,175	8,634,315	7,517,809	7,808,992	8,633,933	9,234,115	10,869,335	11,346,232
Transfers out	(807,884)	(615,417)	(1,205,188)	(493,950)	(470,707)	(510,489)	(1,335,081)	(1,354,745)	(1,441,376)	(2,628,925)
All other financing sources (uses)	6,338,452	13,157,259	7,957,965	12,217,187	7,659,335	8,002,100	7,469,621	8,773,479	11,136,059	10,067,394
Change in fund balances	\$ (1,931,030)	\$ 4,314,409	\$ (3,206,183)	\$ 4,993,014	\$ (3,213,812)	\$ 86,552	\$ (2,344,442)	\$ (450,880)	\$ (2,382,360)	\$ 3,704,083
Service as a percentage of										
on capital expenditures	9.34%	8.98%	7.68%	10.39%	6.75%	7.25%	6.27%	6.02%	6.05%	9.29%

**City of LaGrange, Georgia**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**

Fiscal Year Ended 30-Jun	Property Tax	Local Option Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
1999	\$ 8,100.00	\$ 3,734,346.00	\$ 1,082,551.00	-	\$ 550,619.00	\$ 585,697.00	\$ 5,961,313.00
2000	4,701	4,174,288	1,092,244	-	*	304,950	5,576,183
2001	4,297	4,234,882	1,124,933	-	586,581	323,355	6,274,048
2002	1,590	4,157,734	1,112,782	-	600,550	275,936	6,148,592
2003	74	3,967,466	1,324,246	-	670,331	281,291	6,243,408
2004	-	3,937,371	994,855	-	622,572	294,059	5,848,857
2005	-	4,012,504	912,312	-	656,983	307,464	5,889,263
2006	-	4,536,174	987,147	-	646,261	369,341	6,538,923
2007	-	5,231,281	1,047,832	-	650,917	383,507	7,313,537
2008	-	9,591,123	1,097,656	-	673,950	441,436	11,804,165

\* Information not available

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**City of LaGrange, Georgia**  
**Utility Department - Operating and Financial Ratio Analysis**  
**Last Ten Fiscal Years**

<u>FINANCIAL RATIOS:</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
er & sewer profit margin (%)	4.9	13.3	5.1	0.5	(11.2)	21.9	9.4	4.8	34.1	31.0
profit margin (%)	22.3	16.8	10.4	14.7	14.3	20.7	10.0	8.2	12.7	16.0
etric profit margin (%)	16.3	15.0	12.8	17.4	15.7	14.1	14.7	14.3	16.9	17.0
com profit margin (%)	(39.2)	21.7	21.5	44.1	(5.6)	(2.1)	55.3	15.3	24.0	66.0
urn on total assets (%)	11.0	8.1	7.6	8.1	6.8	8.3	7.6	6.9	10.2	12.0
urn on equity (%)	15.7	12.7	11.6	12.6	9.0	14.2	12.3	10.5	19.8	22.1
ilities/Assets (%)	42.6	47.3	46.7	45.8	46.6	46.8	45.1	42.8	51.6	49.4
ent ratio (x)	2.6	2.4	2.7	3.4	2.9	3.2	2.5	2.1	3.2	2.0
ivables avg. days outstanding	37.6	48.5	46.5	46.5	45.5	45.8	43.5	45.4	57.4	55.8
eral fund transfer (% of Income)	49.9	90.5	81.9	83.8	101.3	64.1	73.2	68.1	93.8	42.0
eral fund transfer (% of Revenue)	10.3	15.3	10.5	13.0	11.2	11.1	10.7	7.9	18.3	9.0
Equity Transfers Out (\$)	5,610	8,413	7,114	8,077	6,985	7,342	7,504	6,141	13,995	7,600
ital investment versus depreciation (x)	1.3	1.2	0.6	0.4	0.7	2.5	2.2	2.0	5.4	1.7
italization (\$)	110,374	111,970	111,488	110,252	109,230	117,957	116,899	115,637	121,106	119,735
king Capital (\$)	10,105	10,149	12,150	17,643	17,389	20,177	14,924	10,525	16,027	11,465
ERATING INFORMATION:										
etric MWH purchases	508,641	532,834	548,980	548,242	551,238	535,310	525,129	513,354	502,517	497,201
etric \$/MWH purchased	43.47	47.61	51.04	48.98	48.43	51.27	54.74	60.67	60.73	61.95
etric MWH sales	485,475	508,351	521,845	518,079	526,194	509,969	506,029	492,641	482,332	477,031
etric \$/MWH sold	619029.00	58.93	61.23	64.93	63.08	64.81	65.40	69.36	74.03	74.88
etric Operating \$/MWH sold	3.541	3.151	3.605	5.314	4.166	3.377	4.565	4.009	4.489	4.023
alled Electric meters	11,835	12,009	12,009	12,534	12,591	12,654	12,754	12,873	12,919	14,018
tric employees	12	12	12	12	12	12	12	12	12	12
ers/employee	986	1,001	1,001	1,045	1,049	1,055	1,063	1,073	1,077	1,168
Hs/employee	40,456	42,363	43,487	43,173	43,850	42,497	42,169	41,053	40,194	39,753
Dth purchases	2,068,000	2,016,000	2,260,000	1,980,009	2,068,645	2,110,313	1,986,250	1,902,006	2,055,045	1,983,793
\$/Dth purchased	2.81	3.41	6.82	4.55	5.49	6.03	7.23	10.27	7.28	8.09
Dth sales	1,990,000	1,948,000	2,012,000	1,860,976	1,953,529	2,006,417	1,914,773	1,813,697	1,997,983	1,968,043
\$/Dth sold	4.96	5.30	9.27	6.77	7.61	8.50	9.66	13.22	9.93	10.98
Operating \$/Dth sold	0.80	0.78	0.83	0.84	0.69	0.68	1.05	0.71	0.81	1.02
illed Gas meters	8,462	8,663	9,000	9,422	9,548	9,538	9,545	9,580	9,567	9,560
employees	12	12	12	12	12	12	12	12	12	12
rs/employee	705	722	750	785	796	795	795	798	797	797
employee	165,833	162,333	167,667	155,081	162,794	167,201	159,564	151,141		164,004

