

**CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Year Ended June 30, 2014

Prepared by:

DEPARTMENT OF FINANCE

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2014

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of transmittal.....	i
Certificate of Achievement for Excellence in Financial Reporting	vi
List of principal officials.....	vii
Organization chart	viii
FINANCIAL SECTION	
Independent auditors' report.....	1
Management's discussion and analysis	4
Basic financial statements:	
Government-wide financial statements:	
Statement of net position	10
Statement of activities	11
Fund financial statements:	
Balance sheet - Governmental funds.....	12
Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position	13
Statement of revenues, expenditures, and changes in fund balances - Governmental funds	14
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities.....	15
Statement of revenues, expenditures and changes in fund balance - Budget and actual - General fund	16
Statement of net position - Proprietary funds	18
Statement of revenues, expenses, and changes in fund net position - Proprietary funds	19
Statement of cash flows - Proprietary funds	20
Notes to basic financial statements.....	22
Required supplementary information:	
Schedule of funding progress - Defined benefit pension plan	44
Schedule of funding progress - Other post-employment benefits plan.....	45
Supplemental information:	
Nonmajor governmental funds:	
Combining balance sheet - Nonmajor governmental funds.....	46
Combining statement of revenues, expenditures, and changes in fund balances - Nonmajor governmental funds	47
Capital projects funds:	
Capital projects fund:	
Comparative balance sheets	48
Comparative statements of revenues, expenditures, and changes in fund balance.....	49
SPLOST Fund:	
Comparative balance sheets	50
Comparative statements of revenues, expenditures, and changes in fund balance.....	51
Special revenue funds:	
Community development fund:	
Comparative balance sheets	52
Comparative statements of revenues, expenditures, and changes in fund balance.....	53
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	54

**CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
Special revenue funds (continued):	
Grant fund:	
Comparative balance sheets	55
Comparative statements of revenues, expenditures, and changes in fund balance.....	56
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	57
Hotel/Motel tax fund:	
Comparative statements of revenues, expenditures, and changes in fund balance.....	58
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual	59
Debt service fund:	
Comparative statements of revenues, expenditures, and changes in fund balance	60
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual.....	61
Major governmental funds:	
General fund:	
Comparative balance sheets	62
Comparative statements of revenues, expenditures, and changes in fund balance	63
Enterprise funds:	
Utility fund:	
Comparative statements of net position	64
Comparative statements of revenues, expenses, and changes in fund net position	65
Comparative statements of cash flows	66
Schedule of operating income	68
Schedule of changes in utility plant in service	69
Comparative schedules of revenues	70
Water and sewerage fund:	
Comparative statements of net position	71
Comparative statements of revenues, expenses, and changes in fund net position	72
Comparative statements of cash flows	73
Sanitation fund:	
Comparative statements of net position	74
Comparative statements of revenues, expenses, and changes in fund net position	75
Comparative statements of cash flows	76
Internal service funds:	
Combining statement of net position.....	77
Combining statement of revenues, expenses, and changes in fund net position.....	78
Combining statement of cash flows	79
Group insurance fund:	
Comparative statements of net position	80
Comparative statements of revenues, expenses, and changes in fund net position	81
Comparative statements of cash flows	82
Property and casualty fund:	
Comparative statements of net position	83
Comparative statements of revenues, expenses, and changes in fund net position	84
Comparative statements of cash flows	85
Capital assets used in the operation of governmental funds:	
Comparative schedules of capital assets by source	86
Schedule of capital assets by function and activity.....	87
Schedule of changes in capital assets by function and activity	88
Additional data:	
Special local option sales tax funds:	
Schedule of projects constructed with special sales tax proceeds	89

**CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2014**

TABLE OF CONTENTS

	<u>Page</u>
STATISTICAL SECTION (UNAUDITED)	
Net position by component.....	90
Changes in net position	91
Fund balances of governmental funds	93
Changes in fund balances of governmental funds	94
General governmental tax revenues by source.....	95
Utility department - Operating and financial ratio analysis	96
Principal water customers	98
Principal natural gas customers	99
Principal electric customers.....	100
Ratios of outstanding debt by type	101
Direct and overlapping governmental activities debt.....	102
Legal debt margin information	103
Pledged-revenue coverage	104
Demographic and economic statistics	105
Principal employers by number of employees.....	106
Full-time equivalent city government employees by function	107
Operating indicators by function	108
Capital asset statistics by function.....	109



December 1, 2014

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, 2014 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 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 twelfth 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 seven (7) departments: Community Development, Economic 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 30,000 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, as amended by GASB61, 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.

