

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2009

Prepared by:

DEPARTMENT OF FINANCE

**CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2009**

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S M A R T M O V E ®

January 28, 2010

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, 2009 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 seventh 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 six (6) departments: Community Development, Finance/Human Resources, Information and Technology, Public Safety, 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.

2009 was a difficult year, not just for the City of LaGrange, but the entire American nation. Our unemployment rate remains unacceptably high (14.8%) and the expected growth we anticipated over the last several years has not been realized. The good news is we have been very successful in job recruitment related to the Kia manufacturing facility. The overall national economy remains sluggish and we had to make adjustments to the City operating plan accordingly. Going forward, we remain confident that LaGrange has a very bright future and that we are well positioned to provide outstanding facilities and services to our citizens and will be able to accommodate growth in the future.

The City's local option sales tax receipts increased by \$46,332, roughly a 1% increase over 2008. 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 and will help offset the general and enterprise fund expenses.

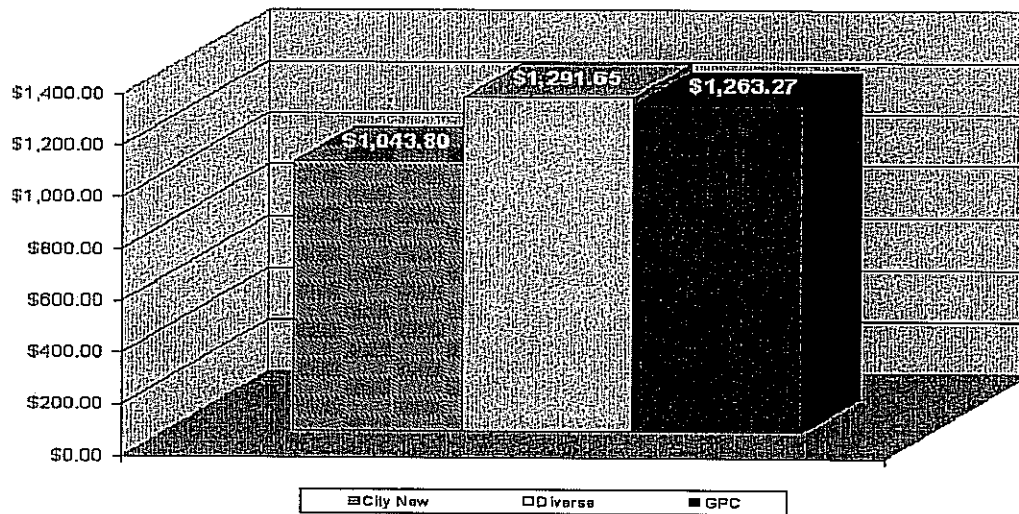
MAJOR INITIATIVES

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

UTILITIES

The initial financing for Plant Vogtle Units Three and Four has been put in place. We have received very favorable terms of less than 1% on the financing and recently have been awarded federal guarantees on a portion of the financing which further enhances the attractiveness of the project. Interestingly, the Georgia Power Company received authorization from the General Assembly to begin rate ramp ups in advance of debt service on the project which further enhances our competitive position with them. Also, they have recently applied to the Georgia Public Service Commission for additional rate increases of around 8%. Presented below is a rate comparison of the City of LaGrange and Georgia Power and Diverse Power. As you can see, we remain very competitive with significant ability to raise rates and still remain the low cost provider in our area.

**Residential Electric Service
Average Customer
\$ per year**



Kia Contract. We reached a contractual agreement with Kia for natural gas service that has a net present value benefit to the City of over \$15 million over five years. Kia will represent about 30% - 40% of our entire customer base by volume which is obviously significant. We had some interference from the Atlanta Gas Light Company in negotiations on the contract but ultimately were successful in negotiating the deal that was consistent with what we thought was in the best interest of LaGrange.

Transco Line. As part of our Kia service, we needed to upgrade our capacity to deliver gas to customers in the LaGrange system. We issued revenue bonds to hook up to the Transco transmission line in Coweta County which gives LaGrange a redundant supply of gas to serve both Kia and our entire community. We issued \$5.5 million of LaGrange Gas Authority revenue bonds to finance the project. We have completed the connection to both the Transco line as well as Kia facilities in West Point.

Prepaid Gas. The prepaid gas transaction that we entered into a few years ago remains very successful. Last year we saved \$525,000.00 from the two transactions we entered. One was the Municipal Gas Authority of Georgia and one was the Tennessee Energy Corporation. Despite upheavals in the investment banking industry over the last couple of years, this transaction remains solid and we have no reason to doubt its stability going forward.

Gold Award. Once again, the Long Cane Water Pollution Control Plant has received the Gold Award for perfect compliance with EPD permit compliance. This award has been given to our sewage treatment facility in the past and recognizes the highest standard of wastewater treatment in the industry.

Long Cane Creek Regional Wastewater Pumping Station. We completed work on the large pumping station that serves the Troup County Correctional Facility and in the future will serve the entire Long Cane Creek and Shoal Creek basins of LaGrange. This facility was constructed to serve future development interests on the east side of LaGrange that at one time accounted for over 5,000 homes. While housing construction has slowed significantly, we are well positioned to serve the future growth of LaGrange on its east side.

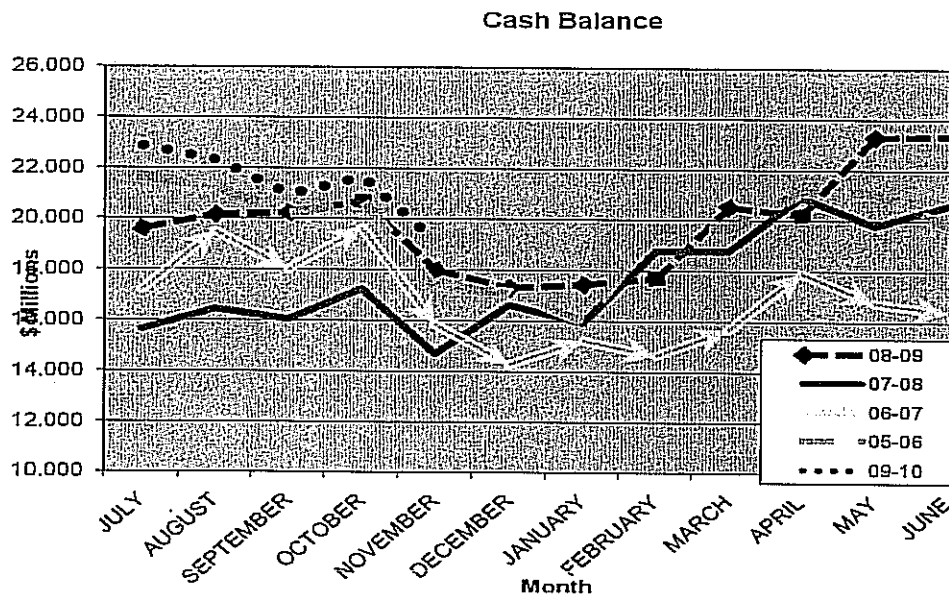
FINANCIAL INFORMATION

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.

The American economy is in the midst of its worst economic slow down since the 1930's. LaGrange has not been immune to the affects to this significant and deep recession. While many pundits are predicting a rebound of the economy in 2010, we have not seen many predictive signs of that here locally. While we have seen a slight improvement in the unemployment rate, both sales tax and building permits remain very sluggish.

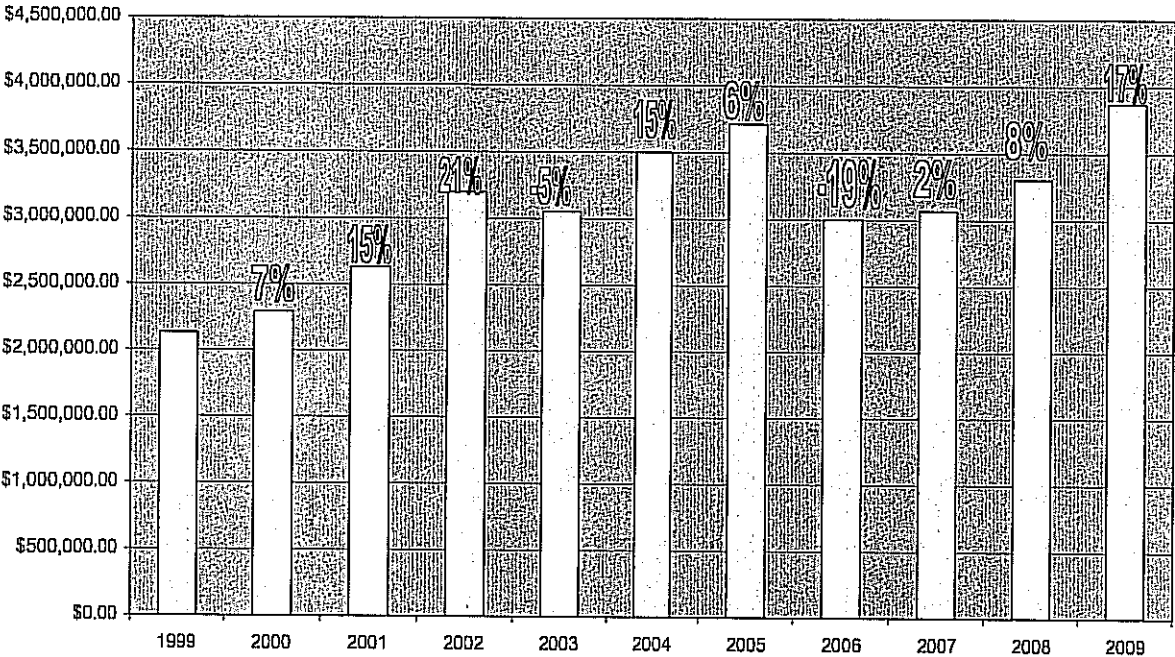
However, the City's finances remain stable. We are very fortunate that we have taken steps starting three years ago to cut back on capital expenses, as well as certain operating activities, to prepare ourselves for an economic downtrend. The City's cash position remains strong. We are particularly fortunate that in this current fiscal year we are beginning to receive some distributions from the MEAG trust fund. We are not spending these dollars, however, they do provide some security to our short and long term financial well being. Also, in two years, the majority of our water and sewer debt will be retired and will free up approximately \$4.2 of cash flow annually. While we will have needs to reinvest in our water and sewer infrastructure, the flexibility of not having that debt service will certainly add to our ability to fund municipal operations going forward.

Presented below is a five year history of the City's cash position by month. As you can see, during the current fiscal year we are attracting about one to two million dollars per month higher than at any time during the past five years. We anticipate this trend to continue through the balance of the next fiscal year and would estimate a 2010 year end cash position for the City of between \$25 million and \$26 million.

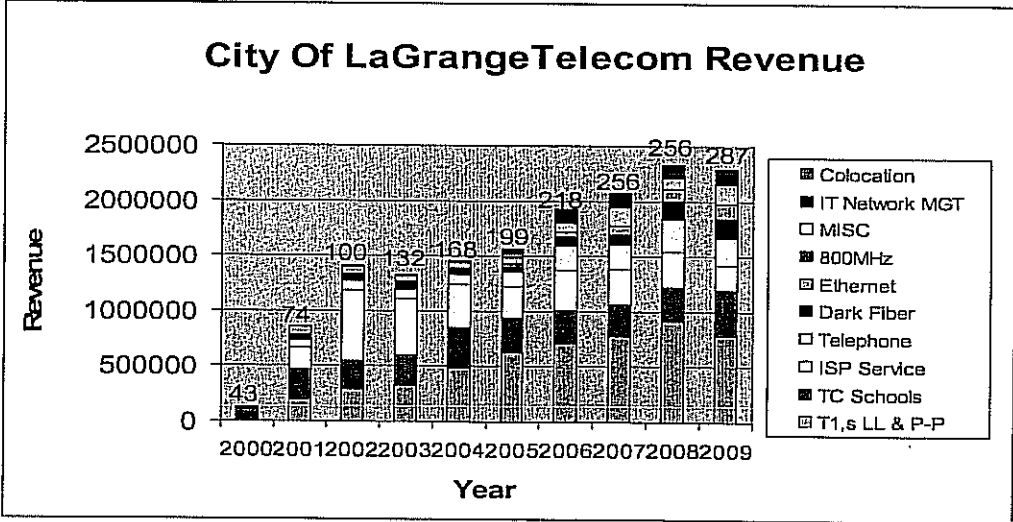


City Health Insurance Plan. 2009 was not a particularly good year for the City's self-insured health plan. We did see costs increase significantly for the first time in several years. However, costs remain even with our 2005 experience and for most of the nation, costs have increased much more than that during the time period. The graph below suggests that over the last four years our costs have remained even and, if you did a trend line analysis of where we are today versus where we were when we implemented our wellness program in 2005, there would be several million dollars of savings in health insurance costs as well as improvements in employee productivity and sick leave utilization.

City of LaGrange Medical Claims



Telecommunications Revenue. Our telecommunications business continues to grow. We have diversified revenue sources and it remains our most profitable venture on margin. Price pressures have required us to discount services during the current year, however, the business remains strong. We continue to add customers which enhances the liability of our revenue stream. Presented below is the chart showing customer count and various services we provide.



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, special revenue funds and debt service fund are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects fund. 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, 2009 and the amount and percentage of increases and decreases in relation to the prior year's revenue.

Revenues	Amount	% of Total	Increase (Decrease) from 2008	Percent of Increase (Decrease)
Taxes, Licenses and Permits	12,972,234	76%	(999,358)	(7 %)
Intergovernmental	1,444,399	8%	(347,040)	(19%)
Charges for services	386,410	2%	(3,052)	(.8%)
Fines	1,817,862	11%	34,321	2%
Investment Income	147,708	1%	(85,514)	(37%)
Lease Income	0	0%	(410,000)	(100%)
Miscellaneous	297,696	2%	(1,144,127)	(80%)
TOTAL	17,066,309	100%	(2,954,773)	(15%)

As shown in the above chart, taxes, licenses and permits revenue decreased by \$999,358. Overall the General fund revenue, was down \$ 2,954,773 or 15%.

The following schedule presents a summary of governmental funds expenditures for fiscal year ended June 30, 2009, and the percentage of increases and decreases in relation to the prior year amounts.

Expenditures	Amount	% of Total	Increase (Decrease) from 2008	Percent of Increase (Decrease)
General Government	1,771,695	7%	(103,906)	(6%)
Public Safety	12,432,950	50%	(178,423)	(1%)
Public Services	2,156,083	9%	(152,252)	(7%)
Culture and Recreation	884,840	4%	(119,000)	(12%)
Community Development	2,148,685	8%	204,633	11%
Capital Outlay	3,477,743	14%	1,455,751	72%
Debt Service	1,916,973	8%	(2,702,227)	(58%)
TOTAL	24,788,969	100%	(1,595,427)	(6%)

Enterprise Fund

Total Utility Fund operating revenues (electric, gas, water, sewer and telecommunications) decreased by \$1,465,610, while expenses also decreased by \$1,408,892 from 2008. This is attributed to the decline in the market cost of natural gas.

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, 2009, the governmental long-term debt balance was \$13,185,893, consisting of \$2,835,000 loans, which were issued to finance the construction of a facility to be leased to the State of Georgia, \$6,342,500 intergovernmental agreements and \$3,622,934 in capital leases. Enterprise Fund debt included \$12,055,000 in water and sewer bonds, \$11,975,000 in gas bonds, and \$2,945,000 in solid waste bonds, plus \$329,231 in unamortized premiums. Outstanding debt in the Enterprise Fund also included capital leases of \$2,339,656 and notes payable of \$5,749,878 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 0 and 3 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

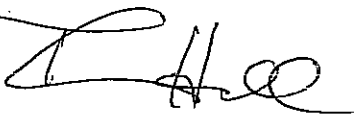
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2008. This was the twenty second year 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.

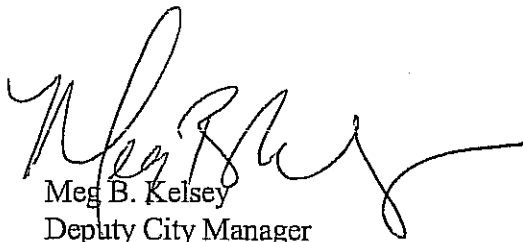
Acknowledgments

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, 2008

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



President

Executive Director

City of LaGrange, Georgia

LIST OF PRINCIPAL OFFICIALS

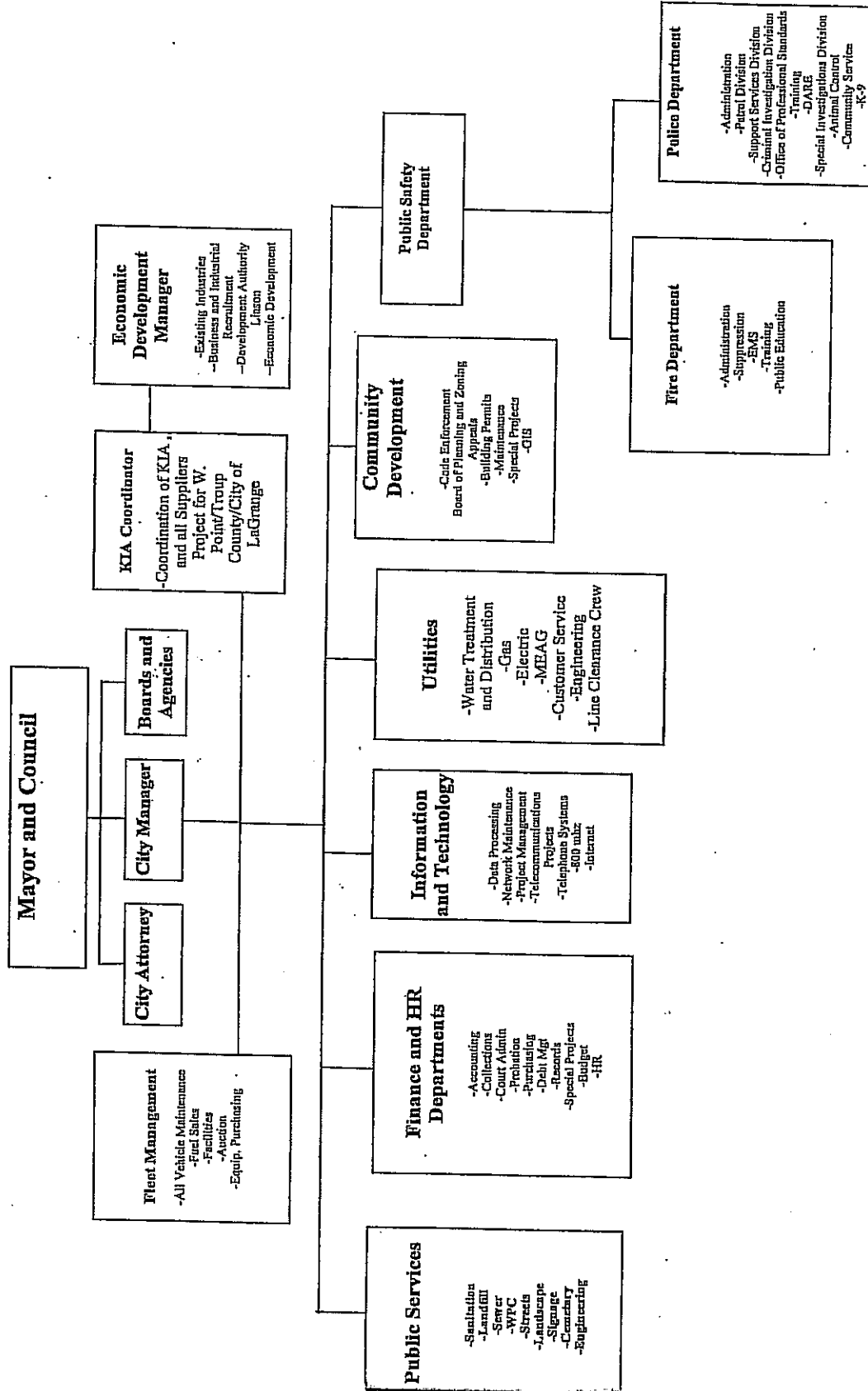
June 30, 2009

ELECTED OFFICIALS

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

OTHER OFFICIALS

Thomas H. Hall	City Manager
Meg Kelsey	Deputy City Manager, Finance & Administration
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 Slaughenaupt	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, 2009, 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.