Water MMGAL sales	2,379	2,430	2,299	2,238	2,252	2,145	2,142	2,198	2,406	2,261
Water \$/MGAL sold	2.60	2.76	2.76	2.92	2.83	3.18	3.27	3.46	3.66	3.73
Water and Sewer Operating/MGAL	2.42	2.46	2.59	2.66	2.69	2.97	3.49	4.10	2.99	3.55
Installed Water meters	15,495	15,925	16,200	17,504	17,856	18,207	18,502	18,700	19,002	19,262
Water distribution employees	14	14	13	13	13	16	16	16	17	17
Water production employees	13	14	14	14	14	14	14	13	13	13
Meters/distribution employee	1,107	1,138	1,246	1,346	1,374	1,138	1,156	1,169	1,118	1,133
Meters/production employee	1,192	1,138	1,200	1,297	1,323	1,349	1,322	1,438	1,462	1,482
GAL/distribution employee	170	174	177	172	173	134	134	137	142	133
GAL/production employee	183	174	170	166	167	159	153	169	185	174
Customer Service Reps	6	6	6	6	6	6	6	6	6	6
Meters/CSR	5,965	6,100	6,202	6,577	6,666	6,733	6,800	6,859	6,915	7,140
Utility Service Workers	8	8	8	8	9	9	9	9	9	9
Meters/Service Worker	4,474	4,575	4,651	4,933	4,444	4,489	4,533	4,573	4,610	4,760
Meters per USW			2,086	2,273	2,171	2,460	2,790	3,112	3,089	

Notes:

Derived from read to installed meters in 2000.

**City of LaGrange, Georgia**  
**Principal Water Customers**  
**Current Year and Seven Years Ago**

	2008			2001 *		
	Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank
	Milliken & Co.	\$ 1,065,928	1	7.0	\$ 774,006	1
	Troup County Commissioners	252,230	2	1.7	81,807	6
	West Ga Medical Park	177,682	3	1.2	135,371	3
	City of Greenville	177,438	4	1.2	129,165	4
	Kimberly Clark	121,919	5	0.8	90,419	5
	LaGrange Development Authority	119,183	6	0.8		
	LaGrange College	71,868	7	0.5		
	City of Hogansville	71,648	8	0.5		
	Laurel Ridge Development LP	70,619	9	0.5		
	Lee Crossing Rent Office	68,118	10	0.5	55,728	8
	Troup Co. School System				74,262	7
	Exxon Mobil					
	West Point Home Inc.				178,050	2
	Tall Pines				53,580	9
	City of LaGrange				43,622	10
		<u>\$ 2,196,633</u>		<u>14.7</u>	<u>\$ 1,616,010</u>	<u>21.1</u>

Data Source: City Utility Department

\* Individual customer information was not available prior to 2001.