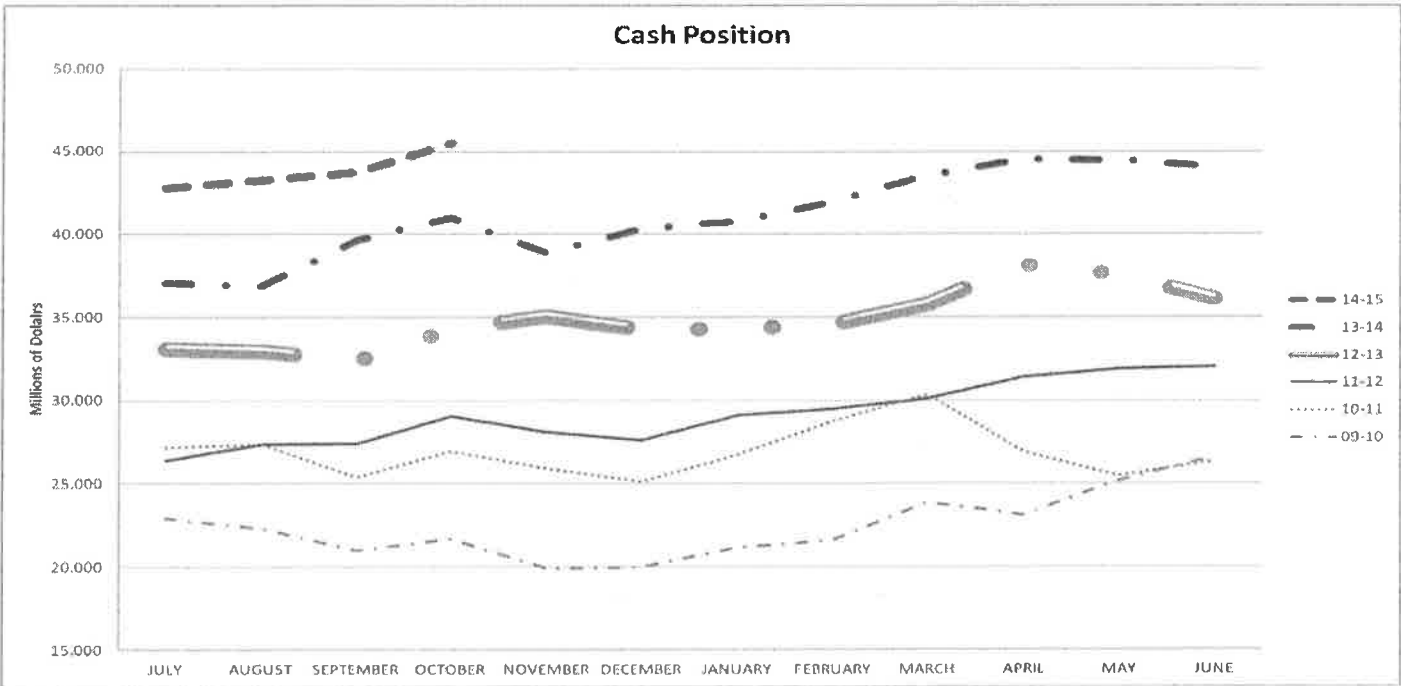
LaGrange is home to over 39 industries in three industrial parks. The 1,600 acre LaGrange Industrial Park and Jim Hamilton Industrial Park, 640 acre park, are home to a dozen Fortune 500 companies. A newer park, Callaway South Industrial Park, is currently developing, and is home to one major Kia supplier.

The economic environment the City continues to operate in remains challenging. Unfortunately, we have seen little growth in the housing market and even the multi-family residential market remains stagnant. We have had some increase in retail investment in LaGrange, including the new Wal-Mart neighborhood grocery store, and we expect further announcements in the coming year. Also, as will be detailed below, we anticipate a robust jobs picture in the coming year so our economic environment seems positive. The good news is the City is economically healthy, and has made positive investments in infrastructure over the last several years and is well positioned to capitalize on growth opportunities that may present itself from both residential and commercial growth.