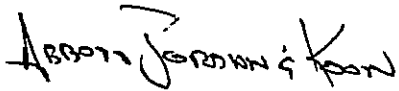
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and 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, 2009, 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, 2010 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 black ink, appearing to read "Aaron J. Johnson". The signature is written in a cursive, flowing style.

Manchester, Georgia
January 27, 2010

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, 2009. 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 2009 by \$145,784,668. Of this amount, \$23,777,231 may be used to meet the City's ongoing obligations.
- The City's total net assets increased by \$12,312,006.
- As of the close of 2009, the City's governmental funds reported combined ending fund balances of \$10,781,320, an increase of \$1,646,365 from the prior year.
- At the end of 2009, the fund balance for the general fund was \$3,268,543 or 17 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 \$145,784,668 at the close of 2009.

A substantial portion of the City's total assets (70 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, 2009 and June 30, 2008, are as follows:

	Governmental Activities 2009	Governmental Activities 2008	Business- type Activities 2009	Business- type Activities 2008	Totals 2009	Totals 2008
Current and other assets	\$15,376,428	\$14,386,704	\$56,341,359	\$52,427,386	\$71,717,787	\$66,814,090
Capital assets	<u>37,864,607</u>	<u>36,701,054</u>	<u>132,328,856</u>	<u>127,689,233</u>	<u>170,193,463</u>	<u>164,390,287</u>
Total assets	<u>53,241,035</u>	<u>51,087,758</u>	<u>188,670,215</u>	<u>180,116,619</u>	<u>241,911,250</u>	<u>231,204,377</u>
Long-term liabilities	11,010,776	12,909,099	39,336,174	38,982,814	50,346,950	51,891,913
Other liabilities	<u>4,585,383</u>	<u>3,851,884</u>	<u>41,194,249</u>	<u>41,987,918</u>	<u>45,779,632</u>	<u>45,839,802</u>
Total liabilities	<u>15,596,159</u>	<u>16,760,983</u>	<u>80,530,423</u>	<u>80,970,732</u>	<u>96,126,582</u>	<u>97,731,715</u>
Net assets						
Invested in capital assets,						
net of related debt	31,406,673	29,417,747	88,744,568	87,979,264	120,151,241	117,397,011
Restricted	1,856,196	2,184,245	0	0	1,856,196	2,184,245
Unrestricted	<u>4,382,007</u>	<u>2,724,783</u>	<u>19,395,224</u>	<u>11,166,623</u>	<u>23,777,231</u>	<u>13,891,406</u>
Total net assets	<u>\$37,644,876</u>	<u>\$34,326,775</u>	<u>\$108,139,792</u>	<u>\$99,145,887</u>	<u>\$145,784,668</u>	<u>\$133,472,662</u>

A portion of the City's net assets (1.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net assets (\$23,777,231) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of 2009, 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. 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 \$3,318,101 despite decreases in key revenue sources such as local option sales taxes and building permits. Economic times have forced the city to cut back on expenditures to run the operations of the city in a sound financial state. Below is a breakdown of revenues and expenses by governmental and business type activities for 2008 and 2009.

	<u>Governmental</u> <u>Activities</u> <u>2009</u>	<u>Governmental</u> <u>Activities</u> <u>2008</u>	<u>Business</u> <u>type</u> <u>Activities</u> <u>2009</u>	<u>Business</u> <u>type</u> <u>Activities</u> <u>2008</u>	<u>Totals</u> <u>2009</u>	<u>Totals</u> <u>2008</u>
Revenues						
Program revenues						
Charges for services	\$4,039,298	\$5,466,027	\$85,663,801	\$87,129,411	\$89,703,099	\$92,595,438
Grants & Contributions	159,634	651,422	2,750,000	452,189	2,909,634	1,103,611
General revenues						
Other taxes	12,719,669	13,670,411	0	0	12,719,669	13,670,411
Other	147,708	208,931	271,041	556,085	418,749	765,016
Total revenues	17,066,309	19,996,791	88,684,842	88,137,685	105,751,151	108,134,476
Expenses						
General government	2,505,195	2,371,433	0	0	2,505,195	2,371,433
Public safety	13,152,404	12,927,862	0	0	13,152,404	12,927,862
Public service	2,708,868	2,822,341	0	0	2,708,868	2,822,341
Culture and recreation	1,097,198	1,201,017	0	0	1,097,198	1,201,017
Community development	2,750,207	5,840,174	0	0	2,750,207	5,840,174
Interest on long-term debt	615,465	874,110	0	0	615,465	874,110
Utilities		0	63,672,691	66,003,232	63,672,691	66,003,232
Solid waste		0	6,937,117	6,192,524	6,937,117	6,192,524
Total expenses	22,829,337	26,036,937	70,609,808	72,195,756	93,439,145	98,232,693
Increase in net assets						
before transfers	(5,763,028)	(6,040,146)	18,075,034	15,941,929	12,312,006	9,901,783
Transfers	9,081,129	8,717,307	(9,081,129)	(8,717,307)	\$0	0
Increase (decrease) in net assets	3,318,101	2,677,161	8,993,905	7,224,622	12,312,006	9,901,783
Net assets - beginning of year	34,326,775	31,649,614	99,145,887	91,921,265	133,472,662	123,570,879
Net assets - end of year	\$37,644,876	\$34,326,775	\$108,139,792	\$99,145,887	\$145,784,668	\$133,472,662

Business-type activities

Business-type activities increased the City's net assets by \$8,993,905. Operating revenues increased by \$547,157 with the assistance of a federal grant. Please note that charges for services were down due to major decreases in the wholesale price of natural gas. This dynamic also can be seen on the operating expense side; a decrease of \$1,585,948 was recorded. This is also due to the reduced price of wholesale natural gas. 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 2009, unreserved fund balance of the general fund was \$2,475,461, while total fund balances reached \$3,268,543. 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 13 percent of the total general fund expenditures, while total fund balance represents 17 percent of that same amount. Transfers in from other funds to supplement the general fund were \$422,449 from non-major governmental funds, \$39,091 from internal service funds and \$ 7,723,469 from proprietary funds, for a total of \$8,185,009, representing 43 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 was healthy at the end of June, 2009 whereby the city showed an increase of \$457,929. This is a reflection of controlling expenditures for this fiscal year.

Other non-major governmental funds have a total fund balance of \$6,997,087. The net increase in the fund balance during the current year for non-major government funds was \$409,425. This is attributed to an increase in special revenue and department services.

In the FY 2009 Audit, the Capital Projects fund was presented separately as a major fund. The Capital Projects Fund, had a fund balance of \$515,690 at June 30, 2009. This increase is attributed to decreases in intergovernmental expenses.

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 2009 amounted to \$24,931,583, and those for the Solid Waste Fund amounted to (\$5,536,359). The total change in net assets for each fund was \$6,797,843 and \$2,196,062, 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, 2009, amounts to \$132,328,856 (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 2009	Governmental Activities 2008	Business- type Activities 2009	Business- type Activities 2008	Totals 2009	Totals 2008
Land	\$12,589,719	\$11,969,719	\$2,010,561	\$2,010,561	\$14,600,280	\$13,980,280
Buildings	12,798,082	11,125,881	26,638,043	26,638,043	39,436,125	37,763,924
Machinery and equipment	7,098,701	6,942,604	13,876,177	13,317,213	20,974,878	20,259,817
Vehicles	2,807,244	2,873,190	1,660,806	1,606,575	4,468,050	4,479,765
Transmission and distribution	0	0	154,042,603	139,782,626	154,042,603	139,782,626
Other	19,830,718	15,449,591	0	0	19,830,718	15,449,591
Construction in progress	0	3,670,229	2,518,079	7,943,844	2,518,079	11,614,073
Total	55,124,464	52,031,214	200,746,269	191,298,862	255,870,733	243,330,076
Less accumulated depreciation	-17,259,857	-15,330,160	-68,417,413	-63,609,629	-85,677,270	-78,939,789
Total net of accumulated depreciation	\$37,864,607	\$36,701,054	\$132,328,856	\$127,689,233	\$170,193,463	\$164,390,287

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

Long-term debt

At the end of 2009, the City had total bonded debt outstanding of \$26,975,000. 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 \$935,749,663, 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, 2009

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown LaGrange Development Authority
<u>Assets</u>				
Cash and cash equivalents	\$ 9,470,408	\$ 11,518,208	\$ 20,988,616	\$ 126,789
Investments	48,707	7,036,054	7,084,761	321,404
Receivables (net of allowance):				
Taxes	994,684		994,684	224
Accounts		7,761,718	7,761,718	
Loans	1,275,513		1,275,513	281,387
Other	727,317	1,359,301	2,086,618	5,478
Internal balances	1,978,409	(1,978,409)		
Accrued interest				379
Inventory	212,344	1,804,923	2,017,267	
Prepaid assets	22,750	99,582	122,332	
Restricted cash	175,986	200,768	376,754	231,473
Restricted investments	470,310	28,179,755	28,650,065	
Capital assets:				
Land and construction in progress	12,589,719	4,528,640	17,118,359	2,013,250
Other capital assets, net of accumulated depreciation	25,274,888	127,800,216	153,075,104	7,410,343
Other assets		359,459	359,459	200
Total assets	<u>53,241,035</u>	<u>188,670,215</u>	<u>241,911,250</u>	<u>10,390,927</u>
<u>Liabilities</u>				
Bank overdraft	60,663		60,663	
Accounts and claims payable	1,494,871	4,577,058	6,071,929	
Accrued liabilities	372,818	105,915	478,733	6,088
Accrued interest	196,789		196,789	
Unearned revenue	25,309	28,179,755	28,205,064	
Payable from restricted assets		6,760,903	6,760,903	
Noncurrent liabilities:				
Due within one year	2,175,117	1,424,471	3,599,588	
Due in more than one year	11,010,776	39,336,174	50,346,950	
Net OPEB obligation	259,816	146,147	405,963	
Total liabilities	<u>15,596,159</u>	<u>80,530,423</u>	<u>96,126,582</u>	<u>6,088</u>
<u>Net Assets</u>				
Invested in capital assets, net of related debt	31,406,673	88,744,568	120,151,241	9,423,593
Restricted for:				
Redevelopment programs	1,275,458		1,275,458	
Perpetual care	580,738		580,738	
Unrestricted	4,382,007	19,395,224	23,777,231	961,246
Total net assets	<u>\$ 37,644,876</u>	<u>\$ 108,139,792</u>	<u>\$ 145,784,668</u>	<u>\$ 10,384,839</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2009

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	Total	
Primary government:								
General government activities:								
Public safety	\$ 2,214,134	\$ 165,722			\$(2,048,412)		\$(2,048,412)	
Public service	13,152,404	2,224,272		\$ 66,934	(10,928,132)		(10,928,132)	
Culture and recreation	2,708,868	252,565			(2,389,369)		(2,389,369)	
Community development	1,097,198	75,000			(1,022,198)		(1,022,198)	
Redevelopment and housing	2,151,152	1,244,589	\$ 8,000	84,700	(813,863)		(813,863)	
Telecommunications	599,055	77,150			(521,905)		(521,905)	
Interest on long-term debt	291,061				(291,061)		(291,061)	
Total governmental activities	615,465				(615,465)		(615,465)	
	22,829,337	4,039,298	8,000	151,634	(18,630,405)	\$ 0	(18,630,405)	
Business-type activities:								
Water and sewer	11,711,112	16,438,835		2,750,000		7,477,723	7,477,723	
Gas system	16,769,452	18,472,311				1,702,859	1,702,859	
Electric system	33,071,620	41,105,416				8,033,796	8,033,796	
Sanitation	6,937,117	7,277,443				340,326	340,326	
Telecommunications	2,120,507	2,369,796				249,289	249,289	
Total business-type activities	70,609,808	85,663,801	0		0	17,803,993	17,803,993	
Total primary government	\$ 93,439,145	\$ 89,703,099	\$ 8,000	\$ 2,901,634	(18,630,405)	17,803,993	(826,412)	
Components units:								
Downtown LaGrange Dev Authority	\$ 421,607	\$ 214,372	\$ 11,500	\$ 0				\$(195,735)
Total component units	\$ 421,607	\$ 214,372	\$ 11,500	\$ 0				
General revenues:								
Taxes:								
Franchise tax					1,240,566		1,240,566	
Insurance premium tax					1,455,062		1,455,062	
Alcoholic beverage tax					703,676		703,676	
Sales tax					8,184,516		8,184,516	
Other					1,135,849		1,135,849	
Investment earnings					147,708	271,041	418,749	30,446
Transfers					9,081,129	(9,081,129)		
Total general revenues and transfers					21,948,506	(8,810,088)	13,138,418	30,446
Change in net assets					3,318,101	8,993,905	12,312,006	(165,289)
Net assets at beginning of year					34,326,775	99,145,887	133,472,662	10,550,128
Net assets at end of year					\$ 37,644,876	\$ 108,139,792	\$ 145,784,668	\$ 10,384,839

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	General	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<u>Assets</u>				
Cash and cash equivalents	\$ 1,927,168	\$ 561,718	\$ 5,324,559	\$ 7,813,445
Investments	48,652			48,652
Receivables (net of allowance):				
Taxes	994,684			994,684
Notes			1,275,513	1,275,513
Intergovernmental		63,196	482,447	545,643
Other	8,373		2,023	10,396
Inventory	212,344			212,344
Restricted cash and cash equivalents	175,986			175,986
Restricted investments	470,310			470,310
 Total assets	 <u>\$ 3,837,517</u>	 <u>\$ 624,914</u>	 <u>\$ 7,084,542</u>	 <u>\$ 11,546,973</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 278,448	\$ 2,728	\$ 36,350	\$ 317,526
Accrued liabilities	290,526	81,187	1,105	372,818
Due to other funds			50,000	50,000
Unearned revenue		25,309		25,309
Total liabilities	<u>568,974</u>	<u>109,224</u>	<u>87,455</u>	<u>765,653</u>
Fund Balances:				
Reserved for:				
Inventory	212,344			212,344
Perpetual care	580,738			580,738
Long-term receivables			1,275,458	1,275,458
Capital projects			2,082,031	2,082,031
Unreserved	2,475,461	515,690		2,991,151
Unreserved reported in nonmajor:				
Special revenue			2,172,814	2,172,814
Dept service			1,466,784	1,466,784
Total fund balances	<u>3,268,543</u>	<u>515,690</u>	<u>6,997,087</u>	<u>10,781,320</u>
 Total liabilities and fund balances	 <u>\$ 3,837,517</u>	 <u>\$ 624,914</u>	 <u>\$ 7,084,542</u>	 <u>\$ 11,546,973</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, 2009

Total fund balance - all governmental funds \$ 10,781,320

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. 37,864,607

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, 2009 are:

Accrued interest payable	\$(196,789)	
Compensated absences	(385,459)	
Notes payable	(2,835,000)	
Capital leases	(3,622,934)	
Intergovernmental agreements	(6,342,500)	
Net OPEB obligation	<u>(259,816)</u>	(13,642,498)

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. 2,641,447

Net assets of governmental activities \$ 37,644,876

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, 2009

	General	Capital Projects Funds	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes:				
Sales	\$ 4,807,415		\$ 3,377,101	\$ 8,184,516
Franchise	1,240,566			1,240,566
Insurance premium	1,455,062			1,455,062
Alcoholic beverage	703,676			703,676
Other	713,462		422,387	1,135,849
Licenses and permits	252,565			252,565
Intergovernmental	97,150	\$ 1,187,615	159,634	1,444,399
Charges for services	386,410			386,410
Fines, forfeitures, and penalties	1,817,862			1,817,862
Investment income	49,231	5,725	92,752	147,708
Miscellaneous	240,722	41,319	15,655	297,696
Total revenues	<u>11,764,121</u>	<u>1,234,659</u>	<u>4,067,529</u>	<u>17,066,309</u>
Expenditures:				
Current:				
General government	1,488,532		6,462	1,494,994
Public safety	12,432,950			12,432,950
Public service	2,156,083			2,156,083
Culture and recreation	884,840			884,840
Community development	1,374,970		174,660	1,549,630
Redevelopment and housing			599,055	599,055
Telecommunications and technology	276,701			276,701
Debt service:				
Principal retirements			1,290,625	1,290,625
Interest			626,348	626,348
Capital outlay:				
General government	29,770	118,752		148,522
Public safety	173,835		818,349	992,184
Public service	134,567	450,401	1,696,819	2,281,787
Culture and recreation	55,250			55,250
Total expenditures	<u>19,007,498</u>	<u>569,153</u>	<u>5,212,318</u>	<u>24,788,969</u>
Excess of revenues over (under) expenditures	(7,243,377)	665,506	(1,144,789)	(7,722,660)
Other financing sources (uses):				
Capital lease	257,752			257,752
Proceeds from sale of asset	12,259	17,885		30,144
Transfers in	8,185,009	1,660,854	2,057,850	11,903,713
Transfers out	(753,714)	(1,565,234)	(503,636)	(2,822,584)
Total other financing sources (uses)	<u>7,701,306</u>	<u>113,505</u>	<u>1,554,214</u>	<u>9,369,025</u>
Net change in fund balances	457,929	779,011	409,425	1,646,365
Fund balance, beginning of year	<u>2,810,614</u>	(263,321)	<u>6,587,662</u>	<u>9,134,955</u>
Fund balance, end of year	<u>\$ 3,268,543</u>	<u>\$ 515,690</u>	<u>\$ 6,997,087</u>	<u>\$ 10,781,320</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, 2009