**City of LaGrange, Georgia**  
**Principal Electric Customers**  
**Current Year and Seven Years Ago**

	2008			2001 *		
	Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Rank	Percentage of Total Customer Charges
	Exxon Mobil	\$ 3,024,338	1	7.8	1	6.4
	Duracell USA	1,748,577	2	4.5	3	3.4
	City of LaGrange	1,483,134	3	3.8	2	3.9
	West Ga Medical Park	1,335,594	4	3.4	4	3.1
	Wal-Mart	1,327,423	5	3.4	7	2.5
	Interface Flooring Systems	1,227,974	6	3.1	10	2.3
	Freudenberg NOK	797,093	7	2.1	9	2.4
	Troup Co. School System	750,462	8	1.9	8	2.5
	SAFA	733,202	9	1.9		
	LaGrange College	680,466	10	1.8		
	Shorewood Packaging				5	2.6
	Treadgear Films Division				6	2.6
		<u>\$ 13,108,263</u>		<u>33.7</u>		<u>31.7</u>
						<u>\$ 10,901,375</u>

Data Source: City Utility Department

\* Individual customer information was not available prior to 2001.



**City of LaGrange, Georgia**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Personal Income**	Per Capita**
	General Obligation Notes	Revenue Bonds	Capital Leases	Notes Payable	Revenue Bonds	Capital Leases	Notes Payable				
1999		\$ 2,110,385	\$ 1,405,000	\$ 48,933,678	\$ 2,018,901	\$ 795,943	\$ 55,263,907	10.05%	1,939		
2000		5,808,924	955,000	46,257,203	3,008,321	1,798,983	57,828,431	13.36%	2,224		
2001		5,610,405	490,000	43,320,726	2,660,301	2,252,710	54,334,142	12.20%	2,070		
2002		5,074,973	3,640,000	40,324,250	2,496,087	2,040,451	53,575,761	11.67%	2,021		
2003		4,960,963	3,640,000	39,666,716	2,644,013	1,984,178	52,895,870	11.19%	1,975		
2004		4,700,991	3,550,000	43,994,408	2,703,682	2,664,790	57,613,871	11.83%	2,130		
2005		4,136,485	3,445,000	39,838,372	2,235,762	2,553,090	52,208,709	10.39%	1,908		
2006		3,845,904	3,320,000	35,562,337	2,517,687	2,437,364	47,683,292	9.21%	1,725		
2007		3,910,520	3,175,000	30,625,000	2,691,679	2,317,460	42,719,659	8.01%	1,532		
2008		4,268,307	3,015,000	26,135,000	2,934,297	5,425,407	41,778,011	7.66%	1,493		

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

\*\* See Demographic and Economic Statistics on page 103 for personal income and population data.

**City of LaGrange, Georgia**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2008**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	\$ 5,803,871	46%	\$ 2,669,780
Troup County Board of Public Education	41,533,956	46%	19,105,620
Subtotal, overlapping debt			<u>21,775,400</u>
Direct debt:			
City of LaGrange, Georgia governmental activities			13,833,307
LaGrange Development Authority			<u>13,833,307</u>
Subtotal, direct debt			
Total direct and overlapping debt			<u>\$ 35,608,707</u>

Data Sources: Debt outstanding data provided by the County and the Board of Education.

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

\* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

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

Fiscal Year Ended June 30										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 70,489,189	\$ 73,403,160	\$ 75,605,255	\$ 80,912,212	\$ 81,153,942	\$ 83,363,330	\$ 85,166,194	\$ 87,295,349	\$ 89,860,844	\$ 90,770,301
Total net debt applicable to limit										
Legal net debt margin	\$ 70,489,189	\$ 73,403,160	\$ 75,605,255	\$ 80,912,212	\$ 81,153,942	\$ 83,363,330	\$ 85,166,194	\$ 87,295,349	\$ 89,860,844	\$ 90,770,301
Legal net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Legal Debt Margin Calculation for Fiscal Year 2008										
	Assessed value									
	Add Back: Exempt real property									
	Total assessed value									
	907,703,007									
	Debt limit (10% of total assessed value)									
	Debt applicable to limit:									
	General obligation bonds									
	Less: Amount set aside for repayment of general obligation debt									
	Total net debt applicable to limit									
	Legal debt margin									
	-									
	\$ 90,770,301									

Note: Under state law the City of LaGrange's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