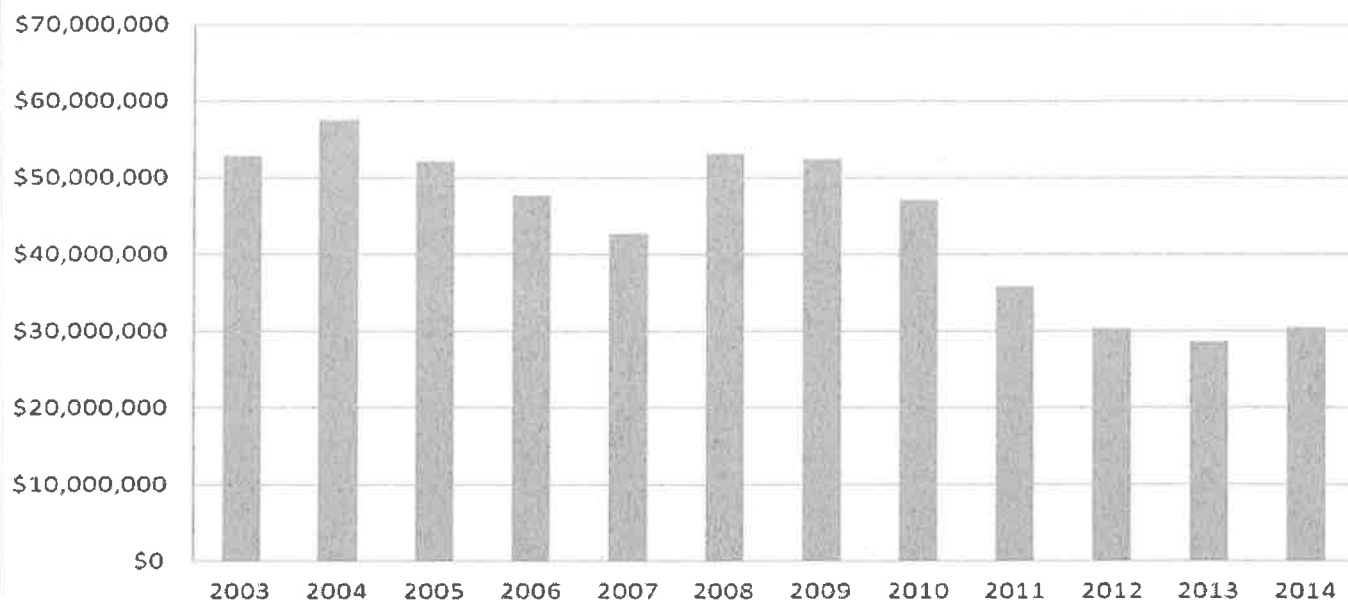
FINANCIAL INFORMATION

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.

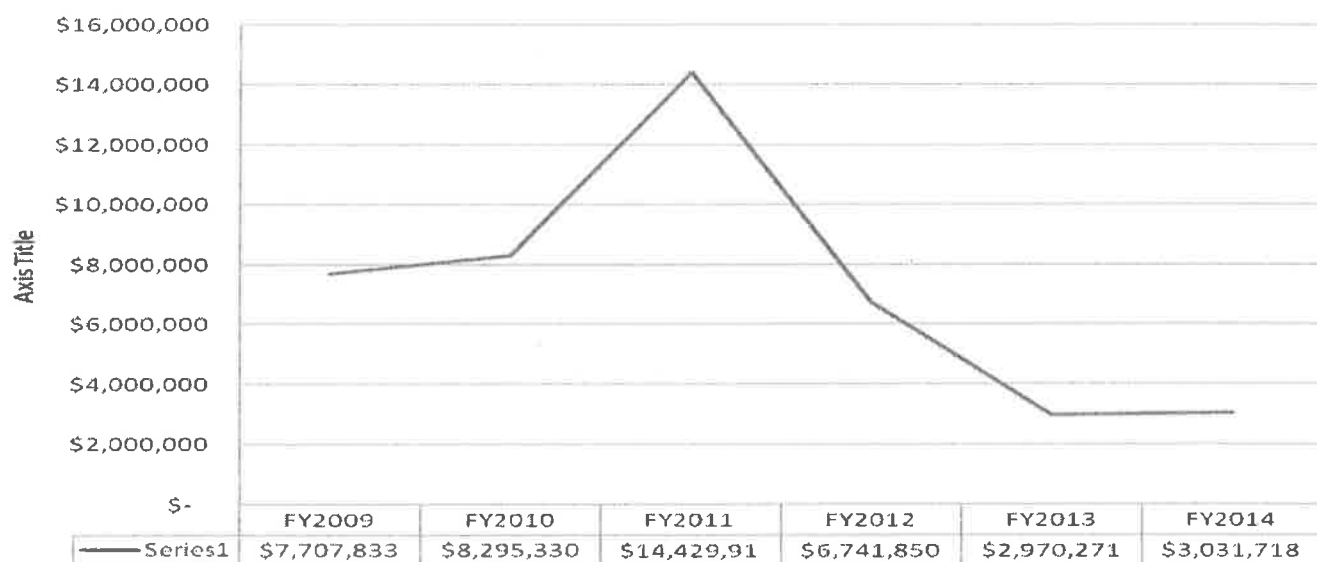
The national and local economies remain challenged since the recession in 2008. Our local housing market has not recovered and several of the projects which we were anticipating to fuel future growth of the city have not materialized. Magnolia, River Mill, Bryant Lake, Homecoming, and others have all gone into financial distress or been simply abandoned. Despite this, City finances are stable and even improving. Over the past few years we have taken several steps to improve our cash flow position as is evidenced by the City's cash balance graph below. We continue to receive cash distributions from the MEAG Trust Fund and will continue to do so for another two years. We have made deliberate decisions not to spend the MEAG Trust dollars that have been distributed to the City's General Funds and to manage the City with sustainable revenues and expenses on an annual basis. As such, our cash balance has improved and we will need those funds to adjust for the upcoming cost of financing the investment the City has made in the Vogtle units. Presented below are three graphs; one showing historical cash balance of the City, the next one showing our total indebtedness, and the final one showing the impact on our debt reduction initiatives and refinancing initiatives to lower interest costs on annual debt expenditures. As you can see, our cash position over the years has gotten much stronger while we have paid down some debt and refinanced other debt which improves our future cash flow position. As you can see, the net cash flow position to the City is a result of our financing activities over the last couple of years has resulted in net positive cash flow of approximately \$2.5 million dollars per year.