Net change in fund balances - All governmental funds \$ 1,646,365

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	3,356,766
Depreciation	(2,115,800)

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net assets. (77,413)

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	(86,726)
Accrued interest payable	10,883
Net OPEB obligation	(259,816)

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	1,290,625
Proceeds from capital leases	(257,752)

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. (189,031)

Change in net assets of governmental activities \$ 3,318,101

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, 2009

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	\$ 5,100,000	\$ 4,807,415	\$(292,585)
Franchise	1,119,000	1,240,566	121,566
Insurance premium	1,500,000	1,455,062	(44,938)
Alcoholic beverage	658,000	703,676	45,676
Other	718,000	713,462	(4,538)
Licenses and permits	335,000	252,565	(82,435)
Intergovernmental	82,500	97,150	14,650
Fines, forfeitures and penalties	1,739,000	1,817,862	78,862
Charges for services	371,000	386,410	15,410
Investment income	50,000	49,231	(769)
Miscellaneous	171,500	240,722	69,222
Total revenues	<u>11,844,000</u>	<u>11,764,121</u>	<u>(79,879)</u>
Expenditures:			
Current:			
General government:			
Administrative	937,900	938,521	(621)
Finance	585,000	559,973	25,027
Garage	(139,300)	(194,284)	54,984
General government	38,000	55,629	(17,629)
City hall	133,000	128,693	4,307
Total general government	<u>1,554,600</u>	<u>1,488,532</u>	<u>66,068</u>
Public safety:			
Court administration	268,600	295,012	(26,412)
Probation	171,000	166,173	4,827
Police	7,411,200	7,449,507	(38,307)
Community service	76,400	95,777	(19,377)
Traffic control	600,700	608,020	(7,320)
Fire services	3,732,300	3,646,243	86,057
Animal control	194,500	172,218	22,282
Total public safety	<u>12,454,700</u>	<u>12,432,950</u>	<u>21,750</u>
Public service:			
Engineering and supervision	231,600	225,134	6,466
Streets	1,253,600	1,262,718	(9,118)
Street cleaning	84,800	98,187	(13,387)
Trash and refuse	568,800	570,044	(1,244)
Total public service	<u>2,138,800</u>	<u>2,156,083</u>	<u>(17,283)</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, 2009
(Continued)

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:			
Landscaping and cemetery maintenance	<u>882,200</u>	<u>884,840</u>	(<u>2,640</u>)
Community development:			
Community development	602,800	640,260	(37,460)
DAL marketing	125,100	129,071	(3,971)
Kia project manager	146,400	145,341	1,059
Other community support	<u>319,600</u>	<u>460,298</u>	(<u>140,698</u>)
Total community development	<u>1,193,900</u>	<u>1,374,970</u>	(<u>181,070</u>)
Telecommunications:			
Administration	140,200	141,036	(836)
LGTV	<u>133,400</u>	<u>135,665</u>	(<u>2,265</u>)
Total telecommunications	<u>273,600</u>	<u>276,701</u>	(<u>3,101</u>)
Capital outlay:			
General government	42,000	29,770	12,230
Public safety	454,800	173,835	280,965
Public service	250,000	134,567	115,433
Telecommunications	15,000		15,000
Culture and recreation	<u>40,000</u>	<u>55,250</u>	(<u>15,250</u>)
Total capital outlay	<u>801,800</u>	<u>393,422</u>	<u>408,378</u>
Total expenditures	<u>19,299,600</u>	<u>19,007,498</u>	(<u>292,102</u>)
Excess (deficiency) of revenues over (under) expenditures	(<u>7,455,600</u>)	(<u>7,243,377</u>)	<u>212,223</u>
Other financing sources (uses):			
Transfers in	7,800,000	8,185,009	385,009
Transfers out		(753,714)	(753,714)
Sale of capital assets	15,000	12,259	(2,741)
Capital leases		<u>257,752</u>	<u>257,752</u>
Total other financing sources (uses)	<u>7,815,000</u>	<u>7,701,306</u>	(<u>113,694</u>)
Net change in fund balance	359,400	457,929	98,529
Fund balance, beginning of year	<u>2,810,614</u>	<u>2,810,614</u>	
Fund balance, end of year	<u>\$ 3,170,014</u>	<u>\$ 3,268,543</u>	<u>\$ 98,529</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

June 30, 2009

	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	\$ 7,386,031	\$ 566,654	\$ 7,952,685	\$ 1,656,963
Investments	7,036,054		7,036,054	55
Receivables:				
Accounts	7,672,162	89,556	7,761,718	
Other	1,359,301		1,359,301	171,278
Due from other funds	50,000		50,000	500,000
Prepays	99,582		99,582	22,750
Inventory	1,803,455	1,468	1,804,923	
Restricted assets:				
Restricted investments	28,179,755		28,179,755	
Restricted deposits	3,766,291		3,766,291	
Total current assets	<u>57,352,631</u>	<u>657,678</u>	<u>58,010,309</u>	<u>2,351,046</u>
Noncurrent assets:				
Capital assets, not being depreciated	3,090,907	1,437,733	4,528,640	
Capital assets, being depreciated	107,993,655	19,806,561	127,800,216	
Other assets	263,788	95,671	359,459	
Advances to other funds				1,528,409
Total noncurrent assets	<u>111,348,350</u>	<u>21,339,965</u>	<u>132,688,315</u>	<u>1,528,409</u>
Total assets	<u>168,700,981</u>	<u>21,997,643</u>	<u>190,698,624</u>	<u>3,879,455</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	4,487,190	89,868	4,577,058	52,345
Bank overdraft				60,663
Accrued liabilities	86,479	19,436	105,915	
Due to other funds		500,000	500,000	
Accrued compensated absences	100,929	30,979	131,908	
Unearned revenue	28,179,755		28,179,755	
Claims reserve				1,125,000
Notes payable, current	110,535	145,785	256,320	
Capital leases, current	495,134	371,109	866,243	
Intergovernmental agreement payable - Current	170,000		170,000	
Liabilities payable from restricted assets:				
Customer deposits	1,533,870	1,530	1,535,400	
Accrued interest	115,068	10,435	125,503	
Revenue bonds, current	4,425,000	675,000	5,100,000	
Total current liabilities	<u>39,703,960</u>	<u>1,844,142</u>	<u>41,548,102</u>	<u>1,238,008</u>
Noncurrent liabilities:				
Compensated absences	100,928	30,979	131,907	
Revenue bonds, long-term	19,946,336	2,257,895	22,204,231	
Notes payable, long-term	1,799,311	3,694,247	5,493,558	
Capital leases, long-term	936,962	536,451	1,473,413	
Intergovernmental agreement payable - Long-term	4,455,000		4,455,000	
Landfill postclosure liability		5,578,065	5,578,065	
Advances from other funds	1,528,409		1,528,409	
Net OPEB obligation	117,730	28,417	146,147	
Total noncurrent liabilities	<u>28,884,676</u>	<u>12,126,054</u>	<u>41,010,730</u>	<u>0</u>
Total liabilities	<u>68,588,636</u>	<u>13,970,196</u>	<u>82,558,832</u>	<u>1,238,008</u>
<u>Net assets</u>				
Invested in capital assets, net of debt	75,180,762	13,563,806	88,744,568	
Unrestricted	24,931,583	(5,536,359)	19,395,224	2,641,447
Total net assets	<u>\$ 100,112,345</u>	<u>\$ 8,027,447</u>	<u>\$ 108,139,792</u>	<u>\$ 2,641,447</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, 2009

	Business-type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Sanitation Fund	Total	Governmental Activities
Operating revenues:				
Water and sewer system	\$ 16,019,362		\$ 16,019,362	
Gas system	18,439,421		18,439,421	
Electric system	41,001,350		41,001,350	
Sanitation		\$ 7,017,767	7,017,767	
Premiums				\$ 5,172,408
Telecommunications	2,369,796		2,369,796	
Other sales	556,429	259,676	816,105	
Total operating revenues	<u>78,386,358</u>	<u>7,277,443</u>	<u>85,663,801</u>	<u>5,172,408</u>
Operating expenses:				
Water and sewer system	8,318,946		8,318,946	
Gas system	15,535,816		15,535,816	
Electric system	32,716,141		32,716,141	
Sanitation		5,861,273	5,861,273	
Telecommunications	1,865,156		1,865,156	
Administrative services				296,783
Depreciation and amortization	4,038,897	891,335	4,930,232	
Risk management				5,166,784
Total operating expenses	<u>62,474,956</u>	<u>6,752,608</u>	<u>69,227,564</u>	<u>5,463,567</u>
Operating income (loss)	<u>15,911,402</u>	<u>524,835</u>	<u>16,436,237</u>	<u>(291,159)</u>
Nonoperating revenues (expenses):				
Non-operating contribution	2,750,000		2,750,000	
Investment income	260,135	10,906	271,041	102,128
Gain (loss) on sale of assets	(4,622)	7,314	2,692	
Interest expense	(1,193,113)	(191,823)	(1,384,936)	
Total nonoperating revenues (expenses)	<u>1,812,400</u>	<u>(173,603)</u>	<u>1,638,797</u>	<u>102,128</u>
Net income (loss) before transfers	<u>17,723,802</u>	<u>351,232</u>	<u>18,075,034</u>	<u>(189,031)</u>
Transfers in	450,557	2,334,352	2,784,909	39,091
Transfers out	(11,376,516)	(489,522)	(11,866,038)	(39,091)
Total transfers	<u>(10,925,959)</u>	<u>1,844,830</u>	<u>(9,081,129)</u>	<u>0</u>
Change in net assets	6,797,843	2,196,062	8,993,905	(189,031)
Net assets, beginning of year (as restated)	<u>93,314,502</u>	<u>5,831,385</u>	<u>99,145,887</u>	<u>2,830,478</u>
Net assets, end of year	<u>\$100,112,345</u>	<u>\$ 8,027,447</u>	<u>\$108,139,792</u>	<u>\$ 2,641,447</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009

	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	\$ 79,183,040	\$ 7,281,365	\$ 86,464,405	\$ 5,181,114
Cash paid to employees	(5,413,613)	(1,628,878)	(7,042,491)	
Cash paid to suppliers	(49,876,349)	(6,900,627)	(56,776,976)	(5,648,783)
Net cash provided (used) by operating activities	<u>23,893,078</u>	<u>(1,248,140)</u>	<u>22,644,938</u>	<u>(467,669)</u>
Cash flow from noncapital financing activities:				
Advances to other funds				60,147
Transfers in	450,557	2,334,352	2,784,909	39,091
Transfers out	(11,376,516)	(489,522)	(11,866,038)	(39,091)
Net cash provided (used) by noncapital financing activities	<u>(10,925,959)</u>	<u>1,844,830</u>	<u>(9,081,129)</u>	<u>60,147</u>
Cash flows from capital and related financing activities:				
Bond proceeds	5,410,000		5,410,000	
Principal payments on revenue bonds	(4,020,000)	(640,000)	(4,660,000)	
Proceeds from sale of assets	902	26,966	27,868	
Acquisition of capital assets	(6,246,466)	(598,564)	(6,845,030)	
Capital lease proceeds	286,321		286,321	
Capital lease payments	(539,234)	(341,728)	(880,962)	
Note payable proceeds		669,027	669,027	
Payments on notes payable	(355,055)	(85,174)	(440,229)	
Payments on intergovernmental agreement	(165,000)		(165,000)	
Interest paid	(1,246,296)	(191,617)	(1,437,913)	
Net cash provided (used) by capital financing activities	<u>(6,874,828)</u>	<u>(1,161,090)</u>	<u>(8,035,918)</u>	<u>0</u>
Cash flows from investing activities:				
Sale (purchase) of investments	(1,435,560)		(1,435,560)	
Interest income	<u>260,135</u>	<u>10,906</u>	<u>271,041</u>	<u>102,128</u>
Net cash provided (used) by investing activities	<u>(1,175,425)</u>	<u>10,906</u>	<u>(1,164,519)</u>	<u>102,128</u>
Net increase (decrease) in cash	4,916,866	(553,494)	4,363,372	(305,394)
Cash, beginning of year	<u>6,235,456</u>	<u>1,120,148</u>	<u>7,355,604</u>	<u>1,901,694</u>
Cash, end of year	<u>\$ 11,152,322</u>	<u>\$ 566,654</u>	<u>\$ 11,718,976</u>	<u>\$ 1,596,300</u>

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2009
(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	\$ 7,386,031	\$ 566,654	\$ 7,952,685	\$ 1,656,963
Bank overdraft				
Restricted cash	<u>3,766,291</u>		<u>3,766,291</u>	<u>(60,663)</u>
Total	<u>\$ 11,152,322</u>	<u>\$ 566,654</u>	<u>\$ 11,718,976</u>	<u>\$ 1,596,300</u>
Cash flows from operating activities:				
Operating income (loss)	\$ 15,911,402	\$ 524,835	\$ 16,436,237	\$ (291,159)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	4,038,897	891,335	4,930,232	
Changes in operating assets and liabilities:				
Accounts receivable	1,668,056	3,922	1,671,978	8,742
Inventory	(141,253)		(141,253)	
Other assets	(61,543)	3,720	(57,823)	(36)
Accounts payable	363,197	(1,177,076)	(813,879)	14,784
Accrued vacation	18,539	3,716	22,255	
Due from other fund	2,625,925	200,000	2,825,925	(200,000)
Due to other funds	(135,147)	(2,105,700)	(2,240,847)	
Unearned revenue	(590,935)		(590,935)	
Other accrued expenses	27,169	3,601	30,770	
Customer deposits	51,041		51,041	
Closure/postclosure		375,090	375,090	
Net OPEB obligation	<u>117,730</u>	<u>28,417</u>	<u>146,147</u>	
Net cash provided (used) by operating activities	<u>\$ 23,893,078</u>	<u>\$ (1,248,140)</u>	<u>\$ 22,644,938</u>	<u>\$ (467,669)</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009

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
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

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 capital assets or construction of major capital projects not being financed by proprietary 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, worker's compensation claims and general liability claims provided to other departments of the government on a cost reimbursement basis.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

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, 2009.

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
June 30, 2009
(Continued)

- 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
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

- 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 \$21,304,707, which includes \$13,570 petty cash and the bank balance was \$21,210,688. Of the bank balance, \$3,320,873 was covered by federal deposit insurance paid, \$17,889,815 was covered by collateral held in the pledging bank's trust department or by its agent in the City's name. The City does not have a deposit policy for custodial credit risk.

As of June 30, 2009, the City had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Municipal Competitive Trust	July 2009 - December 2011	\$ 35,215,753
Federal Home Loan Bank		111
Coca Cola Stock		470,310
Total Investments		35,686,174
Georgia fund 1 (State Investment Pool)	41 day WAM	48,652
Total pooled cash and investments		<u>\$ 35,734,826</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, 2009, 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 98.5% total investments.

The City's investment of \$48,652 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, 2009
(Continued)

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, 2009, the Authority had drawn \$1,359,301 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>
2010	\$ 276,529	\$ 0
2011	276,529	0
2012	276,529	1,359,301
2013	284,763	0
2014	<u>226,637</u>	<u>0</u>
	1,340,987	1,359,301
Less, allowance for doubtful accounts	(<u>65,474</u>)	<u>0</u>
	<u>\$ 1,275,513</u>	<u>\$ 1,359,301</u>

Accounts receivable in the Utility fund is reported net of an allowance for doubtful accounts of \$6,444,682.

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.

\$ 64,508

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

216,879

\$ 281,387

Due within one year

\$ 71,268

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2009, was as follows:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2009</u>
<u>Primary Government</u>				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,969,719	\$ 620,000		\$ 12,589,719
Construction in progress	<u>3,670,229</u>		<u>\$(3,670,229)</u>	
Total capital assets not being depreciated	<u>15,639,948</u>	<u>620,000</u>	<u>(3,670,229)</u>	<u>12,589,719</u>
Capital assets being depreciated:				
Buildings	11,125,881	1,672,201		12,798,082
Machinery and equipment	6,942,604	156,097		7,098,701
Vehicles	2,873,190	197,570	\$(263,516)	2,807,244
Infrastructure	<u>15,449,591</u>	<u>4,381,127</u>		<u>19,830,718</u>
Total capital assets being depreciated	<u>36,391,266</u>	<u>6,406,995</u>	<u>(263,516)</u>	<u>42,534,745</u>
Less, accumulated depreciation for:				
Buildings	(2,552,705)	(491,930)		(3,044,635)
Machinery and equipment	(3,600,061)	(415,099)		(4,015,160)
Vehicles	(1,547,194)	(403,567)	186,103	(1,764,658)
Infrastructure	<u>(7,630,200)</u>	<u>(805,204)</u>		<u>(8,435,404)</u>
Total accumulated depreciation	<u>(15,330,160)</u>	<u>(2,115,800)</u>	<u>186,103</u>	<u>(17,259,857)</u>
Total capital assets being depreciated, net	<u>21,061,106</u>	<u>4,291,195</u>	<u>(77,413)</u>	<u>25,274,888</u>
Governmental activities capital assets, net	<u>\$ 36,701,054</u>	<u>\$ 4,911,195</u>	<u>\$(3,747,642)</u>	<u>\$ 37,864,607</u>

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

Government activities:	
General government	\$ 463,279
Public safety	351,789
Public service	534,378
Culture and recreation	195,528
Community development	568,827
Telecommunications	<u>1,999</u>
Total depreciation expense for governmental activities	<u>\$ 2,115,800</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

A summary of business-type activities for property, plant and equipment at June 30, 2009 is presented below:

	<u>June 30, 2008</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2009</u>
<u>Business-Type Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 2,010,561			\$ 2,010,561
Construction in progress	<u>7,943,844</u>	<u>\$ 2,518,079</u>	<u>\$(7,943,844)</u>	<u>2,518,079</u>
Total capital assets, not being depreciated	<u>9,954,405</u>	<u>2,518,079</u>	<u>(7,943,844)</u>	<u>4,528,640</u>
Capital assets being depreciated:				
Buildings	26,638,043			26,638,043
Machinery and equipment	13,317,213	617,461	(58,497)	13,876,177
Vehicles	1,606,575	143,357	(89,126)	1,660,806
Infrastructure	<u>139,782,626</u>	<u>14,259,977</u>		<u>154,042,603</u>
Total capital assets being depreciated	<u>181,344,457</u>	<u>15,020,795</u>	<u>(147,623)</u>	<u>196,217,629</u>
Less, accumulated depreciation for:				
Buildings	(11,253,810)	(498,887)		(11,752,697)
Machinery and equipment	(7,473,036)	(748,982)	38,846	(8,183,172)
Vehicles	(1,039,769)	(155,512)	83,602	(1,111,679)
Infrastructure	<u>(43,843,014)</u>	<u>(3,526,851)</u>		<u>(47,369,865)</u>
Total accumulated depreciation	<u>(63,609,629)</u>	<u>(4,930,232)</u>	<u>122,448</u>	<u>(68,417,413)</u>
Total capital assets being depreciated, net	<u>117,734,828</u>	<u>10,090,563</u>	<u>(25,175)</u>	<u>127,800,216</u>
Business-type activities capital assets, net	<u>\$127,689,233</u>	<u>\$ 12,608,642</u>	<u>\$(7,969,019)</u>	<u>\$132,328,856</u>