**City of LaGrange, Georgia**  
**Pledged Revenue Coverage**  
**Water and Sewer Bonds**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30	Net Revenue Available for Debt Service			Debt Service Requirements			Revenue Bond Coverage ***
	Total Revenue *	Operating Expenses **	Net Revenue Available for Debt Service	Principal	Interest	Total	
1999	\$ 11,404,789.00	\$ 5,710,745.00	\$ 5,694,044.00	\$ 2,375,000.00	\$ 1,963,583.00	\$ 4,338,583.00	1.31
2000	12,408,747	5,942,692	6,466,055	2,485,000	1,816,438	4,301,438	1.50
2001	11,887,227	5,842,782	6,044,445	2,590,000	1,707,553	4,297,553	1.41
2002	11,706,818	6,050,103	5,656,715	2,705,000	1,594,362	4,299,362	1.31
2003	11,949,691	6,560,645	5,389,046	3,065,000	1,296,416	4,361,416	1.24
2004	12,383,971	6,375,573	6,008,398	3,260,000	1,189,770	4,449,770	1.35
2005	12,263,660	6,770,892	5,492,768	3,245,000	1,096,643	4,341,643	1.27
2006	13,060,052	7,519,460	5,540,592	3,335,000	1,068,906	4,403,906	1.26
2007	15,443,302	9,028,241	6,415,061	3,440,000	946,213	4,386,213	1.46
2008	15,339,308	8,015,028	7,324,280	3,575,000	746,152	4,321,152	1.69

\* Operating and no operating revenue available for debt service.

\*\* Operating expenses other than interest on debt, depreciation and amortization.

\*\*\* Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest required to be paid during that year.

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

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

Fiscal Year	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling		City / County Consolidated School Enrollment **	Unemployment Rate ***
1999	28,502	\$ 549,946,090	\$ 19,295	33.6		N/A	11,299	6.8%
2000	25,998	432,866,700	16,650	32.8		N/A	11,653	5.4%
2001	26,250	445,515,000	16,972	32.8		N/A	11,748	6.7%
2002	26,512	458,975,744	17,312	32.8		N/A	10,717	8.1%
2003	26,777	472,828,266	17,658	32.8		N/A	11,944	8.9%
2004	27,045	487,107,495	18,011	32.8		N/A	12,049	8.5%
2005	27,362	502,667,302	18,371	32.8		N/A	12,240	6.6%
2006	27,635	517,824,630	18,738	32.8		N/A	12,400	7.3%
2007	27,911	533,359,369	19,113	32.8		N/A	12,359	6.1%
2008	27,977	545,411,615	19,495	32.8		N/A	12,395	9.2%

N/A = Not Available

**Data Sources:**

\* 2000 & 2005 U.S. Census; other years - LaGrange Planning Office.

\*\* Board of Education

\*\*\* Troup County Department of Labor (latest completed calendar year, city of LaGrange)

**City of LaGrange, Georgia**  
**Principal Employers by Number of Employees**  
**Current Year and Nine Years Ago**

Employer	Type of Business	2008			1999		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Troup County School System	Education	1860	1	15.67%	*		
Milliken & Co.	Textiles	1660	2	13.98%	*		
Wal-Mart Distribution Center	Warehousing	1600	3	13.48%	*		
West Georgia Health Systems	Medical Services	1300	4	10.95%	*		
Interface Flooring	Floor coverings	1080	5	9.10%	*		
Intercall	Web Conferencing Provider	700	6	5.90%	*		
Troup County Board of Commissioners	Government	543	7	4.57%	*		
Duracell	Batteries	475	8	4.00%	*		
City of LaGrange	Government	423	9	3.56%	*		
Emerson Network Power	Energy	400	10	3.37%	*		