Outstanding Debt



Debt Payments FY 2009 to FY 2014



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, 2014 and the amount and percentage of increases and decreases in relation to the prior year's revenue. Total Revenues and Total Expenses showed decreases in both revenues and expenses from 2013 to 2014. (A 3.7% decrease in revenue for General Government Funding and a 7.12% decrease in expense.) The governmental fund held relatively stable from 2013 to 2014.

Revenues	Amount	% of Total	Increase (Decrease) from 2013	Percent of Increase (Decrease)
Taxes, Licenses and Permits	10,273,853	60.8%	313,430	3.14%
Intergovernmental	3,364,073	20%	(619,241)	(15.5%)
Charges for services	257,906	1.5%	(3,062)	(1.17%)
Fines	1,613,749	10%	(214,896)	(11.75%)
Investment Income	39,445	.2%	(96,373)	(70.96%)
Grants and Subsidies	0	0	0	0
Lease Income	1,091,631	6%	7,992	.73%
Miscellaneous	269,320	1.5%	(44,482)	(14.18%)
TOTAL	16,909,977	100%	(656,632)	(3.7%)

Expenditures	Amount	% of Total	Increase (Decrease) from 2013	Percent of Increase (Decrease)
General Government	2,788,282	10%	171,911	6.57%
Public Safety	15,754,520	57%	578,286	3.81%
Public Services	2,540,906	9%	101,318	4.15%
Culture and Recreation	1,006,218	4%	64,051	6.79%
Community Development	1,769,655	6%	(46,121)	(2.54%)
Debt Service	1,567,298	6%	(508,834)	(24.5%)
Capital Outlay	2,069,941	8%	(2,470,387)	(54.41%)
TOTAL	27,496,820	100%	(2,109,776)	(7.12%)

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 AJK, LLC to perform the audit. The auditor's report on financial statements is included in the financial section of this report.

Awards

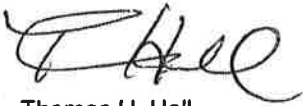
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2013. This was the twenty seventh year that 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 AJK, 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