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

Business-type activities:	
Water and sewer	\$ 2,514,260
Electric system	350,858
Gas system	862,876
Telecommunications	310,903
Sanitation	<u>891,335</u>
Total depreciation expense for business-type activities	<u>\$ 4,930,232</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2009, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Discretely Presented Component Unit</u>				
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>660</u>	<u>(5,992)</u>	<u>10,949</u>
Total capital assets being depreciated	<u>8,212,021</u>	<u>660</u>	<u>(5,992)</u>	<u>8,206,689</u>
Less, accumulated depreciation	<u>(579,577)</u>	<u>(222,761)</u>	<u>5,992</u>	<u>(796,346)</u>
Total capital assets being depreciated, net	<u>7,632,444</u>	<u>(222,101)</u>		<u>7,410,343</u>
Total capital assets, net	<u>\$ 9,645,694</u>	<u>\$ (222,101)</u>	<u>\$ 0</u>	<u>\$ 9,423,593</u>

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

Community development	<u>\$ 222,761</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:

Asset:	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Machinery and equipment	\$ 5,770,352	\$ 11,533,808
Less, accumulated depreciation	<u>(3,511,722)</u>	<u>(6,750,139)</u>
Total	<u>\$ 2,258,630</u>	<u>\$ 4,783,669</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2009, were as follows:

Year ending June 30:	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2010	\$ 1,054,709	\$ 946,579
2011	838,982	815,471
2012	640,849	381,447
2013	519,060	209,622
2014	516,823	152,549
2015-2018	604,838	
Total lease payments	<u>4,175,261</u>	<u>2,505,668</u>
Less, amount representing interest	(552,327)	(166,012)
	<u>\$ 3,622,934</u>	<u>\$ 2,339,656</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>\$ 2,835,000</u>

Loans payable currently outstanding are as follows:

Year ending June 30:	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 200,000	\$ 137,498
2011	230,000	127,798
2012	250,000	116,643
2013	280,000	104,518
2014	310,000	90,938
2015-2018	1,565,000	198,365
	<u>\$ 2,835,000</u>	<u>\$ 775,760</u>

Business-Type Activities

The City's Utility Fund borrowed funds for system improvements under notes payable. As of June 30, 2009, 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 \$4,101,728. As of June 30, 2009, the entire balance had been drawn.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

Notes payable currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
System improvements - Utility Fund	4.24%	\$ 1,279,056
Gas recirculation project at landfill - Sanitation Fund	2.33%	785,405
Construction of water line - Utility Fund	4.10%	630,789
Construction of landfill cell - Sanitation Fund	4.40%	3,054,628
		<u>\$ 5,749,878</u>

Notes payable service requirements to maturity are as follows:

Year ending June 30:	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 256,320	\$ 228,595
2011	266,632	218,283
2012	277,138	207,778
2013	288,790	196,126
2014	300,225	184,691
2015-2019	1,693,827	730,850
2020-2024	1,522,827	392,094
2025-2029	1,144,119	117,958
	<u>\$ 5,749,878</u>	<u>\$ 2,276,375</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. During the year, the City issued \$5,500,000 of revenue bonds to finance construction projects 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%	\$ 2,945,000
Series 1999 Water & Sewerage Revenue Bonds	3.50% - 4.30%	1,695,000
Series 2002 Water & Sewerage Revenue Bonds	4.70% - 5.25%	10,360,000
Series 2003 Gas Authority Revenue Bonds	2.13% - 4.38%	6,475,000
Series 2009 Gas Authority Revenue Bonds	4.09%	5,500,000
		<u>\$ 26,975,000</u>

Revenue bond service requirements to maturity are as follows:

Year ending June 30:	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2010	\$ 5,100,000	\$ 1,010,648
2011	5,355,000	814,586
2012	5,580,000	575,671
2013	1,470,000	413,488
2014	695,000	369,691
2015-2019	3,925,000	1,431,356
2020-2024	4,850,000	568,235
	<u>\$ 26,975,000</u>	<u>\$ 5,183,675</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2009

(Continued)

C. Compensated Absences - The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2009. 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

Year ending June 30:	Principal	Interest
2010		
2011	\$ 170,000	\$ 223,855
2012	180,000	214,505
2013	195,000	204,605
2014	205,000	193,880
2015-2019	215,000	182,605
2020-2024	1,275,000	723,317
2025-2026	1,625,000	389,183
	<u>760,000</u>	<u>50,715</u>
	<u>\$ 4,625,000</u>	<u>\$ 2,182,665</u>

Governmental Activities

Year ending June 30:		
2010		
2011	\$ 217,500	\$ 368,433
2012	232,500	355,456
2013	245,000	341,588
2014	262,500	326,969
2015-2019	275,000	311,307
2020-2024	1,640,000	1,289,625
2025-2026	2,175,000	740,313
	<u>1,295,000</u>	<u>141,291</u>
	<u>\$ 6,342,500</u>	<u>\$ 3,874,982</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

E. Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2009 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	\$ 6,550,000		\$ 207,500	\$ 6,342,500	\$ 217,500
Capital leases	4,268,307	\$ 257,752	903,125	3,622,934	1,564,888
Notes payable	3,015,000		180,000	2,835,000	200,000
Compensated absences	380,195	605,154	599,890	385,459	192,729
Governmental activities long-term liabilities	<u>\$ 14,213,502</u>	<u>\$ 862,906</u>	<u>\$ 1,890,515</u>	<u>\$ 13,185,893</u>	<u>\$ 2,175,117</u>
Business-type activities:					
Bonds payable:					
Revenue bonds	\$ 26,135,000	\$ 5,500,000	\$ 4,660,000	\$ 26,975,000	\$ 5,100,000
Add, unamortized premium	425,265		96,034	329,231	
Total bonds	26,560,265	5,500,000	4,756,034	27,304,231	5,100,000
Intergovernmental agreements	4,790,000		165,000	4,625,000	170,000
Capital leases	2,934,297	286,321	880,962	2,339,656	866,243
Notes payable	5,425,407	764,698	440,227	5,749,878	256,320
Compensated absences	241,560	327,502	305,247	263,815	131,908
Business-type activities long-term liabilities	<u>\$ 39,951,529</u>	<u>\$ 6,878,521</u>	<u>\$ 6,547,470</u>	<u>\$ 40,282,580</u>	<u>\$ 6,524,471</u>

The government-wide statement of net assets noncurrent liabilities due in more than one year for business-type activities of \$39,336,174 includes \$5,578,065 of landfill postclosure liability which is not reported in the business-type activities in the schedule above.

Also, the government-wide statement of net assets includes \$5,100,000 of the long-term liabilities due within one year for business-type activities in liabilities "payable from restricted assets." The remaining amount of \$1,424,471 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, 2009 is as follows:

Due to/from other funds:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Nonmajor Governmental Funds	Utility Fund	\$ 50,000
Sanitation Fund	Internal Service Fund	500,000
		<u>\$ 550,000</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

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, 2009 consisted of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Utility Fund	Internal Service Fund	<u>\$ 1,528,409</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	\$ 41,010,730
Advances from other funds	(1,528,409)
Net OPEB obligation	<u>(146,147)</u>

Non-current liabilities - Due in more than one year per government-wide Statement of Net Assets \$ 39,336,174

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			\$ 422,449	\$ 7,462,497	\$ 260,972	\$ 39,091	\$ 8,185,009
Capital Projects Fund			81,187	1,579,667			1,660,854
Nonmajor governmental	\$ 714,623	\$ 1,302,234			40,993		2,057,850
Utility Fund		263,000			187,557		450,557
Sanitation Fund				2,334,352			2,334,352
Internal service	<u>39,091</u>						<u>39,091</u>
	<u>\$ 753,714</u>	<u>\$ 1,565,234</u>	<u>\$ 503,636</u>	<u>\$ 11,376,516</u>	<u>\$ 489,522</u>	<u>\$ 39,091</u>	<u>\$ 14,727,713</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, 2009.

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.

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

- 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 \$2,886,312 for the year ended June 30, 2009. 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, 2009. 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, 2007	\$ 525,000	\$ 600,000
Claims and changes in estimate	3,804,612	875,293
Claims payments	(3,804,612)	(875,293)
Liability balance, June 30, 2008	525,000	600,000
Claims and changes in estimate	4,314,146	852,638
Claims payments	(4,314,146)	(852,638)
Liability balance, June 30, 2009	<u>\$ 525,000</u>	<u>\$ 600,000</u>

The liability is an estimate of claims at June 30, 2009 to be paid within the next fiscal year, therefore this is current liability.

- 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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

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 \$1,972,169 for the year ended June 30, 2009. The participant data and the asset values used in the actuarial valuation are as of January 1, 2009.

The required schedule of funding process immediately following these notes presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

The projection of benefits for financial reporting purpose does not explicitly incorporate the potential effects of legal or contractual funding limitations.

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

The valuation does not use a core inflation rate directly, although inflation trends are reviewed to ensure consistency in other assumptions.

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.

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

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 2008 recommended contribution.

Listed below is a summary of the key valuation results.

Contributions for plan year beginning January 1, 2009:	
Recommended	
Recommended as a percent of payroll	\$ 1,197,169
State minimum requirement	12.75%
	\$ 1,537,513

Funding elements for plan year beginning January 1, 2009:	
Normal cost, including administrative expenses	\$ 777,093
Market value of assets	\$ 15,465,136
Actuarial value of assets	\$ 18,558,163
Actuarial accrued liability	\$ 27,032,634
Unfunded (surplus) actuarial accrued liability	\$ 8,474,471
Actuarial value of assets as a percentage of actuarial accrued liability (funded ratio)	68.65%
Annual covered payroll	\$ 15,467,942
Ratio of unfunded (surplus) to annual covered payroll	54.79%

GASB 25/27 for plan year beginning January 1, 2009:	
Annual required contributions	\$ 1,972,169
Funded ratio	68.65%

Demographic data for plan year beginning January 1, 2009:	
Number of retired participants and beneficiaries	164
Number of vested former participants	102
Number of active employees, including 7 elected officials:	
Fully vested	174
Not vested	187
Total membership in the plan	<u>627</u>
Total payroll	<u>\$ 15,467,942</u>
Average payroll	<u>\$ 43,695</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
06/30/09	\$ 1,972,169	100%	\$ 0
06/30/08	\$ 1,199,760	100%	\$ 0
06/30/07	\$ 702,844	100%	\$ 0

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

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, 2009, the City contributed \$88,067 and employees contributed \$320,573. Plan provisions and contribution requirements are established and amended by a resolution of the City Council.

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, 2009.

Segment information for the Sanitation Fund for the year ended June 30, 2009 is not presented below since it is presented in the basic financial statements.

Condensed Statement of Net Assets

Assets:	
Current assets	
Capital assets	\$ 6,042,377
Total assets	<u>71,066,275</u>
	<u>77,108,652</u>
Liabilities:	
Current liabilities	
Current liabilities payable from restricted assets	653,885
Non-current liabilities	331,479
Total liabilities	<u>14,660,530</u>
	<u>15,645,894</u>
Net assets:	
Invested in capital assets, net of related debt	
Unrestricted	56,748,469
	<u>4,714,289</u>
Total net assets	<u>\$ 61,462,758</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

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

Water and sewer charges	\$ 16,425,473
Depreciation expense	(2,447,133)
Other operating expenses	(8,218,102)
Operating income	<u>5,760,238</u>
Non-operating revenues (expenses):	
Investment earnings	16,689
Interest expense	(694,442)
Non-operating contribution	2,750,000
Non-operating revenues (expenses)	<u>2,072,247</u>
Income before transfers	7,832,485
Transfers in	1,716,580
Transfers out	(1,714,120)
Change in net assets	7,834,945
Beginning net assets, as restated	<u>53,627,813</u>
Ending net assets	<u>\$ 61,462,758</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 8,200,081
Noncapital financing activities	2,752,460
Capital and related financing activities	(9,470,990)
Investing activities	16,689
Net increase (decrease)	<u>1,498,240</u>
Beginning cash and cash equivalents, as restated	<u>2,110,568</u>
Ending cash and cash equivalents	<u>\$ 3,608,808</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, 2009, the outstanding debt of the Authority was approximately \$4.0 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately \$194 million at June 30, 2009.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

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, 2009, \$35,215,753 has been placed into the Trust for the benefit of the City, of which \$7,035,998 is available without restriction and \$28,176,755 is subject to restrictions. Due to the restricted nature of the \$28,176,755, the amount is reported as unearned revenue at June 30, 2009.

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, 2009, the City paid \$27,769 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, 2009, the City levied a 5% lodging tax and received \$422,387 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 \$174,660 of lodging tax received from the City during the year ended June 30, 2009 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.

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

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 \$5,578,065 reported as the landfill closure and post-closure care liability at June 30, 2009 includes \$1,868,172, 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.

The remaining amount reported as landfill closure and post-closure cost of \$3,709,893 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, 2009, 37% of this landfill's capacity had been utilized and accordingly, a liability of \$3,709,893 has been recognized. The City will recognize the remaining estimated closure and post-closure care of \$6,135,892 as the remaining capacity is used.

Liability balance, June 30, 2008	\$ 5,202,975
Additions (Reductions)	375,090
Liability balance, June 30, 2009	<u>\$ 5,578,065</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	\$ 440,780	\$ 604,502	\$(163,722)
Hotel/Motel	Community Development	172,000	174,660	(2,660)
Debt Service Fund	General Government:			
	Debt service	1,297,714	1,916,973	(619,259)

18. DEFICIT FUND BALANCE

The Grant fund, a nonmajor Special Revenue Fund of the primary government, had a deficit fund balance of \$120 at June 30, 2009. The City plans to liquidate the deficit fund balance through operating transfers of the General Fund.

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NOTES TO BASIC FINANCIAL STATEMENTS
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(Continued)

19. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The City maintains a single-employer defined benefit OPEB plan (the City of LaGrange OPEB Plan) to provide medical, prescription drugs and dental benefits to eligible retirees and their spouses.

A. Summary of Significant Accounting Policies

Basis of Accounting

Effective with fiscal year ending June 30, 2009, the City has implemented the requirement of GASB Statement 45 for the basic financial statements; no net OPEB liability existed at the transition date. Financial statements for the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due. Benefits and claims are recognized when due and payable in accordance with the terms of the Plan.

B. Plan Description

Plan Description - The City of LaGrange OPEB Plan is a single-employer defined benefit plan that provides medical, prescription drugs and dental benefits to eligible retirees and their spouses. Retirees may choose which benefits administered by Covenant Administrators is desired. Retirees and spouses are eligible to participate in the Plan until age 65 or Medicare eligibility, whichever comes first. Participation in the Plan is voluntary. Benefit levels, contribution rates and eligibility provisions of the Plan are determined by the City of LaGrange City Council in accordance with council resolution adopted as in Personnel Policy 6.15 Retirement System.

For the plan year, eligibility for benefits coverage was available upon being retired and at least 55 years old, and vested in the City Retirement System. Retirees must be receiving a pension from GMA.

The City Council has the authority for establishing and amending benefits for the Plan. The Plan does not issue a stand-alone financial report. Benefit provisions and all other related Plan requirements are established annually by the City Council.

The City administers the Plan, and its responsibility includes claims and general administration. The City's General Fund bears most of the administrative cost of the Plan. The Plan is actuarially evaluated every year.

Membership of the Plan consisted of the following as of January 1, 2009, the last valuation date:

Retirees, beneficiaries, and dependents currently receiving benefits	12
Active plan participants	<u>361</u>
Total	<u><u>373</u></u>

Funding Policy - The City Council has the authority for establishing and amending the funding policy. Funding for the Plan is derived from two sources:

Member contributions
Employer contributions

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(Continued)

Member contributions are set by the City Council. Annual contributions of plan members for the current fiscal year were as follows:

Healthcare:	
15 - 20 years of service and over age 60	50% of premiums
20 - 25 years of service and over age 60	40% of premiums
More than 25 years of service and over age 60	25% of premiums

If under 15 years of service and under age 60, then the employee would pay the entire COBRA rate.

Dental:	
Single	\$ 22
Family	\$ 60

Contributions paid by retirees in the current fiscal year totaled \$58,983.

The City contributes annually an amount equal to the pay-as-you-go- cost of retiree benefits. The City hasn't contributed any amounts for advance funding of future liabilities. The Annual OPEB cost is actuarially determined. For year ending June 30, 2009 the City contributed \$151,116 or 1.0% of the covered payroll for employees of \$15,042,574 under the plan.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation for the plan year ended June 30, 2009 is shown below:

	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
Plan year ended: June 30, 2009	\$ 405,963	0%	\$ 405,963

The net OPEB obligation was developed as follows, based on an actuarial valuation date of January 1, 2009:

Annual	\$ 405,963
Interest on unfunded ARC	0
Adjustment of ARC	0
Annual OPEB cost	405,963
Actual contribution	0
Increase in OPEB obligation	405,963
Net OPEB obligation at year end	<u>\$ 405,963</u>

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NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2009
(Continued)

D. Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial valuation date	January 1, 2009
Actuarial value of assets	\$ 0
Actuarial accrued liability	\$ 3,538,714
Total unfunded actuarial liability	\$ 3,538,714
Funded ratio	0%
Annual covered payroll	\$ 15,042,574
Ratio of the unfunded actuarial liability to annual covered payroll	23.52%

Data prior to the current year is not available. As the Plan gains experience, this table and the schedules found in the Required Supplementary Information section will show multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

E. Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, actuarial calculations reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant actuarial assumptions and other information used to compute the actuarial accrued liability and the annual required contribution of the plan are as follows:

Actuarial Cost Method:	Projected unit credit
Amortization Method:	Closed level dollar for 25 years
Remaining Amortization Period:	25 years as of July 1, 2008
Asset Valuation Method:	Market value
Actuarial assumptions:	
Investment rate of return	8.00% pre-funded or 4.00% pay-as-you-go
Salary growth	5.50%
Medical and drug cost trend rate	8.50% graded to 5.00% over 7 years
Dental cost trend rate	6.00% graded to 5.00% over 2 years

Full participation by the eligible population is assumed. The valuation does not use a core inflation rate directly, although inflation trends are reviewed to ensure consistency in the selection of the discount rate and the medical trend rate. Calculations are based on the types of benefits provided under the plan at the time of each valuation and on the pattern of cost sharing between the employer and plan members to that point. The City has not entered into any long-term contracts for contributions to the Plan with any party, and accordingly, there were not amounts of contractually required contributions outstanding at the report date.