Data Source: LaGrange - Troup Chamber of Commerce

\* Information not available

**City of LaGrange, Georgia**  
**Full-time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

Function	Full-time Equivalent Employees as of June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Governmental activities</b>										
General Government	25	26	26	26	27	28	29	29	19	19
Public safety	100	100	100	105	106	106	107	108	97	97
Police	59	59	59	60	59	59	59	59	60	60
Fire	3	3	3	3	3	3	3	3	3	3
Animal control	5	4	4	3	3	3	3	3	2	3
Court services	0	0	3	4	5	5	4	4	4	4
Probation services										
Public service	11	14	14	14	14	14	13	13	15	15
Landscaping & cemeteries	18	18	18	20	20	20	20	20	20	20
Highways & streets	3	3	3	3	3	3	3	3	2	2
Traffic control	9	9	9	9	9	9	9	9	9	9
Trash and refuse	3	2	2	2	1	1	1	1	1	1
Engineering										
Community development	0	0	0	0	0	7	7	7	0	0
Life & building safety	1	1	1	1	2	2	2	2	2	2
Housing & inspections	0	0	0	0	0	0	1	1	2	2
Economic development	14	14	15	10	12	3	4	3	9	9
Community and economic development										
Other governmental services	15	15	15	15	15	15	15	15	15	15
Vehicle maintenance										
Local governmental television										
Total governmental activities	286	288	272	275	278	278	282	282	262	263
<b>Business-type activities</b>										
Water & sewerage	64	64	61	60	60	63	63	63	62	62
Electric	12	12	12	12	12	12	12	12	12	12
Gas	12	12	12	12	12	12	12	12	12	12
Telecommunications	2	2	2	3	3	5	5	5	4	4
Sanitation	33	29	30	32	28	33	32	32	33	33
Business-type activities support services	24	25	26	27	28	28	27	28	28	28
Total Business-type activities	147	144	143	146	143	153	151	152	151	151
<b>Grand total</b>	413	412	415	421	422	431	433	434	413	414

Data Source: City Finance Department

**City of LaGrange, Georgia**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Police										
Physical arrests	*	4129	3956	3626	3521	4319	4537	4489	5042	5417
Parking violations	*	543	1638	789	1155	689	1253	1158	1205	571
Traffic violations	*	14007	13142	13818	11851	15404	13053	14687	15116	17486
Fire										
Number of calls answered	1648	2585	2693	2766	2795	2908	2854	2514	2632	3020
Inspections	800	800	800	157	125	901	1235	2197	2763	3201
Health and Welfare										
Animal Control (captured animals-City)	*	*	*	*	1359	1431	1128	908	600	1329
Highways and streets										
Street resurfacing (miles)	6	9	8	10	9	8	4	9	2	1
Potholes repaired	2436	2618	2572	2398	2461	2429	2554	2360	2500	520
Water and sewerage										
New water connections	282	430	275	1304	352	351	295	198	383	114
New sewage connections	N/A	N/A	N/A	577	*	399	184	179	305	299
Average daily consumption (thousands of gallons)	6518	6658	6299	6132	6170	5877	5869	6022	6590	6195
Average daily sewage treatment (thousands of gallons)	5630	6110	5910	5250	6990	5740	6310	5150	5320	5280
Gas										
Breaks on gas main	36	113	131	149	195	68	75	9	10	15
Solid waste										
Refuse collected (tons/day)	214	226	238	297	307	325	359	386	441	480
Recyclables collected (tons/day)	2	3	4	5	5	6		7	7	7.5

Data Sources: Various City Departments

Note: Indicators not available for the general government function.

\* Information not available



**City of LaGrange, Georgia**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

Function	Fiscal Year Ended June 30									
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	35	36	39	44	53	68	75	81	77	83
Fire stations	3	3	3	3	3	3	3	3	3	4
Fire engines	9	9	9	9	9	9	9	9	8	10
Health and welfare										
Animal control										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Cemeteries	6	6	6	6	6	6	6	6	6	6
Parks acreage	121	121	121	121	121	121	121	121	207	207
Parks	12	12	12	12	12	12	12	12	14	14
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4	4	3	3
Community centers	1	1	1	1	1	1	1	1	2	2
Highways and streets										
Streets (miles)	184	186	190	190	192	192	194	198	205	207
Streetlights (additions)	*	*	146	114	93	84	202	176	106	87
Traffic signals (City owned)	15	15	15	15	15	15	15	15	9	9
Water and sewerage										
Water mains (miles)	179	181	185	186	188	188	191	195	200	210
Fire hydrants	1,463	1,502	1,544	1,597	1,630	1,671	1,704	1,729	1,800	1,850
Maximum daily water capacity (thousands of gallons)	13,900	13,400	12,000	15,000	10,800	10,000	10,100	12,400	11,500	13,000
Sanitary sewers (miles)	184	186	190	190	192	192	194	198	210	215
Storm sewers (miles)	41	41	42	45	47	47	49	51	55	57
Maximum daily sewer treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Gas										
Gas lines (miles)	248	210	212	217	228	241	248	250	260	310
Number of distribution stations	14	14	15	15	15	15	15	13	12	11
Sanitation										
Collection trucks	45	45	45	27	28	30	32	33	35	34

Data Sources: Various City departments.

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

\* Information Not Available

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S M A R T M O V E <sup>SM</sup>