Government Finance Officers Association

**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, 2013

Executive Director/CEO

City of LaGrange, Georgia
LIST OF PRINCIPAL OFFICIALS

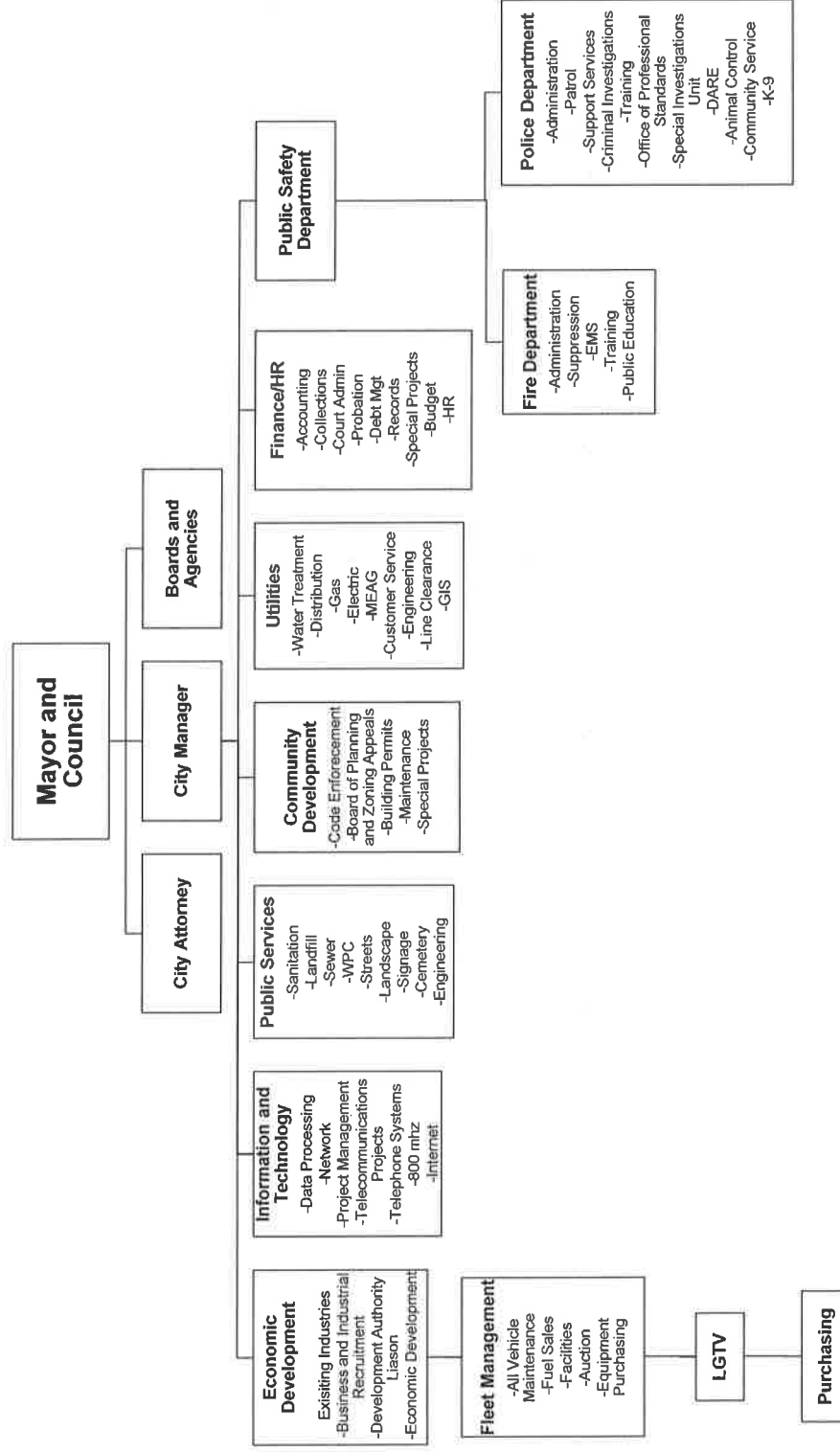
June 30, 2014

ELECTED OFFICIALS

Jim Thornton	Mayor
Norma Tucker	Council Member
Willie T. Edmondson	Council Member
Tom Gore	Council Member
LeGree McCamey	Council Member
Bobby A. Traylor	Council Member
Nick Woodson	Council Member

OTHER OFFICIALS

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



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
City of LaGrange, Georgia

Report on the Financial Statements

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 City of LaGrange, Georgia, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of funding progress information on pages 44 and 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements. The introductory section, combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of LaGrange, Georgia's basic financial statements for the year ended June 30, 2013, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements as a whole. The individual fund financial statements, for the year ended June 30, 2013 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2013 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2013 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2014, on our consideration of the City of LaGrange, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of LaGrange, Georgia's internal control over financial reporting and compliance.



Manchester, Georgia
November 10, 2014

AJK

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, 2014. 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-v of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of 2014 by 185,227,968. Of this amount, \$22,953,364 may be used to meet the City's ongoing obligations.
- The City's total net position increased by \$2,999,595.
- As of the close of 2014, the City's governmental funds reported combined ending fund balances of \$8,269,804, an increase of \$1,767,918 from the prior year.
- At the end of 2014, the fund balance for the general fund was \$2,595,688 or 10.87 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 position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net positions 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 position 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 and which is the City's only major governmental fund. 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, Water and Sewerage Fund 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, Water and Sewage, 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 position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$185,227,968 at the close of 2014.

A substantial portion of the City's net position (84 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, 2014 and June 30, 2013, are as follows:

	Governmental Activities 2014	Governmental Activities 2013	Business-type Activities 2014	Business- type Activities 2013	Totals 2014	Totals 2013
Current and other assets	\$12,974,743	\$11,055,100	\$61,720,335	\$57,644,151	\$74,695,078	\$68,699,251
Capital assets	<u>46,046,726</u>	<u>46,480,656</u>	<u>131,527,440</u>	<u>130,238,797</u>	<u>177,574,166</u>	<u>176,719,453</u>
Total assets	<u>59,021,469</u>	<u>57,535,756</u>	<u>193,247,775</u>	<u>187,882,948</u>	<u>252,269,244</u>	<u>245,418,704</u>
Long-term liabilities	6,701,983	7,513,518	28,065,562	25,385,953	34,767,545	32,899,471
Other liabilities	<u>5,847,837</u>	<u>4,875,840</u>	<u>26,425,894</u>	<u>25,415,020</u>	<u>32,273,731</u>	<u>30,290,860</u>
Total liabilities	<u>12,549,820</u>	<u>12,389,358</u>	<u>54,491,456</u>	<u>50,800,973</u>	<u>67,041,276</u>	<u>63,190,331</u>
Net position						
Invested in capital assets, net of related debt	43,561,422	43,576,398	112,233,680	113,861,863	155,795,102	157,438,261
Restricted	6,479,502	4,881,359	0	0	6,479,502	4,881,359
Unrestricted	<u>(3,569,275)</u>	<u>(3,311,359)</u>	<u>26,522,639</u>	<u>23,220,112</u>	<u>22,953,364</u>	<u>19,908,753</u>
Total net position	<u>\$46,471,649</u>	<u>\$45,146,398</u>	<u>\$138,756,319</u>	<u>\$137,081,975</u>	<u>\$185,227,968</u>	<u>\$182,228,373</u>