F. Statement of Change in Plan Net Assets

A table of change in net assets will be necessary in future years to account for contribution, benefit, premium, expense and investment income activity. No information on this activity was available for the year leading up to the first valuation of this plan.

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2009

	Actuarial Valuation Date		
	<u>January 1, 2009</u>	<u>January 1, 2008</u>	<u>January 1, 2008</u>
Actuarial value of plan assets	\$ 18,558,163	\$ 21,971,785	\$ 20,481,861
Actuarial accrued liability	27,032,634	24,797,006	20,412,914
Total unfunded actuarial liability (or funding excess)	8,474,471	2,825,221	(68,947)
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	68.65%	88.61%	100.30%
Annual covered payroll	15,467,942	15,107,991	13,797,131
Ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll	54.79%	18.70%	(.50)%

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN
Year Ended June 30, 2009

	Actuarial Valuation Date <u>January 1, 2009</u>
Actuarial value of plan assets	\$ 0
Actuarial accrued liability	\$ 3,538,714
Total unfunded actuarial liability (or funding excess)	\$ 3,538,714
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	0%
Annual covered payroll	\$ 15,042,574
Ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll	23.52%

Note: Data prior to the current year is not available. As the Plan gains experience, this table will show multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

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, 2009

	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	\$ 1,635,934	\$ 2,171,961	\$ 49,880		\$ 1,466,784	\$ 5,324,559
Receivables:						
Notes		1,275,513				1,275,513
Intergovernmental	482,447					482,447
Other		2,023				2,023
Total assets	<u>\$ 2,118,381</u>	<u>\$ 3,449,497</u>	<u>\$ 49,880</u>	<u>\$ 0</u>	<u>\$ 1,466,784</u>	<u>\$ 7,084,542</u>
<u>Liabilities and Fund Balance</u>						
Liabilities:						
Accounts payable	\$ 36,350					\$ 36,350
Accrued payroll		\$ 1,105				1,105
Due to other funds			\$ 50,000			50,000
Total liabilities	<u>36,350</u>	<u>1,105</u>	<u>50,000</u>			<u>87,455</u>
Fund balance:						
Reserved for long-term receivables		1,275,458				1,275,458
Reserved for capital projects	2,082,031					2,082,031
Unreserved		2,172,934	(120)		\$ 1,466,784	3,639,598
Total fund balance	<u>2,082,031</u>	<u>3,448,392</u>	<u>(120)</u>		<u>1,466,784</u>	<u>6,997,087</u>
Total liabilities and fund balance	<u>\$ 2,118,381</u>	<u>\$ 3,449,497</u>	<u>\$ 49,880</u>	<u>\$ 0</u>	<u>\$ 1,466,784</u>	<u>\$ 7,084,542</u>

CITY OF LAGRANGE, GEORGIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended June 30, 2009

	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				\$ 422,387		\$ 422,387
Special purpose sales tax	\$ 3,377,101					3,377,101
Intergovernmental	66,934	\$ 84,700	\$ 8,000			159,634
Investment income (loss)	1,766	55,642			\$ 35,344	92,752
Miscellaneous		15,655				15,655
Total revenues	<u>3,445,801</u>	<u>155,997</u>	<u>8,000</u>	<u>422,387</u>	<u>35,344</u>	<u>4,067,529</u>
Expenditures:						
Current:						
General government		5,447	1,015			6,462
Redevelopment and housing		599,055				599,055
Community development				174,660		174,660
Debt service:						
Principal retirement					1,290,625	1,290,625
Interest					626,348	626,348
Capital outlay:						
Public safety	818,349					818,349
Public service	1,696,819					1,696,819
Total expenditures	<u>2,515,168</u>	<u>604,502</u>	<u>1,015</u>	<u>174,660</u>	<u>1,916,973</u>	<u>5,212,318</u>
Excess of revenues over (under expenditures	<u>930,633</u>	<u>(448,505)</u>	<u>6,985</u>	<u>247,727</u>	<u>(1,881,629)</u>	<u>(1,144,789)</u>
Other financing sources (uses):						
Transfers in				174,660	1,883,190	2,057,850
Transfers out		(62)		(422,387)	(81,187)	(503,636)
Total other financing sources	<u>0</u>	<u>(62)</u>	<u>0</u>	<u>(247,727)</u>	<u>1,802,003</u>	<u>1,554,214</u>
Net change in fund balance	930,633	(448,567)	6,985	0	(79,626)	409,425
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 2,082,031</u>	<u>\$ 3,448,392</u>	<u>\$ (120)</u>	<u>\$ 0</u>	<u>\$ 1,466,784</u>	<u>\$ 6,997,087</u>

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,635,934	\$ 1,038,639
Receivables:		
Intergovernmental	<u>482,447</u>	<u>588,206</u>
Total assets	<u>\$ 2,118,381</u>	<u>\$ 1,626,845</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	<u>\$ 36,350</u>	<u>\$ 475,447</u>
Total liabilities	<u>36,350</u>	<u>475,447</u>
Fund balance:		
Reserved for capital project	<u>2,082,031</u>	<u>1,151,398</u>
Total fund balance	<u>2,082,031</u>	<u>1,151,398</u>
Total liabilities and fund balance	<u>\$ 2,118,381</u>	<u>\$ 1,626,845</u>

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Special purpose sales tax	\$ 3,377,101	\$ 4,493,720
Intergovernmental	66,934	477,496
Investment income (loss)	<u>1,766</u>	<u>1,237</u>
Total revenues	<u>3,445,801</u>	<u>4,972,453</u>
Expenditures:		
Capital outlay:		
Public safety	818,349	978,444
Public service	<u>1,696,819</u>	<u>2,493,486</u>
Total expenditures	<u>2,515,168</u>	<u>3,471,930</u>
Excess of revenues over (under) expenditures	<u>930,633</u>	<u>1,500,523</u>
Net change in fund balance	930,633	1,500,523
Fund balance, beginning of year	<u>1,151,398</u>	(<u>349,125</u>)
Fund balance, end of year	<u><u>\$ 2,082,031</u></u>	<u><u>\$ 1,151,398</u></u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 2,171,961	\$ 2,337,916
Receivables:		
Notes	1,275,513	1,564,767
Other	<u>2,023</u>	<u>1,113</u>
Total assets	<u>\$ 3,449,497</u>	<u>\$ 3,903,796</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 1,105	\$ 6,038
Accrued payroll		<u>799</u>
Total liabilities	<u>1,105</u>	<u>6,837</u>
Fund balance:		
Reserved for long-term receivables	1,275,458	1,564,767
Unreserved	<u>2,172,934</u>	<u>2,332,192</u>
Total fund balance	<u>3,448,392</u>	<u>3,896,959</u>
Total liabilities and fund balance	<u>\$ 3,449,497</u>	<u>\$ 3,903,796</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Intergovernmental	\$ 84,700	\$ 73,300
Investment income (loss)	55,642	76,924
Miscellaneous	<u>15,655</u>	<u>879,576</u>
Total revenues	<u>155,997</u>	<u>1,029,800</u>
Expenditures:		
Current:		
Redevelopment and housing	599,055	446,569
Administrative and management	5,447	
Capital outlay:		
Redevelopment and housing		<u>37,010</u>
Total expenditures	<u>604,502</u>	<u>483,579</u>
Excess of revenues over (under) expenditures	<u>(448,505)</u>	<u>546,221</u>
Other financing sources (uses):		
Transfer out	<u>(62)</u>	<u>(200)</u>
Total other financing sources	<u>(62)</u>	<u>(200)</u>
Net change in fund balance	<u>(448,567)</u>	546,021
Fund balance, beginning of year	<u>3,896,959</u>	<u>3,350,938</u>
Fund balance, end of year	<u>\$ 3,448,392</u>	<u>\$ 3,896,959</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2009

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 81,623	\$ 84,700	\$ 3,077
Interest	92,000	55,642	(36,358)
Miscellaneous	<u>1,000</u>	<u>15,655</u>	<u>14,655</u>
Total revenues	<u>174,623</u>	<u>155,997</u>	(18,626)
Expenditures:			
Current:			
Redevelopment and housing	440,780	599,055	(158,275)
Administration and management	<u>5,447</u>	<u>5,447</u>	(5,447)
Total expenditures	<u>440,780</u>	<u>604,502</u>	(163,722)
Excess of revenue over (under) expenditures	(266,157)	(448,505)	(182,348)
Other financing sources (uses):			
Transfer out	<u>0</u>	(62)	(62)
Total other financing sources (uses)	<u>0</u>	(62)	(62)
Net change in fund balance	(266,157)	(448,567)	(182,410)
Fund balance, beginning of year	<u>3,896,959</u>	<u>3,896,959</u>	<u>0</u>
Fund balance, end of year	<u>\$ 3,630,802</u>	<u>\$ 3,448,392</u>	<u>\$ (182,410)</u>

CITY OF LAGRANGE, GEORGIA
GRANT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 49,880	\$ 42,895
Total assets	<u>\$ 49,880</u>	<u>\$ 42,895</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Due to other funds	\$ 50,000	\$ 50,000
Total liabilities	<u>50,000</u>	<u>50,000</u>
Fund balance:		
Unreserved	(120)	(7,105)
Total fund balance	<u>(120)</u>	<u>(7,105)</u>
Total liabilities and fund balance	<u>\$ 49,880</u>	<u>\$ 42,895</u>

CITY OF LAGRANGE, GEORGIA
GRANT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Intergovernmental	\$ 8,000	\$ 100,626
Total revenues	<u>8,000</u>	<u>100,626</u>
Expenditures:		
Current:		
Administrative and management	1,015	3,967
Redevelopment and housing	<u> </u>	<u>72,738</u>
Total expenditures	<u>1,015</u>	<u>76,705</u>
Excess of revenues over (under) expenditures	<u>6,985</u>	<u>23,921</u>
Net change in fund balance	6,985	23,921
Fund balance, beginning of year	(7,105)	(31,026)
Fund balance, end of year	<u><u>\$ (120)</u></u>	<u><u>\$ (7,105)</u></u>

CITY OF LAGRANGE, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2009

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 613,950	\$ 8,000	\$ (605,950)
Total revenues	<u>613,950</u>	<u>8,000</u>	<u>(605,950)</u>
Expenditures:			
Current:			
Administrative and management	15,100	1,015	14,085
Redevelopment and housing	<u>598,950</u>		<u>598,950</u>
Total expenditures	<u>614,050</u>	<u>1,015</u>	<u>613,035</u>
Excess of revenues over (under) expenditures	<u>(100)</u>	<u>6,985</u>	<u>7,085</u>
Net change in fund balance	<u>(100)</u>	<u>6,985</u>	<u>7,085</u>
Fund balance, beginning of year	<u>(7,105)</u>	<u>(7,105)</u>	
Fund balance, end of year	<u><u>\$ (7,205)</u></u>	<u><u>\$ (120)</u></u>	<u><u>\$ 7,085</u></u>

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Hotel/Motel tax	\$ 422,387	\$ 441,436
Total revenues	<u>422,387</u>	<u>441,436</u>
Expenditures:		
Current:		
Community development	174,660	174,850
Total expenditures	<u>174,660</u>	<u>174,850</u>
Excess of revenues over expenditures	<u>247,727</u>	<u>266,586</u>
Other financing sources (uses):		
Transfers in	174,660	174,850
Transfers out	(422,387)	(441,436)
Total other financing sources (uses)	<u>(247,727)</u>	<u>(266,586)</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, 2009

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Hotel/Motel tax	\$ 430,000	\$ 422,387	\$(7,613)
Total revenues	<u>430,000</u>	<u>422,387</u>	<u>(7,613)</u>
Expenditures:			
Current:			
Community development	<u>172,000</u>	<u>174,660</u>	<u>(2,660)</u>
Total expenditures	<u>172,000</u>	<u>174,660</u>	<u>(2,660)</u>
Excess of revenues over (under) expenditures	<u>258,000</u>	<u>247,727</u>	<u>(10,273)</u>
Other financing sources (uses):			
Transfers in		174,660	174,660
Transfers out		<u>(422,387)</u>	<u>(422,387)</u>
Total other financing sources (uses)	<u>0</u>	<u>(247,727)</u>	<u>(247,727)</u>
Net change in fund balance	258,000	0	(258,000)
Fund balance, beginning of year	<u>0</u>	<u>0</u>	<u>0</u>
Fund balance, end of year	<u>\$ 258,000</u>	<u>\$ 0</u>	<u>\$(258,000)</u>

CITY OF LAGRANGE, GEORGIA
DEBT SERVICE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash	\$ 1,466,784	\$ 1,509,928
Prepaid items		<u>36,482</u>
Total assets	<u>\$ 1,466,784</u>	<u>\$ 1,546,410</u>
<u>Liabilities and Fund Balance</u>		
Fund balance:		
Reserved for prepaid items		\$ 36,482
Unreserved	<u>\$ 1,466,784</u>	<u>1,509,928</u>
Total fund balance	<u>1,466,784</u>	<u>1,546,410</u>
Total liabilities and fund balance	<u>\$ 1,466,784</u>	<u>\$ 1,546,410</u>

CITY OF LAGRANGE, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Interest	\$ 35,344	\$ 77,442
Total revenues	<u>35,344</u>	<u>77,442</u>
Expenditures:		
Principal retirement	1,290,625	1,285,445
Interest	<u>626,348</u>	<u>736,547</u>
Total expenditures	<u>1,916,973</u>	<u>2,021,992</u>
Excess of revenues over (under) expenditures	(1,881,629)	(1,944,550)
Other financing sources:		
Capital lease	1,883,190	961,138
Transfers in		1,971,832
Transfers out	(81,187)	(64,550)
Total other financing sources	<u>1,802,003</u>	<u>2,868,420</u>
Net change in fund balance	(79,626)	923,870
Fund balance, beginning of year	<u>1,546,410</u>	<u>622,540</u>
Fund balance, end of year	<u>\$ 1,466,784</u>	<u>\$ 1,546,410</u>

CITY OF LAGRANGE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2009

	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 6,000	\$ 35,344	\$ 29,344
Total revenues	<u>6,000</u>	<u>35,344</u>	<u>29,344</u>
Expenditures:			
Debt service:			
Principal retirement	653,910	1,290,625	(636,715)
Interest and fiscal charges	<u>643,804</u>	<u>626,348</u>	<u>17,456</u>
Total expenditures	<u>1,297,714</u>	<u>1,916,973</u>	<u>(619,259)</u>
Excess of revenues over (under) expenditures	(1,291,714)	(1,881,629)	(589,915)
Other financing sources (uses):			
Transfers in	1,073,026	1,883,190	810,164
Transfers out	(263,000)	(81,187)	181,813
Total other financing sources (uses)	<u>810,026</u>	<u>1,802,003</u>	<u>991,977</u>
Net change in fund balance	(481,688)	(79,626)	402,062
Fund balance, beginning of year	<u>1,546,410</u>	<u>1,546,410</u>	<u>0</u>
Fund balance, end of year	<u>\$ 1,064,722</u>	<u>\$ 1,466,784</u>	<u>\$ 402,062</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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,927,168	\$ 1,203,321
Investments	48,652	42,039
Receivables:		
Taxes	994,684	1,113,333
Other	8,373	7,518
Due from other funds		394,000
Inventory	212,344	218,438
Prepaid items		5,204
Restricted cash and cash equivalents	175,986	133,732
Restricted investments	<u>470,310</u>	<u>510,850</u>
Total assets	<u>\$ 3,837,517</u>	<u>\$ 3,628,435</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 278,448	\$ 477,208
Due to other funds		69,225
Other accrued liabilities	290,526	189,925
Accrued vacation		<u>81,463</u>
Total liabilities	<u>568,974</u>	<u>817,821</u>
Fund balance:		
Reserved for prepaid items		5,204
Reserved for inventory	212,344	218,438
Reserved for perpetual care	580,738	619,478
Unreserved	<u>2,475,461</u>	<u>1,967,494</u>
Total fund balance	<u>3,268,543</u>	<u>2,810,614</u>
Total liabilities and fund balance	<u>\$ 3,837,517</u>	<u>\$ 3,628,435</u>

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Taxes:		
Sales	\$ 4,807,415	\$ 5,097,403
Franchise	1,240,566	1,097,656
Insurance premium	1,455,062	1,421,021
Alcoholic beverage	703,676	673,950
Other	713,462	445,225
Licenses and permits	252,565	301,184
Intergovernmental	97,150	56,702
Charges for services	386,410	389,462
Fines and forfeitures	1,817,862	1,783,541
Investment income (loss)	49,231	67,184
Miscellaneous	240,722	496,567
Total revenues	<u>11,764,121</u>	<u>11,829,895</u>
Expenditures:		
Current:		
General government	1,488,532	1,576,963
Public safety	12,432,950	12,611,373
Public service	2,156,083	2,308,335
Culture and recreation	884,840	1,003,840
Community development	1,374,970	1,249,895
Telecommunications	276,701	294,671
Capital outlay:		
General government	29,770	28,343
Public safety	173,835	522,539
Public service	134,567	388,420
Culture and recreation	55,250	39,460
Total expenditures	<u>19,007,498</u>	<u>20,023,839</u>
Excess of expenditures over revenues	<u>(7,243,377)</u>	<u>(8,193,944)</u>
Other financing sources (uses):		
Sale of assets	12,259	81,855
Capital lease	257,752	307,094
Transfers in	8,185,009	8,999,550
Transfers out	<u>(753,714)</u>	<u>(623,768)</u>
Total other financing sources	<u>7,701,306</u>	<u>8,764,731</u>
Net change in fund balance	457,929	570,787
Fund balance, beginning of year	<u>2,810,614</u>	<u>2,239,827</u>
Fund balance, end of year	<u>\$ 3,268,543</u>	<u>\$ 2,810,614</u>

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash	\$ 561,718	\$ 471,313
Receivables:		
Notes	<u>63,196</u>	<u>63,196</u>
Total assets	<u>\$ 624,914</u>	<u>\$ 534,509</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	\$ 2,728	\$ 2,521
Accrued liabilities	81,187	
Unearned revenue	25,309	25,309
Due to other funds		<u>770,000</u>
Total liabilities	<u>109,224</u>	<u>797,830</u>
Fund balance:		
Unreserved	<u>515,690</u>	(<u>263,321</u>)
Total fund balance	<u>515,690</u>	(<u>263,321</u>)
Total liabilities and fund balance	<u>\$ 624,914</u>	<u>\$ 534,509</u>