A portion of the City's net position (3.49%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position (\$22,953,364) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of 2014, the City is able to report positive balances in net assets or fund balances, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities

Governmental activities increased the City's net position by \$1,325,251. The increase in cash position for governmental activities is attributed to increases in franchise tax, insurance premium tax, ad valorem title tax, alcohol taxes and occupational business licenses. A sluggish economy continues with low building permit fees and a decrease in sales taxes. Below is a breakdown of revenues and expenses by governmental and business type activities for 2014 and 2013.

	Governmental Activities 2014	Governmental Activities 2013	Business- type Activities 2014	Business- type Activities 2013	Totals 2014	Totals 2013
Revenues						
Program revenues						
Charges for services	\$3,370,314	\$3,606,881	\$97,720,951	\$90,534,820	\$101,091,265	\$94,141,701
Grants & Contributions	3,374,800	3,986,753	0	0	3,374,800	3,986,753
General revenues						
Other taxes	10,135,574	9,840,596	0	0	10,135,574	9,840,596
Other	29,289	132,379	43,952	15,114	73,241	147,493
Total revenues	16,909,977	17,566,609	97,764,903	90,549,934	114,674,880	108,116,543
Expenses						
General government	3,453,023	3,351,184	0	0	3,453,023	3,351,184
Public safety	16,512,002	15,583,597	0	0	16,512,002	15,583,597
Public service	2,855,304	2,925,579	0	0	2,855,304	2,925,579
Culture and recreation	1,156,457	1,090,148	0	0	1,156,457	1,090,148
Community development	3,160,331	2,885,126	0	0	3,160,331	2,885,126
Interest on long-term debt	327,250	583,580	0	0	327,250	583,580
Utilities	0	0	75,971,873	69,718,397	75,971,873	69,718,397
Solid waste	0	0	8,239,045	9,325,713	8,239,045	9,325,713
Total expenses	27,464,367	26,419,214	84,210,918	79,044,110	111,675,285	105,463,324
Increase in net position before transfers	(10,554,390)	(8,852,605)	13,553,985	11,505,824	2,999,595	2,653,219
Transfers	11,879,641	10,522,376	(11,879,641)	(10,522,376)	0	0
Increase (decrease) in net position	1,325,251	1,669,771	1,674,344	983,448	2,999,595	2,653,219
Net position - beginning of year	45,146,398	43,476,627	137,081,975	136,098,527	182,228,373	179,575,154
Net position - end of year	\$46,471,649	\$45,146,398	\$138,756,319	\$137,081,975	\$185,227,968	\$182,228,373

Business-type activities

Business-type activities increased the City's net position by \$1,674,344. Operating revenues increased by \$7,214,969 due to increases in water/sewer, electric, gas and telecommunication sales for fiscal year 2014. Expenses remained stable with a 6.5% increase. This increase in expenses is reflective of electric and gas purchases during the fiscal year. The City's net income remains strong and 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 2014, unassigned fund balance of the general fund was \$1,532,232, while total fund balances reached \$2,595,688. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 6.4 percent of the total general fund expenditures, while total fund balance represents 10.8 percent of that same amount. Transfers in from other funds to supplement the general fund were \$733,326 from non-major governmental funds; \$34,508 from internal service funds, and \$11,529,213 from proprietary funds, for a total of \$12,297,047, representing 51.4 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 remained healthy at the end of June, 2014. An increase of \$63,746 in fund balance occurred over the course of Fiscal Year 2014. Proceeds from capital leases, contributed to a positive increase in fund balance for 2014.

Other non-major governmental funds have a total fund balance of \$5,674,116. The City showed a net increase of \$1,704,172 in the fund balance during the current year for non-major governmental funds. This increase is a result of a decrease in SPLOST expenditures. There were negligible decreases in revenues, decreases in transfers in, and decreases in transfers out.

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 position of the Utility Fund at the end of 2014 amounted to \$20,465,505, Water and Sewer Fund \$9,614,315 and those for the Solid Waste Fund amounted to (\$3,557,181). The total change in net position for each fund was \$196,019, \$317,757 and \$1,160,568 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 in and proceeds from capital leases offset the need to draw upon the fund balance as 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, 2014, amounts to \$155,795,102 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges, streets, gas lines, electric lines, and water and sewer lines.