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Years ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Revenues:		
Intergovernmental	\$ 1,187,615	\$ 1,083,315
Lease income		410,000
Interest	5,725	10,435
Miscellaneous	<u>41,319</u>	<u>65,680</u>
Total revenues	<u>1,234,659</u>	<u>1,569,430</u>
Expenditures:		
Capital outlay:		
General government	118,752	125,819
Public service	<u>450,401</u>	<u>5,679</u>
Total expenditures	<u>569,153</u>	<u>131,498</u>
Excess of expenditures over revenues	<u>665,506</u>	<u>1,437,932</u>
Other financing sources (uses):		
Sales of assets	17,885	
Transfers in	1,660,854	200,000
Transfers out	<u>(1,565,234)</u>	<u>(1,498,971)</u>
Total other financing sources	<u>113,505</u>	<u>(1,298,971)</u>
Net change in fund balance	779,011	138,961
Fund balance, beginning of year	<u>(263,321)</u>	<u>(402,282)</u>
Fund balance, end of year	<u>\$ 515,690</u>	<u>\$ (263,321)</u>

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S M A R T M O V E SM

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, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 7,386,031	\$ 5,717,587
Investments	7,036,054	5,009,556
Receivables:		
Accounts	7,672,162	9,340,218
Other	1,359,301	1,293,892
Due from other funds	50,000	2,675,925
Prepays	99,582	103,448
Inventory	1,803,455	1,662,202
Restricted assets:		
Restricted investments	28,179,755	28,770,690
Restricted deposits	3,766,291	517,869
Total current assets	<u>57,352,631</u>	<u>55,091,387</u>
Noncurrent assets:		
Capital assets, not being depreciated	3,090,907	572,828
Capital assets, being depreciated	107,993,655	105,559,690
Other assets	263,788	186,441
Total noncurrent assets	<u>111,348,350</u>	<u>106,318,959</u>
Total assets	<u>168,700,981</u>	<u>161,410,346</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	4,487,190	4,123,992
Accrued liabilities	86,479	59,310
Due to other funds		75,000
Accrued compensated absences	100,929	183,318
Unearned revenue	28,179,755	28,770,690
Notes payable - Current	110,535	111,811
Capital leases - Current	495,134	511,637
Intergovernmental agreement payable - Current	170,000	165,000
Liabilities payable from restricted assets:		
Customer deposits	1,533,870	1,482,830
Accrued interest payable	115,068	80,833
Revenue bonds - Current	4,425,000	4,020,000
Total current liabilities	<u>39,703,960</u>	<u>39,584,421</u>
Non-current liabilities:		
Compensated absences	100,928	
Revenue bonds - Long-term	19,946,336	18,971,407
Notes payable - Long-term	1,799,311	2,153,088
Capital leases - Long-term	936,962	1,173,372
Intergovernmental agreement payable - Long-term	4,455,000	4,625,000
Advances from other funds	1,528,409	1,588,556
Net OPEB obligation	117,730	
Total noncurrent liabilities	<u>28,884,676</u>	<u>28,511,423</u>
Total liabilities	<u>68,588,636</u>	<u>68,095,844</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	75,180,762	74,401,203
Unrestricted	24,931,583	18,913,299
Total net assets	<u>\$ 100,112,345</u>	<u>\$ 93,314,502</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Water and sewer system	\$ 16,019,362	\$ 15,182,573
Gas system	18,439,421	21,208,736
Electric system	41,001,350	39,205,287
Telecommunications	2,369,796	4,402,924
Other sales	556,429	235,049
Total operating revenues	<u>78,386,358</u>	<u>80,234,569</u>
Operating expenses:		
Water and sewer system	8,318,946	7,441,898
Gas system	15,535,816	16,888,469
Electric system	32,716,141	33,052,906
Telecommunications	1,865,156	1,664,783
Administrative services		1,558,194
Depreciation and amortization	4,038,897	3,985,710
Total operating expenses	<u>62,474,956</u>	<u>64,591,960</u>
Operating income	<u>15,911,402</u>	<u>15,642,609</u>
Non-operating revenues (expenses):		
Non-operating contribution	2,750,000	
Gain (loss) on sale of assets	(4,622)	(6,004)
Investment income	260,135	611,357
Interest expense	(1,193,113)	(1,407,237)
Total nonoperating revenues (expenses)	<u>1,812,400</u>	<u>(801,884)</u>
Net income before transfers	17,723,802	14,840,725
Transfers in	450,557	577,550
Transfers out	<u>(11,376,516)</u>	<u>(8,154,657)</u>
Change in net assets	6,797,843	7,263,618
Net assets, beginning of year (as restated)	<u>93,314,502</u>	<u>86,050,884</u>
Net assets, end of year	<u>\$ 100,112,345</u>	<u>\$ 93,314,502</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 79,183,040	\$ 79,438,158
Cash paid to employees	(5,413,613)	(4,693,823)
Cash paid to suppliers	(49,876,349)	(55,406,031)
Net cash provided (used) by operating activities	<u>23,893,078</u>	<u>19,338,304</u>
Cash flow from noncapital financing activities:		
Transfers in	450,557	577,550
Transfers out	(11,376,516)	(8,154,657)
Net cash provided (used) by noncapital financing activities	<u>(10,925,959)</u>	<u>(7,577,107)</u>
Cash flows from capital and related financial activities:		
Bond proceeds	5,410,000	
Intergovernmental loan		(360,053)
Payments on intergovernmental agreement	(165,000)	(155,000)
Principal payments on revenue bonds	(4,020,000)	(3,885,000)
Proceeds from sale of assets	902	6,953
Acquisition of capital assets	(6,246,466)	(4,699,023)
Capital lease proceeds	286,321	832,791
Capital lease payments	(539,234)	(535,456)
Note payable proceeds		901,219
Payments on notes payable	(355,055)	(81,129)
Interest paid	(1,246,296)	(1,497,852)
Net cash provided (used) by capital and related financing activities	<u>(6,874,828)</u>	<u>(9,472,550)</u>
Cash flows from investing activities:		
Sale (Purchase) of investments	(1,435,560)	(2,806,710)
Investment income	260,135	611,357
Net cash provided (used) by investing activities	<u>(1,175,425)</u>	<u>(2,195,353)</u>
Net increase (decrease) in cash	4,916,866	93,294
Cash, beginning of year	<u>6,235,456</u>	<u>6,142,162</u>
Cash, end of year	<u>\$ 11,152,322</u>	<u>\$ 6,235,456</u>
Report on the balance sheet as:		
Cash and cash equivalents	\$ 7,386,031	\$ 5,717,587
Restricted cash	<u>3,766,291</u>	<u>517,869</u>
Total	<u>\$ 11,152,322</u>	<u>\$ 6,235,456</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008
(Continued)

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Operating income	\$ 15,911,402	\$ 15,642,609
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	4,038,897	3,985,710
Changes in operating assets and liabilities:		
Accounts receivable	1,668,056	(856,539)
Inventory	(141,253)	(385,572)
Prepays	(61,543)	12,000
Accounts payable	363,197	178,389
Accrued vacation	18,539	9,998
Due from other funds	2,625,925	(1,034,309)
Due to other funds	(135,147)	(82,147)
Unearned revenue	(590,935)	1,785,401
Customer deposits	51,041	60,128
Other accrued expenses	27,169	22,636
Net OPEB obligation	<u>117,730</u>	
Net cash provided by operating activities	<u>\$ 23,893,078</u>	<u>\$ 19,338,304</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF OPERATING INCOME
Year Ended June 30, 2009

	<u>Electric System</u>	<u>Gas System</u>	<u>Water and Sewer System</u>	<u>Telecom- munications</u>	<u>Total</u>
Operating revenues	<u>\$ 41,105,416</u>	<u>\$ 18,485,673</u>	<u>\$ 16,425,473</u>	<u>\$ 2,369,796</u>	<u>\$ 78,386,358</u>
Operating expenses:					
Electricity and natural gas purchase	29,621,348	13,393,896			43,015,244
Administrative services	418,912	382,995	560,375	203,860	1,566,142
Depreciation	350,858	985,555	2,447,133	255,351	4,038,897
Other operating	<u>2,675,881</u>	<u>1,859,769</u>	<u>7,657,727</u>	<u>1,661,296</u>	<u>13,854,673</u>
	<u>33,066,999</u>	<u>16,622,215</u>	<u>10,665,235</u>	<u>2,120,507</u>	<u>62,474,956</u>
Operating income	<u>\$ 8,038,417</u>	<u>\$ 1,863,458</u>	<u>\$ 5,760,238</u>	<u>\$ 249,289</u>	<u>\$ 15,911,402</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE
Year Ended June 30, 2009

	Historical Cost			Allowance for Depreciation			Net Asset Value	
	Balance June 30, 2008	Additions	Deletions	Balance June 30, 2009	Expense	Deletions		
Water and sewer system	\$ 113,257,993	\$ 5,215,850	\$(71,683)	\$ 118,402,160	\$(2,514,260)	\$ 71,682	\$(46,583,870)	\$ 71,818,290
Gas system	27,552,158	3,047,847	0	30,600,005	(862,876)	0	(6,552,298)	24,047,707
Electric system	16,426,271	338,884	(17,443)	16,747,712	(350,858)	11,919	(6,851,362)	9,896,350
Tele-communications	6,894,276	393,885	0	7,288,161	(310,903)	0	(1,965,946)	5,322,215
	<u>\$ 164,130,698</u>	<u>\$ 8,996,466</u>	<u>\$(89,126)</u>	<u>\$ 173,038,038</u>	<u>\$(4,038,897)</u>	<u>\$ 83,601</u>	<u>\$(61,953,476)</u>	<u>\$ 111,084,562</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE SCHEDULES OF REVENUES
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Water and sewer system:		
Water sales	\$ 8,962,648	\$ 8,487,585
Sewer service charges	5,589,141	5,588,196
Fire services	70,277	62,397
Connection fees	1,383,935	1,044,395
Miscellaneous	419,472	52,591
	<u>16,425,473</u>	<u>15,235,164</u>
Gas system:		
Gas sales	18,452,783	21,208,736
Miscellaneous	32,890	57,087
	<u>18,485,673</u>	<u>21,265,823</u>
Electric system:		
Electricity sales	40,277,255	38,502,798
Street and security lights	724,095	702,489
Miscellaneous	104,066	125,371
	<u>41,105,416</u>	<u>39,330,658</u>
Telecommunications:		
Internet services	1,223,796	3,138,632
Other telecommunications services	1,146,000	1,264,292
	<u>2,369,796</u>	<u>4,402,924</u>
 Total operating revenues	 <u>\$ 78,386,358</u>	 <u>\$ 80,234,569</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 566,654	\$ 1,120,148
Receivables:		
Accounts receivable	89,556	93,478
Due from other funds		200,000
Prepays		3,720
Inventory	1,468	1,468
Total current assets	<u>657,678</u>	<u>1,418,814</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,437,733	9,262,477
Capital assets, being depreciated	19,806,561	12,294,238
Other assets	95,671	
Total noncurrent assets	<u>21,339,965</u>	<u>21,556,715</u>
Total assets	<u>21,997,643</u>	<u>22,975,529</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	89,868	1,266,944
Accrued liabilities	19,436	15,835
Due to other funds	500,000	2,605,700
Accrued compensated absences	30,979	58,242
Notes payable, current	145,785	68,888
Capital leases, current	371,109	412,794
Liabilities payable from restricted assets:		
Customer deposits	1,530	1,530
Accrued interest payable	10,435	14,264
Revenue bonds, current	675,000	640,000
Total current liabilities	<u>1,844,142</u>	<u>5,084,197</u>
Noncurrent liabilities:		
Compensated absences	30,979	
Revenue bonds, long-term	2,257,895	2,928,858
Notes payable, long-term	3,694,247	3,091,620
Capital leases, long-term	536,451	836,494
Landfill postclosure liability	5,578,065	5,202,975
Net OPEB obligation	28,417	
Total noncurrent liabilities	<u>12,126,054</u>	<u>12,059,947</u>
Total liabilities	<u>13,970,196</u>	<u>17,144,144</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	13,563,806	13,578,061
Unrestricted	<u>(5,536,359)</u>	<u>(7,746,676)</u>
Total net assets	<u>\$ 8,027,447</u>	<u>\$ 5,831,385</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Sanitation	\$ 7,017,767	\$ 6,557,211
Other sales	<u>259,676</u>	<u>337,631</u>
Total operating revenues	<u>7,277,443</u>	<u>6,894,842</u>
Operating expenses:		
Sanitation	5,861,273	5,172,672
Administrative services		232,833
Depreciation and amortization	<u>891,335</u>	<u>555,608</u>
Total operating expenses	<u>6,752,608</u>	<u>5,961,113</u>
Operating income	<u>524,835</u>	<u>933,729</u>
Nonoperating revenues (expenses):		
Grant income		54,526
Investment income	10,906	35,378
Gain (loss) on sale of assets	7,314	(84,646)
Interest expense	(191,823)	(235,446)
Other income		<u>397,663</u>
Total nonoperating revenues (expenses)	<u>(173,603)</u>	<u>167,475</u>
Income before transfers	351,232	1,101,204
Transfers in	2,334,352	232,833
Transfers out	<u>(489,522)</u>	<u>(1,373,033)</u>
Change in net assets	2,196,062	(38,996)
Net assets, beginning of year	<u>5,831,385</u>	<u>5,870,381</u>
Net assets, end of year	<u>\$ 8,027,447</u>	<u>\$ 5,831,385</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 7,281,365	\$ 6,883,961
Cash paid to employees	(1,628,878)	(1,165,700)
Cash paid to suppliers	(6,900,627)	(787,043)
Net cash provided (used) by operating activities	<u>(1,248,140)</u>	<u>4,931,218</u>
Cash flows from noncapital financing activities:		
Transfers in	2,334,352	232,833
Transfers out	(489,522)	(1,373,033)
Net cash provided (used) by noncapital financing activities	<u>1,844,830</u>	<u>(1,140,200)</u>
Cash flows from capital and related financing activities:		
Grant proceeds		54,526
Proceeds from sale of assets	26,966	3,998
Capital lease proceeds		342,277
Capital lease payments	(341,728)	(396,994)
Principal payments on revenue bonds	(640,000)	(605,000)
Note payable proceeds	669,027	2,330,973
Payments on notes payable	(85,174)	(43,116)
Acquisition of capital assets	(598,564)	(5,636,236)
Interest paid	(191,617)	(245,575)
Net cash provided (used) by capital and related financing activities	<u>(1,161,090)</u>	<u>(4,195,147)</u>
Cash flows from investing activities:		
Investment income	10,906	35,378
Net cash provided (used) by investing activities	<u>10,906</u>	<u>35,378</u>
Net (decrease) increase in cash	(553,494)	(368,751)
Cash, beginning of year	<u>1,120,148</u>	<u>1,488,899</u>
Cash, end of year	<u>\$ 566,654</u>	<u>\$ 1,120,148</u>
Cash flows from operating activities:		
Operating income	\$ 524,835	\$ 933,729
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	891,335	555,608
Changes in operating assets and liabilities:		
Accounts receivable	3,922	(10,881)
Prepays	3,720	
Accounts payable	(1,177,076)	981,691
Accrued vacation	3,716	(678)
Due from other funds	200,000	800,000
Other accrued expenses	3,601	6,608
Due to other funds	(2,105,700)	1,536,231
Closure/postclosure care	375,090	128,910
Net OPEB obligation	<u>28,417</u>	
Net cash provided by operating activities	<u>\$(1,248,140)</u>	<u>\$ 4,931,218</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, 2009

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
<u>Assets</u>			
Current assets:			
Cash and cash equivalents		\$ 1,656,963	\$ 1,656,963
Investments		55	55
Receivables-other	\$ 69,288	101,990	171,278
Due from other funds		500,000	500,000
Prepaid expense	22,750		22,750
Advances to other funds		1,528,409	1,528,409
Total assets	<u>92,038</u>	<u>3,787,417</u>	<u>3,879,455</u>
<u>Liabilities and Net Assets</u>			
Current liabilities:			
Accounts payable	51,312	1,033	52,345
Bank overdraft	60,663		60,663
Claims reserve	525,000	600,000	1,125,000
Total liabilities	<u>636,975</u>	<u>601,033</u>	<u>1,238,008</u>
Net assets:			
Unrestricted	(544,937)	3,186,384	2,641,447
Total net assets	<u>\$(544,937)</u>	<u>\$ 3,186,384</u>	<u>\$ 2,641,447</u>

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Year Ended June 30, 2009

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 4,138,880	\$ 1,033,528	\$ 5,172,408
Operating expenses:			
Administrative services	270,846	25,937	296,783
Risk management	<u>4,314,146</u>	<u>852,638</u>	<u>5,166,784</u>
Total operating expenses	<u>4,584,992</u>	<u>878,575</u>	<u>5,463,567</u>
Operating income (loss)	(446,112)	<u>154,953</u>	(291,159)
Nonoperating revenues:			
Investment income	<u>3,437</u>	<u>98,691</u>	<u>102,128</u>
Total nonoperating revenues	<u>3,437</u>	<u>98,691</u>	<u>102,128</u>
Income before transfers	(442,675)	253,644	(189,031)
Transfers in	39,091		39,091
Transfers out	(39,091)		(39,091)
Change in net assets	(442,675)	253,644	(189,031)
Net assets, beginning of year	(102,262)	<u>2,932,740</u>	<u>2,830,478</u>
Net assets, end of year	<u>\$(544,937)</u>	<u>\$ 3,186,384</u>	<u>\$ 2,641,447</u>

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2009

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 4,147,586	\$ 1,033,528	\$ 5,181,114
Cash paid to suppliers	(4,560,024)	(1,088,759)	(5,648,783)
Net cash provided (used) by operating activities	(412,438)	(55,231)	(467,669)
Cash flows from non-capital financing activities:			
Repayments of advances to other funds		60,147	60,147
Transfers in	39,091		39,091
Transfers out	(39,091)		(39,091)
Net cash provided (used) by non-capital financing activities	0	60,147	60,147
Cash flows from investing activities:			
Investment income	3,437	98,691	102,128
Net cash provided (used) by investing activities	3,437	98,691	102,128
Net increase (decrease) in cash	(409,001)	103,607	(305,394)
Cash, beginning of year	348,338	1,553,356	1,901,694
Cash, end of year	<u>\$ (60,663)</u>	<u>\$ 1,656,963</u>	<u>\$ 1,596,300</u>
Report on the balance sheet as:			
Cash and cash equivalents		\$ 1,656,963	\$ 1,656,963
Bank overdraft	\$ (60,663)		(60,663)
Total	<u>\$ (60,663)</u>	<u>\$ 1,656,963</u>	<u>\$ 1,596,300</u>
Cash flows from operating activities:			
Operating income	\$(446,112)	\$ 154,953	\$(291,159)
Adjustments to reconcile operating income to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	8,742		8,742
(Increase) decrease in prepaid expense	(36)		(36)
(Increase) decrease in interfund accounts		(200,000)	(200,000)
Increase (decrease) in accounts payable	24,968	(10,184)	14,784
Net cash provided (used) by operating activities	<u>\$(412,438)</u>	<u>\$(55,231)</u>	<u>\$(467,669)</u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$	\$ 348,338
Receivables-other	69,288	78,030
Prepaid expense	<u>22,750</u>	<u>22,714</u>
Total assets	<u>92,038</u>	<u>449,082</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	51,312	26,344
Bank overdraft	60,663	
Claims reserve	<u>525,000</u>	<u>525,000</u>
Total current liabilities	<u>636,975</u>	<u>551,344</u>
Net assets:		
Unrestricted	<u><u>\$ (544,937)</u></u>	<u><u>\$ (102,262)</u></u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenues	\$ 4,138,880	\$ 3,908,724
Operating expenses:		
Administrative services	270,846	273,012
Risk management	4,314,146	3,804,612
Total operating expenses	<u>4,584,992</u>	<u>4,077,624</u>
Operating income (loss)	(446,112)	(168,900)
Nonoperating revenues:		
Investment income	3,437	13,231
Total nonoperating revenues	<u>3,437</u>	<u>13,231</u>
Income (loss) before transfers	(442,675)	(155,669)
Transfers in	39,091	39,340
Transfers out	(39,091)	(39,340)
Change in net assets	(442,675)	(155,669)
Net assets, beginning of year	(102,262)	53,407
Net assets, end of year	<u><u>\$ (544,937)</u></u>	<u><u>\$ (102,262)</u></u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 4,147,586	\$ 3,859,728
Cash paid to suppliers	(4,560,024)	(4,075,473)
Net cash provided (used) by operating activities	<u>(412,438)</u>	<u>(215,745)</u>
Cash flows from non-capital financing activities:		
Transfers in	39,091	39,340
Transfers out	(39,091)	(39,340)
Net cash provided (used) by non-capital financing activities	<u>0</u>	<u>0</u>
Cash flows from investing activities:		
Investment income	<u>3,437</u>	<u>13,231</u>
Net cash provided (used) by investing activities	<u>3,437</u>	<u>13,231</u>
Net increase (decrease) in cash	(409,001)	(202,514)
Cash, beginning of year	<u>348,338</u>	<u>550,852</u>
Cash, end of year	<u><u>\$ (60,663)</u></u>	<u><u>\$ 348,338</u></u>
Report on the balance sheet as:		
Cash and cash equivalents		\$ 348,338
Bank overdraft	<u>\$ 60,663</u>	
Total	<u><u>\$ 60,663</u></u>	<u><u>\$ 348,338</u></u>
Cash flows from operating activities:		
Operating income (loss)	\$(446,112)	\$(168,900)
Adjustments to reconcile operating loss to net cash used for operating activities:		
(Increase) decrease in receivables	8,742	(48,996)
(Increase) decrease in prepaid expenses	(36)	(770)
Increase (decrease) in accounts payable	<u>24,968</u>	<u>2,921</u>
Net cash provided (used) by operating activities	<u><u>\$(412,438)</u></u>	<u><u>\$(215,745)</u></u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 1,656,963	\$ 1,553,356
Investments	55	55
Due from other funds	500,000	300,000
Receivables-other	101,990	101,990
Advances to other funds	<u>1,528,409</u>	<u>1,588,556</u>
Total assets	<u>3,787,417</u>	<u>3,543,957</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	1,033	11,217
Claims reserve	<u>600,000</u>	<u>600,000</u>
Total liabilities	<u>601,033</u>	<u>611,217</u>
Net assets:		
Unrestricted	<u>\$ 3,186,384</u>	<u>\$ 2,932,740</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Operating revenues:		
Charges for services	\$ 1,033,528	\$ 1,025,782
Operating expenses:		
Administrative services	25,937	25,907
Risk management	852,638	875,293
Total operating expenses	<u>878,575</u>	<u>901,200</u>
Operating income (loss)	<u>154,953</u>	<u>124,582</u>
Nonoperating revenues:		
Investment income	98,691	131,476
Total nonoperating revenues	<u>98,691</u>	<u>131,476</u>
Change in net assets	253,644	256,058
Net assets, beginning of year	<u>2,932,740</u>	<u>2,676,682</u>
Net assets, end of year	<u>\$ 3,186,384</u>	<u>\$ 2,932,740</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 1,033,528	\$ 1,025,782
Cash paid to suppliers	(1,088,759)	(1,085,676)
Net cash provided (used) by operating activities	<u>(55,231)</u>	<u>(59,894)</u>
Cash flows from non-capital financing activities:		
Repayment of advances to other funds	<u>60,147</u>	<u>57,147</u>
Net cash provided (used) by non-capital financing activities	<u>60,147</u>	<u>57,147</u>
Cash flows from investing activities:		
Sale (purchase) of investments		(1)
Investment income	<u>98,691</u>	<u>131,476</u>
Net cash provided (used) by investing activities	<u>98,691</u>	<u>131,475</u>
Net increase (decrease) in cash	103,607	128,728
Cash, beginning of year	<u>1,553,356</u>	<u>1,424,628</u>
Cash, end of year	<u>\$ 1,656,963</u>	<u>\$ 1,553,356</u>
Report on the balance sheet as:		
Cash and cash equivalents	<u>\$ 1,656,963</u>	<u>\$ 1,553,356</u>
Cash flows from operating activities:		
Operating income	\$ 154,953	\$ 124,582
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) in interfund accounts	(200,000)	(190,000)
Increase (decrease) in accounts payable	<u>(10,184)</u>	<u>5,524</u>
Net cash provided by operating activities	<u>\$(55,231)</u>	<u>\$(59,894)</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, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Governmental fund capital assets:		
Land	\$ 12,589,719	\$ 11,969,719
Buildings and improvements	12,798,082	11,125,881
Machinery and equipment	7,098,701	6,942,604
Vehicles	2,807,244	2,873,190
Infrastructure	19,830,718	15,449,591
Construction in progress		<u>3,670,229</u>
Total governmental fund capital assets	<u>\$ 55,124,464</u>	<u>\$ 52,031,214</u>
Investment in governmental fund capital assets by source:		
General fund revenues	\$ 9,910,289	\$ 9,516,866
General obligation bonds	3,000,000	3,000,000
Capital projects fund	35,054,388	32,354,561
Special revenues fund	3,656,722	3,656,722
Donations	<u>3,503,065</u>	<u>3,503,065</u>
Total governmental fund capital assets	<u>\$ 55,124,464</u>	<u>\$ 52,031,214</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*
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
June 30, 2009

<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	\$ 14,934,511	\$ 3,299,633	\$ 6,357,728	\$ 2,654,613	\$ 482,009	\$ 2,140,528	
Public safety	6,021,975	21,465	2,266,960	2,059,474	1,551,016	123,060	
Public service	10,403,091	2,059,815		1,197,141	417,469	6,728,666	
Culture and recreation	4,876,013	1,737,735	206,943	277,858	312,148	2,341,329	
Community development	18,888,874	5,471,071	3,966,451	909,615	44,602	8,497,135	
Total governmental funds capital assets	\$ 55,124,464	\$ 12,589,719	\$ 12,798,082	\$ 7,098,701	\$ 2,807,244	\$ 19,830,718	\$ 0

*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*
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
Year Ended June 30, 2009

<u>Function and Activity</u>	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2009</u>
General government	\$ 14,922,157	\$ 29,770	\$ 17,416	\$ 14,934,511
Public safety	6,094,240	173,835	246,100	6,021,975
Public service	9,818,524	584,567	0	10,403,091
Culture and recreation	4,834,963	41,050	0	4,876,013
Community development	<u>16,361,330</u>	<u>2,527,544</u>	<u>0</u>	<u>18,888,874</u>
Total governmental funds capital assets	<u>\$ 52,031,214</u>	<u>\$ 3,356,766</u>	<u>\$ 263,516</u>	<u>\$ 55,124,464</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, 2009

CHIP 05m-x-141-2-2921

Total grant	\$ 298,950
Less, total program funds drawn down by recipient for the year ended:	
June 30, 2009	(8,000)
June 30, 2008	<u>(89,738)</u>
Program funds available for future draw down	<u>\$ 201,212</u>
Total program funds drawn down by recipient for the year ended June 30, 2009	\$ 8,000
Add, program income applicable to the year ended June 30, 2009	<u>0</u>
Total program funds drawn by recipient and program income for the year ended June 30, 2009	<u>\$ 8,000</u>

CITY OF LAGRANGE, GEORGIA
 PROJECT COST SCHEDULE
 COMMUNITY HOME INVESTMENT PROGRAM GRANT
 Year Ended June 30, 2009

<u>Activity</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>		<u>Questioned Cost</u>
		<u>Year Ended June 30, 2009</u>	<u>Prior Years</u>	
CHIP 05m-x-141-2-2921:				
H-013-00	\$ 284,000	\$ 1,000	\$ 96,738	None
A-21A-00	<u>14,950</u>			None
	<u>\$ 298,950</u>	<u>\$ 1,000</u>	<u>\$ 96,738</u>	

CITY OF LAGRANGE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUNDS
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2009

<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	\$ 1,914,839	\$ 1,494,195	\$ 3,409,034
Bridge repair	880,000	0	0	0
Bike and sidewalk facilities	880,000	0	0	0
Utility relocation and construction	4,880,000	644,194	202,624	846,818
Public safety facilities and equipment	2,880,000	1,825,648	818,349	2,643,997

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.	91
<u>Revenue Capacity</u> - These schedules present information to help the reader assess the City's most significant local revenue source, utility revenue.	98
<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.	103
<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.	107
<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.	109

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 Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
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	\$ 31,408,873
Restricted for:							
Redevelopment programs	3,452,942	3,880,395	3,810,657	3,212,506	3,147,093	1,564,767	1,275,458
Perpetual care	619,029	592,765	504,840	521,646	616,599	619,478	580,728
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	4,382,007
Total governmental activities net assets	\$ 31,801,820	\$ 31,685,159	\$ 30,921,732	\$ 32,678,597	\$ 34,988,614	\$ 34,326,775	\$ 37,644,868
Business-type activities							
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	\$ 88,744,568
Restricted for:							
Redevelopment programs							
Perpetual care							
Unrestricted	19,220,003	23,774,590	15,595,791	14,858,506	11,136,298	11,166,823	19,395,224
Total business-type activities net assets	\$ 80,827,623	\$ 86,210,787	\$ 90,080,851	\$ 92,874,770	\$ 96,866,295	\$ 99,145,887	\$ 108,139,792
Primary government							
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	\$ 120,151,241
Restricted for:							
Redevelopment	3,452,942	3,880,395	3,810,657	3,212,506	3,147,093	1,564,767	1,275,458
Perpetual care	619,029	592,765	504,840	521,646	616,599	619,478	580,738
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	23,777,231
Total primary government net assets	\$ 112,729,443	\$ 117,895,946	\$ 121,002,583	\$ 125,553,367	\$ 131,855,879	\$ 133,472,662	\$ 145,784,668

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.

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S M A R T M O V E SM

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

	Fiscal Year Ended June 30						
Expenses	2003	2004	2005	2006	2007	2008	2009
Governmental activities:							
General government	\$ 1,299,278	\$ 1,957,196	\$ 1,887,233	\$ 1,861,149	\$ 1,774,541	\$ 2,071,915	\$ 2,214,134
Public safety	9,562,780	11,468,875	11,214,890	11,435,498	12,451,424	12,927,862	13,152,404
Public Service	4,321,136	2,316,783	4,276,819	3,250,325	2,811,952	2,822,341	2,708,868
Culture and recreation	641,908	1,024,664	944,364	1,015,887	1,033,239	1,201,017	1,097,198
Community development	1,265,763	1,576,977	1,568,303	1,849,841	2,216,201	5,320,867	2,151,152
Risk Management	4,272,833						
Miscellaneous			510,577	640,300	1,068,017	818,825	890,116
Interest on long-term debt.	340,575	372,771	423,878	511,415	388,276	874,110	615,465
Total governmental activities expenses	21,704,273	18,727,266	20,806,064	20,564,415	21,743,650	26,036,937	22,829,337
Business-type activities:							
Water and sewerage	11,846,135	8,642,457	11,250,626	12,472,000	12,689,848	11,535,187	11,711,112
Gas	12,982,663	14,658,958	17,004,842	21,836,159	17,185,437	18,427,268	16,769,452
Electric system	20,035,611	29,680,370	30,592,415	32,568,379	32,919,187	33,811,521	33,071,620
Sanitation	3,887,617	5,081,769	5,673,818	5,850,259	5,888,158	6,192,524	6,937,117
Telecommunications	2,085,184	1,910,459	1,243,870	1,773,071	2,032,142	2,229,256	2,120,507
Total business-type activities expenses	59,837,210	59,974,013	65,765,571	74,519,868	70,714,772	72,195,756	70,609,808
Total primary government expenses	\$ 81,541,483	\$ 78,701,279	\$ 86,571,635	\$ 95,084,283	\$ 92,458,422	\$ 98,232,693	\$ 93,439,145
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 339,156	\$ 170,880	\$ 276,231	\$ 588,084	\$ 427,172	\$ 404,484	\$ 165,722
Public safety	1,288,633	1,094,738	1,569,711	1,733,392	1,770,610	2,193,003	2,224,272
Public service	590,852		239,338	263,671	332,979	301,184	252,565
Culture and Recreation						72,083	75,000
Community development	96,134		1,119,295	914,157	1,155,887	2,438,571	1,244,589
Redevelopment and Housing		272,005				56,702	77,150
Risk management	4,071,574						
Operating grants and contributions	434,680	31,878	137,954	104,999	103,647	120,626	8,000
Capital grants and contributions		21,955	2,087,397	1,773,021	500,000	530,796	151,634
Total government activities program revenues	6,821,029	1,591,456	5,439,826	5,377,324	4,290,295	6,117,419	4,198,932
Business-type activities:							
Charges for services:							
Water and sewerage	11,480,750	12,383,971	12,304,516	13,060,052	15,283,242	15,235,164	16,438,835
Gas system	14,959,419	17,129,787	18,701,940	23,792,947	19,614,023	21,265,823	18,472,311
Electric system	33,835,447	34,569,540	35,716,067	38,009,059	38,628,435	39,330,658	41,105,416
Sanitation	5,514,095	6,284,443	6,943,583	7,249,559	7,052,969	6,894,842	7,277,443
Telecommunications	1,485,950	1,869,537	1,367,394	2,123,716	2,377,509	4,402,924	2,389,796
Operating grants and contributions						452,189	
Capital grants and contributions			1,402,765				2,750,000
Total business-type activities program revenues	67,275,661	72,237,278	76,436,255	84,235,333	82,956,178	87,581,600	88,413,801
Total primary government program revenues	\$ 74,096,690	\$ 73,828,734	\$ 81,876,181	\$ 89,612,657	\$ 87,246,473	\$ 93,699,049	\$ 92,612,733

Fiscal Year Ended June 30

	2003	2004	2005	2006	2007	2008	2009
Net (expense)/revenue							
Governmental activities	\$ (14,883,244)	\$ (17,135,810)	\$ (15,386,138)	\$ (15,187,091)	\$ (17,453,355)	\$ (19,919,488)	\$ (18,630,405)
Business-type activities	7,438,451	12,283,285	10,870,884	9,715,465	12,241,406	15,385,844	17,803,993
Total primary government net expense	<u>\$ (7,444,793)</u>	<u>\$ (4,852,525)</u>	<u>\$ (4,515,254)</u>	<u>\$ (5,471,626)</u>	<u>\$ (5,211,949)</u>	<u>\$ (4,533,644)</u>	<u>\$ (826,412)</u>
General Revenues and Other Changes							
Net Assets							
Governmental activities:							
Taxes							
General purpose taxes	\$ 2,395,447	\$ 2,494,787	\$ 2,640,202	\$ 2,763,775	\$ 2,882,297	\$ 2,981,632	\$ 3,294,587
Sales tax	3,967,486	3,937,371	4,012,504	4,536,174	5,231,281	9,591,123	8,184,516
Franchise taxes	1,324,246	994,855	912,312	987,147	1,047,832	1,097,656	1,240,566
Grants and contributions not restricted	79,039	122,886					
Unrestricted investment earnings	349,563	219,154	266,186	333,920	293,122	233,222	147,708
Gain on sale of capital assets	11,344	178,178	(880,722)	478,230	881,881	(24,281)	
Miscellaneous	83,224	1,645,214					
Transfers	6,997,602	7,326,724	7,327,795	7,844,710	9,427,959	8,717,307	9,081,129
Total government activities	<u>15,207,931</u>	<u>16,919,149</u>	<u>14,478,277</u>	<u>16,943,956</u>	<u>19,764,372</u>	<u>22,596,649</u>	<u>21,948,508</u>
Business-type activities:							
Unrestricted investment earnings	475,855	303,275	500,828	917,203	1,111,623	646,735	271,041
Gain on sale of capital assets		39,516	26,347	5,961	66,425	(90,650)	
Miscellaneous	461,680	103,832					
Transfers	(6,997,602)	(7,326,724)	(7,327,795)	(7,844,710)	(9,427,959)	(8,717,307)	(9,081,129)
Total business-type activities	<u>(6,060,067)</u>	<u>(6,880,101)</u>	<u>(6,800,620)</u>	<u>(6,921,546)</u>	<u>(8,249,911)</u>	<u>(8,161,222)</u>	<u>(8,810,088)</u>
Total primary government	<u>\$ 9,147,864</u>	<u>\$ 10,039,048</u>	<u>\$ 7,677,657</u>	<u>\$ 10,022,410</u>	<u>\$ 11,514,461</u>	<u>\$ 14,435,427</u>	<u>\$ 13,138,418</u>
Change in Net Assets							
Government activities	324,687	(216,661)	(887,861)	1,756,865	2,311,017	2,677,161	3,318,101
Business-type Activities	1,378,384	5,383,184	3,870,064	2,793,919	3,991,495	7,224,622	8,993,905
Total primary government	<u>\$ 1,703,071</u>	<u>\$ 5,166,503</u>	<u>\$ 2,982,203</u>	<u>\$ 4,550,784</u>	<u>\$ 6,302,512</u>	<u>\$ 9,901,783</u>	<u>\$ 12,312,006</u>

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General fund										
Reserved	\$ 855,918	\$ 718,022	\$ 714,284	\$ 806,803	\$ 782,600	\$ 206,050	\$ 194,759	\$ 251,157	\$ 843,120	\$ 793,082
Unreserved	(9,311)	129,386	994,972	777,129	707,072	1,565,837	1,990,109	1,988,670	1,967,494	2,475,461
Total general fund	\$ 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	\$ 3,268,543
All other governmental funds										
Reserved	\$ 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	\$ 3,357,489
Unreserved, reported in:										
Special revenue	209,940	243,425	253,371	188,067	(350,136)	(364,578)	197,349	172,874	2,325,087	2,172,814
Debt service	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	1,466,784
Capital projects	1,194,663		1,959,188	2,372,093	2,717,370	1,231,130	1,032,902	(751,407)	(263,321)	515,690
Total all other government funds	\$ 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	\$ 7,512,777