	Governmental Activities 2014	Governmental Activities 2013	Business- type Activities 2014	Business- type Activities 2013	Totals 2014	Totals 2013
Land	\$9,205,906	\$9,265,080	\$3,510,561	\$3,510,561	\$12,716,467	\$12,775,641
Buildings	13,030,763	13,030,763	26,833,595	26,833,595	39,864,358	39,864,358
Machinery and equipment	8,404,379	7,888,643	21,609,044	20,154,714	30,013,423	28,043,357
Vehicles	3,552,643	3,312,414	1,720,161	1,658,364	5,272,804	4,970,778
Transmission and distribution	0	0	169,420,771	168,660,561	169,420,771	168,660,561
Other	39,883,263	38,847,156	0	0	39,883,263	38,847,156
Construction in progress	0	0	5,015,683	0	5,015,683	0
Total	74,076,954	72,344,056	228,109,815	220,817,795	302,186,769	293,161,851
Less accumulated depreciation	(28,030,228)	(25,863,400)	(96,582,375)	(90,578,998)	(124,612,603)	(116,442,398)
Total net of accumulated depreciation	<u>\$46,046,726</u>	<u>\$46,480,656</u>	<u>\$131,527,440</u>	<u>\$130,238,797</u>	<u>\$177,574,166</u>	<u>\$176,719,453</u>

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

Long-term debt

At the end of 2014, the City had total bonded debt outstanding of \$8,985,000. 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 an "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 \$104,177,955, 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, 200 Ridley Avenue, LaGrange, Georgia 30240.

NOTICE

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



BASIC FINANCIAL STATEMENTS

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority
<u>ASSETS</u>				
Cash and cash equivalents	\$ 8,749,458	\$ 16,134,285	\$ 24,883,743	\$ 415,479
Investments	39,225	21,564,763	21,603,988	
Receivables (net of allowance):				
Taxes	1,092,227		1,092,227	1,154
Accounts		10,901,541	10,901,541	7,648
Loans				198,608
Other	1,285,996		1,285,996	
Internal balances	730,141	(730,141)	-	
Inventory	197,596	1,931,507	2,129,103	4,509
Prepaid assets	14,240	77,621	91,861	2,756
Restricted cash	40,199		40,199	401,110
Restricted investments	825,661	11,840,759	12,666,420	
Capital assets:				
Land and construction in progress	9,205,906	8,526,244	17,732,150	1,399,710
Other capital assets, net of accumulated depreciation	36,840,820	123,001,196	159,842,016	11,632,969
Other assets				480,200
Total assets	<u>59,021,469</u>	<u>193,247,775</u>	<u>252,269,244</u>	<u>14,544,143</u>
<u>LIABILITIES</u>				
Accounts and claims payable	2,355,119	6,136,259	8,491,378	22,188
Accrued liabilities	332,201	129,378	461,579	4,187
Accrued interest	101,915		101,915	
Customer deposits		2,026,130	2,026,130	
Unearned revenue		14,725,729	14,725,729	23,550
Current liabilities payable from restricted assets		856,962	856,962	
Noncurrent liabilities:				
Due within one year	1,452,321	1,687,470	3,139,791	
Due in more than one year	6,701,983	28,065,562	34,767,545	
Net OPEB obligation	1,606,281	863,966	2,470,247	
Total liabilities	<u>12,549,820</u>	<u>54,491,456</u>	<u>67,041,276</u>	<u>49,925</u>
<u>NET POSITION</u>				
Net investment in capital assets	43,561,422	112,233,680	155,795,102	13,032,679
Restricted for:				
Perpetual care	830,028		830,028	
Public safety	35,832		35,832	
Community development	1,896,347		1,896,347	
Capital projects	3,717,295		3,717,295	
124 Main Street				400,000
Unrestricted	(3,569,275)	26,522,639	22,953,364	1,061,539
Total net position	<u>\$ 46,471,649</u>	<u>\$ 138,756,319</u>	<u>\$ 185,227,968</u>	<u>\$ 14,494,218</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2014