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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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Revenues										
Taxes, licenses and permits	\$ 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	\$ 12,972,234
Intergovernmental	437,733	303,031	290,242	500,719	176,699	2,288,485	2,100,494	1,261,121	1,791,439	1,444,399
Charges for services	175,934	263,893	341,695	368,893	251,220	267,242	339,184	373,674	389,462	386,410
Fines and forfeitures	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	1,817,862
Lease income									410,000	
Investment income	344,476	211,405	226,852	269,858	219,154	266,186	333,920	293,122	233,222	147,708
Miscellaneous	536,285	967,965	815,522	856,032	1,645,214	1,372,690	1,271,448	925,648	1,441,823	297,696
Total revenues	10,694,962	11,269,578	10,987,128	10,880,078	11,005,703	13,271,130	13,998,340	13,746,127	20,021,082	17,066,309
Expenditures										
General government	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	1,494,994
Public safety	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	12,432,950
Public service	3,046,519	2,982,267	2,449,313	2,745,594	1,902,134	3,763,165	2,798,923	2,318,629	2,308,335	2,156,083
Culture and recreation	1,048,531	981,100	1,117,854	697,984	819,841	755,436	852,432	857,379	1,003,840	884,840
Community development	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	1,549,630
Redevelopment and housing				261,730	247,774	388,976	387,302	807,255	519,307	599,055
Telecommunications and technology						116,714	258,735	262,935	294,671	276,701
Administrative and management				64,555	80,196	-	-	-		
Capital outlay	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	3,477,743
Debt service										
Principal	1,384,405	1,071,711	1,462,254	726,243	875,391	820,092	814,269	881,339	1,285,445	1,290,625
Interest	138,023	195,158	262,936	380,862	372,771	423,878	408,951	420,630	736,547	626,348
Total expenditures	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	24,788,969
Excess of revenues over (under) expenditures	(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)	(7,722,660)

Fiscal Year Ended June 30

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Other financing sources (uses)										
Proceeds from capital lease	4,632,944	1,041,978	4,076,822	612,233	525,419	150,586	398,688	800,953	1,268,232	257,752
Sale of fixed assets					178,178	20,183	495,421	907,147	81,855	30,144
Note payable										
Transfers in	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	11,903,713
Transfers out	(615,417)	(1,205,188)	(493,950)	(470,707)	(510,489)	(1,335,081)	(1,354,745)	(1,441,376)	(2,628,925)	(2,822,584)
Total other financing sources (uses)	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	9,369,025
Net change in fund balances	\$ 4,314,409	\$ (3,206,163)	\$ 4,993,014	\$ (3,213,812)	\$ 86,552	\$ (2,344,442)	\$ (450,880)	\$ (2,382,360)	\$ 3,704,083	\$ 1,646,365
Debt service as a percentage of noncapital expenditures	8.98%	7.68%	10.39%	6.75%	7.25%	6.27%	6.02%	6.05%	9.29%	9.00%

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

Fiscal Year Ended June-30	Property Tax	Local Option Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
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
2009	-	8,184,516	1,240,566	-	703,676	422,387	10,551,145

* Information not available

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

FINANCIAL RATIOS:

	<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>	<u>2009</u>
Water & sewer profit margin (%)	13.3	5.1	0.5	(11.2)	21.9	9.4	4.8	34.1	31.0	27.0
Gas profit margin (%)	16.8	10.4	14.7	14.3	20.7	10.0	8.2	12.7	16.0	9.0
Electric profit margin (%)	15.0	12.8	17.4	15.7	14.1	14.7	14.3	16.9	17.0	19.0
Telecom profit margin (%)	21.7	21.5	44.1	(5.6)	(2.1)	55.3	15.3	24.0	66.0	8.0
Return on total assets (%)	8.1	7.6	8.1	6.8	8.3	7.6	6.9	10.2	12.0	11.3
Return on equity (%)	12.7	11.6	12.6	9.0	14.2	12.3	10.5	19.8	22.1	17.7
Liabilities/Assets (%)	47.3	46.7	45.8	46.6	46.8	45.1	42.8	51.6	49.4	40.7
Current ratio (x)	2.4	2.7	3.4	2.9	3.2	2.5	2.1	3.2	2.0	1.9
Receivables avg. days outstanding	48.5	46.5	46.5	45.5	45.8	43.5	45.4	57.4	55.8	42.4
General fund transfer (% of Income)	90.5	81.9	83.8	101.3	64.1	73.2	68.1	93.8	42.0	62.0
General fund transfer (% of Revenue)	15.3	10.5	13.0	11.2	11.1	10.7	7.9	18.3	9.0	13.0
Net Equity Transfers Out (\$)	8,413	7,114	8,077	6,985	7,342	7,504	6,141	13,995	7,600	10,927
Capital investment versus depreciation (x)	1.2	0.6	0.4	0.7	2.5	2.2	2.0	5.4	1.7	4.3
Capitalization (\$)	111,970	111,488	110,252	109,230	117,957	116,899	115,637	121,106	119,735	127,250
Working Capital (\$)	10,149	12,150	17,643	17,389	20,177	14,924	10,525	16,027	11,465	12,354

OPERATING INFORMATION:

Electric MWH purchases	532,834	548,980	548,242	551,238	535,310	525,129	513,354	502,517	497,201	485,857
Electric \$/MWH purchased	47.61	51.04	48.98	48.43	51.27	54.74	60.67	60.73	61.95	65.16
Electric MWH sales	508,351	521,845	518,079	526,194	509,969	506,029	492,641	482,332	477,031	462,132
Electric \$/MWH sold	58.93	61.23	64.93	63.08	64.81	65.40	69.36	74.03	74.88	79.37
Electric Operating \$/MWH sold	3.151	3.605	5.314	4.166	3.377	4.565	4.009	4.489	4.023	6.140
Installed Electric meters	12,009	12,009	12,534	12,591	12,654	12,754	12,873	12,919	14,018	13,288
Electric employees	12	12	12	12	12	12	12	12	12	15
meters/employee	1,001	1,001	1,045	1,049	1,055	1,063	1,073	1,077	1,168	886
MWHs/employee	42,363	43,487	43,173	43,850	42,497	42,169	41,053	40,194	39,753	30,809
Gas Dth purchases	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	1,871,114
Gas \$/Dth purchased	3.41	6.82	4.55	5.49	6.03	7.23	10.27	7.28	8.09	6.61
Gas Dth sales	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	1,813,037
Gas \$/Dth sold	5.30	9.27	6.77	7.61	8.50	9.66	13.22	9.93	10.98	10.38
Gas Operating \$/Dth sold	0.78	0.83	0.84	0.69	0.68	1.05	0.71	0.81	1.02	1.36
Installed Gas meters	8,663	9,000	9,422	9,548	9,538	9,545	9,580	9,567	9,560	9,552
Gas employees	12	12	12	12	12	12	12	12	12	12
meters/employee	722	750	785	796	795	795	798	797	797	796
Dth/employee	162,333	167,667	155,081	162,794	167,201	159,564	151,141	166,499	164,004	151,086

Water MMGAL sales	2,430	2,299	2,238	2,252	2,145	2,142	2,198	2,406	2,261	2,087
Water \$/MGAL sold	2.76	2.76	2.92	2.83	3.18	3.27	3.46	3.66	3.73	4.75
Water and Sewer Operating/MGAL	2.46	2.59	2.66	2.69	2.97	3.49	4.10	2.99	3.55	2.74
Installed Water meters	15,925	16,200	17,504	17,856	18,207	18,502	18,700	19,002	19,262	19,324
Water distribution employees	14	13	13	13	16	16	16	17	17	17
Water production employees	14	14	14	14	14	14	13	13	13	13
meters/distribution employee	1,138	1,246	1,346	1,374	1,138	1,156	1,169	1,118	1,133	1,137
meters/production employee	1,138	1,200	1,297	1,323	1,349	1,322	1,438	1,462	1,482	1,486
MMGAL/distribution employee	174	177	172	173	134	134	137	142	133	123
MMGAL/production employee	174	170	166	167	159	153	169	185	174	160
Customer Service Reps	6	6	6	6	6	6	6	6	6	6
Meters/CSR	6,100	6,202	6,577	6,666	6,733	6,800	6,859	6,915	7,140	7,027
Utility Service Workers	8	8	8	9	9	9	9	9	9	9
Meters/Service Worker	4,575	4,651	4,933	4,444	4,489	4,533	4,573	4,610	4,760	4,685
Orders per USW		2,086	2,273	2,171	2,460	2,790	3,112	3,089	2,871	2,970

Notes:

Changed from read to installed meters in 2000.

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

	2009			2001*		
	Customer	Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank
	Milliken & Co.	\$ 895,767	1	5.6	\$ 774,006	1
	West Ga Medical Park	238,339	2	1.5	135,371	3
	Troup County Commissioners	216,391	3	1.4	81,807	6
	City of Greenville	213,628	4	1.3	129,165	4
	City of Hogansville	181,365	5	1.1		
	Kimberly Clark	116,033	6	0.7	90,419	5
	Troup Co. School System	92,510	7	0.6	74,262	7
	LaGrange College	71,313	8	0.4		
	Lee Crossing Rent Office	68,654	9	0.4	55,728	8
	Whispering Pines Apts	60,516	10	0.4		
	West Point Home Inc.					
	Tall Pines					
	City of LaGrange					
		<u>\$ 2,154,516</u>		<u>13.4</u>	<u>43,622</u>	<u>10</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 Natural Gas Customers
Current Year and Eight Years Ago

	2009			2001 *		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Milliken & Co.	\$ 5,398,359	1	28.2	\$ 3,539,697	1	18.1
Kimberly Clark	812,660	2	4.3	871,729	2	4.5
Exxon Mobil	771,291	3	4.0	693,018	4	3.5
Mountville Mills	646,709	4	3.4	303,967	10	1.6
West Ga Medical Park	578,991	5	3.0	493,393	5	2.5
Interface Flooring Systems	543,667	6	2.9	415,630	9	2.1
City of LaGrange	361,381	7	1.9			
Troup Co. School System	349,730	8	1.8	455,197	7	2.3
LaGrange Moulding Co.	259,818	9	1.4			
Emerson Network Power	249,830	10	1.3			
West Point Home Inc.				779,610	3	4.0
Shorewood Packaging				460,200	6	2.4
Kleen Tex #2				435,593	8	2.2
	<u>\$ 9,972,436</u>		<u>52.2</u>	<u>\$ 8,448,034</u>		<u>43.2</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 Eight Years Ago

Customer	2009			2001 *		
	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank	Percentage of Total Customer Charges
Exxon Mobil	\$ 3,205,170	1	8.1	\$ 2,205,576	1	6.4
Duracell USA	2,056,954	2	5.2	1,181,075	3	3.4
City of LaGrange	1,585,694	3	4.0	1,325,188	2	3.9
West Ga Medical Park	1,440,936	4	3.7	1,052,814	4	3.1
Wal-Mart	1,372,249	5	3.5	868,035	7	2.5
Interface Flooring Systems	1,143,451	6	2.9	784,703	10	2.3
Troup Co. School System	1,073,653	7	2.7	852,944	8	2.5
SAFA	807,644	8	2.0			
LaGrange College	725,173	9	1.8			
Mountville Mills	605,848	10	1.5			
Shorewood Packaging				902,318	5	2.6
Treadgear Films Division				892,436	6	2.6
Freudenberg NOK				836,286	9	2.4
	\$ 14,016,772		35.4	\$ 10,901,375		31.7

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**	
	Intergovernmental Agreements	Capital Leases	Notes Payable	Revenue Bonds	Intergovernmental Agreements	Capital Leases				Notes Payable
2000		\$ 5,808,924	\$ 955,000	\$ 46,257,203		\$ 3,008,321	\$ 1,798,583	\$ 57,828,431	13.36%	2,224
2001		5,810,405	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	52,885,870	11.19%	1,975
2004		4,700,991	3,550,000	43,884,408		2,703,682	2,664,790	57,613,871	11.83%	2,130
2005		4,136,485	3,445,000	39,638,372		2,235,762	2,653,090	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	2,317,400	42,719,659	8.01%	1,532
2008	\$ 6,550,000		3,015,000	28,135,000	\$ 4,790,000	2,934,287	5,425,407	53,119,011	5.74%	1,889
2009	6,342,500		2,835,000	26,875,000	4,625,000	2,339,656	5,749,678	52,489,668	9.53%	1,846

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 107 for personal income and population data.

City of LaGrange, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2009

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable *</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt:			
Troup County, Georgia	\$ 5,207,838	44%	\$ 2,291,448
Troup County Board of Public Education	34,210,171	44%	15,052,475
Subtotal, overlapping debt			<u>17,343,923</u>
Direct debt:			
City of LaGrange, Georgia			12,800,434
governmental activities			-
LaGrange Development Authority			<u>12,800,434</u>
Subtotal, direct debt			<u>12,800,434</u>
Total direct and overlapping debt			<u>\$ 30,144,357</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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Debt limit	\$ 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	\$ 93,574,966
Total net debt applicable to limit										
Total net debt margin	\$ 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	\$ 93,574,966
Total 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										
										2009
Assessed value										\$ 935,749,663
Add Back: Exempt real property										-
Total assessed value										935,749,663
Debt limit (10% of total assessed value)										93,574,966
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										\$ 93,574,966

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	
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
2009	16,442,162	8,216,102	8,224,060	3,705,000	608,890	4,313,890	1.91

* 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 Capital Income *	Median Age *	Education Level in Years of Formal Schooling	City / County Consolidated School Enrollment **	Unemployment Rate ***
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%
2009	28,401	550,865,731	19,689	32.8	N/A	12,646	9.5%

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	2009			2000		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Troup County School System	Education	1711	1	15.20%	*		
Wal-Mart Distribution Center	Warehousing	1500	2	13.30%	*		
Milliken & Co.	Textiles	1405	3	12.50%	*		
West Georgia Health Systems	Medical Services	1358	4	12.10%	*		
KIA Motors	Car Manufacturing	700	5	6.20%	*		
Intercall	Web Conferencing Provider	700	6	6.20%	*		
Interface Flooring	Floor coverings	600	7	5.30%	*		
Duracell	Batteries	475	8	4.20%	*		
Troup County Board of Commissioners	Government	473	9	4.20%	*		
City of LaGrange	Government	423	10	3.80%	*		

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities										
General Government										
Public safety	26	26	26	27	28	29	29	19	19	18
Police	100	100	105	106	106	107	108	97	97	94
Fire	59	59	60	59	59	59	59	60	60	58
Animal control	3	3	3	3	3	3	3	3	3	3
Court services	4	4	3	3	3	3	3	2	3	3
Probation services	0	3	4	5	5	4	4	4	4	4
Public service										
Landscaping & cemeteries	14	14	14	14	14	13	13	15	15	12
Highways & streets	18	18	20	20	20	20	20	20	20	19
Traffic control	3	3	3	3	3	3	3	2	2	2
Trash and refuse	9	9	9	9	9	9	9	9	9	8
Engineering	2	2	2	1	1	1	1	1	1	2
Community development										
Life & building safety	0	0	0	0	7	7	7	0	0	0
Housing & inspections	1	1	1	2	2	2	2	2	2	2
Economic development	0	0	0	0	0	1	1	2	2	2
Community and economic development	14	15	10	12	3	4	3	9	9	9
Other governmental services										
Vehicle maintenance	15	15	15	15	15	15	15	15	15	15
Local governmental television						2	2	2	2	2
Total governmental activities	268	272	275	279	278	282	282	262	263	253
Business-type activities										
Water & sewerage	64	61	60	60	63	63	63	62	62	62
Electric	12	12	12	12	12	12	12	12	12	15
Gas	12	12	12	12	12	12	12	12	12	11
Telecommunications	2	2	3	3	5	5	5	4	4	6
Sanitation	29	30	32	28	33	32	32	33	33	33
Business-type activities support services	25	26	27	28	28	27	28	28	28	28
Total Business-type activities	144	143	146	143	153	151	152	151	151	155
Grand total	412	415	421	422	431	433	434	413	414	408

Data Source: City Finance Department

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

Function	Fiscal Year Ended June 30									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Physical arrests	4129	3956	3626	3521	4319	4537	4489	5042	5417	5826
Parking violations	543	1638	789	1155	689	1253	1158	1205	571	564
Traffic violations	14007	13142	13818	11851	15404	13053	14687	15116	17486	18945
Fire										
Number of calls answered	2585	2693	2766	2795	2908	2854	2514	2632	3020	3436
Inspections	800	800	157	125	901	1235	2197	2763	3201	2842
Health and Welfare										
Animal Control (captured animals-City)	*	*	*	1359	1431	1128	908	500	1329	1454
Highways and streets										
Street resurfacing (miles)	9	8	10	9	8	4	9	2	1	15
Potholes repaired	2618	2572	2398	2461	2429	2554	2360	2500	520	500
Water and sewerage										
New water connections	430	275	1304	352	351	295	198	383	114	93
New sewage connections	N/A	N/A	577	*	399	184	179	305	299	275
Average daily consumption (thousands of gallons)	6658	6299	6132	6170	5877	5869	6022	6590	6195	5719
Average daily sewage treatment (thousands of gallons)	6110	5910	5250	6990	5740	6310	5150	5320	5280	5465
Gas										
Breaks on gas main	113	131	149	195	68	75	9	10	15	21
Solid waste										
Refuse collected (tons/day)	226	238	297	307	325	359	386	441	480	485
Recyclables collected (tons/day)	3	4	5	5	6	7	7	7	7.5	7

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									
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	36	39	44	53	68	75	81	77	83	86
Fire stations	3	3	3	3	3	3	3	3	4	5
Fire engines	9	9	9	9	9	9	9	8	10	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	207	207	207
Parks	12	12	12	12	12	12	12	14	14	14
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	4	4	4	4	4	3	3	3
Community centers	1	1	1	1	1	1	1	2	2	2
Highways and streets										
Streets (miles)	186	190	190	192	192	194	198	205	207	207
Streetslights (additions)	*	146	114	93	84	202	176	106	87	138
Traffic signals (City owned)	15	15	15	15	15	15	15	9	9	9
Water and sewerage										
Water mains (miles)	181	185	186	188	188	191	195	200	210	215
Fire hydrants	1,502	1,544	1,597	1,630	1,671	1,704	1,729	1,800	1,850	1,900
Maximum daily water capacity (thousands of gallons)	13,400	12,000	15,000	10,800	10,000	10,100	12,400	11,500	13,000	22,000
Sanitary sewers (miles)	186	190	190	192	192	194	198	210	215	215
Storm sewers (miles)	41	42	45	47	47	49	51	55	57	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)	210	212	217	228	241	248	250	260	310	324
Number of distribution stations	14	15	15	15	15	15	13	12	11	11
Sanitation										
Collection trucks	45	45	27	28	30	32	33	35	34	35

Data Sources: Various City departments.

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

* Information Not Available

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