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Charges for Services, Fees, Fines, and Forfeitures				Primary Government			
	Expenses		Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
Primary government:								
General government activities:								
Public safety	\$ 2,702,167	\$ 202,638			\$ (2,499,529)		\$ (2,499,529)	
Public service	16,512,002	1,871,655	\$ 32,740		(14,607,607)		(14,607,607)	
Culture and recreation	2,855,304		249,919	\$ 3,030,923	425,538		425,538	
Community development	1,156,457	63,435			(1,093,022)		(1,093,022)	
Redevelopment and housing	3,160,331	1,232,586	55,951	5,267	(1,866,527)		(1,866,527)	
Telecommunications	335,399				(335,399)		(335,399)	
Interest on long-term debt	415,457				(415,457)		(415,457)	
Total governmental activities	327,250				(327,250)		(327,250)	
	27,464,367	3,370,314	338,610	3,036,190	(20,719,253)	\$ -	(20,719,253)	
Business-type activities:								
Water and sewer	13,023,085	15,430,172				2,407,087	2,407,087	
Gas system	14,847,586	17,545,344				2,697,758	2,697,758	
Electric system	45,996,684	53,274,874				7,278,190	7,278,190	
Sanitation	8,239,045	8,420,551				181,506	181,506	
Telecommunications	2,104,518	3,050,010				945,492	945,492	
Total business-type activities	84,210,918	97,720,951	-	-	-	13,510,033	13,510,033	
Total primary government	\$ 111,675,285	\$ 101,091,265	\$ 338,610	\$ 3,036,190	(20,719,253)	13,510,033	(7,209,220)	
Component units:								
Downtown LaGrange Development Authority	\$ 938,188	\$ 512,585	\$ 7,000	\$ 191,507				\$ (227,096)
Total component units	\$ 938,188	\$ 512,585	\$ 7,000	\$ 191,507				(227,096)
General revenues:								
Taxes:								
Franchise tax					1,090,820		1,090,820	
Insurance premium tax					1,526,267		1,526,267	
Alcoholic beverage tax					732,169		732,169	
Sales tax					4,795,388		4,795,388	
Other					1,990,930		1,990,930	
Investment earnings					29,289	43,952	73,241	9,714
Transfers					11,879,641	(11,879,641)		
Total general revenues and transfers					22,044,504	(11,835,689)	10,208,815	9,714
Change in net position					1,325,251	1,674,344	2,999,595	(217,382)
Net position at beginning of year					45,146,398	137,081,975	182,228,373	14,711,600
Net position at end of year					\$ 46,471,649	\$ 138,756,319	\$ 185,227,968	\$ 14,494,218

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2014

	<u>General</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,652,879	\$ 5,019,496	\$ 6,672,375
Investments	39,225		39,225
Receivables (net of allowance):			
Taxes	1,092,227		1,092,227
Intergovernmental		1,198,158	1,198,158
Other	9,219	6,773	15,992
Due from other funds	53,591		53,591
Inventory	197,596		197,596
Restricted cash and cash equivalents	40,199		40,199
Restricted investments	825,661		825,661
	<u>825,661</u>		<u>825,661</u>
Total assets	<u>\$ 3,910,597</u>	<u>\$ 6,224,427</u>	<u>\$ 10,135,024</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 482,708	\$ 550,005	\$ 1,032,713
Accrued liabilities	332,201		332,201
Due to other fund	500,000	306	500,306
Total liabilities	<u>1,314,909</u>	<u>550,311</u>	<u>1,865,220</u>
Fund Balances:			
Non-spendable:			
Inventory	197,596		197,596
Restricted for:			
Perpetual care	830,028		830,028
Public safety	35,832		35,832
Community development		1,896,347	1,896,347
Capital projects		3,717,295	3,717,295
Unassigned	1,532,232		1,532,232
Unassigned reported in nonmajor:			
Capital projects		60,474	60,474
Total fund balances	<u>2,595,688</u>	<u>5,674,116</u>	<u>8,269,804</u>
Total liabilities and fund balances	<u>\$ 3,910,597</u>	<u>\$ 6,224,427</u>	<u>\$ 10,135,024</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 POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2014

Total fund balance - all governmental funds	\$ 8,269,804
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	46,046,726
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Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at June 30, 2014 are:

Accrued interest payable	\$	(101,915)	
Compensated absences		(529,000)	
Notes payable		(1,565,000)	
Capital leases		(920,304)	
Intergovernmental agreements		(5,140,000)	
Net OPEB obligation		(1,606,281)	(9,862,500)

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 position.	2,017,619
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Net position of governmental activities	\$ 46,471,649
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CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	General	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Sales	\$ 4,795,388		\$ 4,795,388
Franchise	1,090,820		1,090,820
Insurance premium	1,526,267		1,526,267
Alcoholic beverage	732,169		732,169
Other	1,257,604	\$ 733,326	1,990,930
Licenses and permits	138,279		138,279
Intergovernmental	338,039	3,026,034	3,364,073
Charges for services	257,906		257,906
Fines, forfeitures, and penalties	1,613,749		1,613,749
Investment income	23,063	16,382	39,445
Lease income		1,091,631	1,091,631
Miscellaneous	128,365	140,955	269,320
Total revenues	<u>11,901,649</u>	<u>5,008,328</u>	<u>16,909,977</u>
Expenditures:			
Current:			
General government	2,059,938		2,059,938
Public safety	15,754,520		15,754,520
Public service	2,540,906		2,540,906
Culture and recreation	1,006,218		1,006,218
Community development	1,316,678	452,977	1,769,655
Redevelopment and housing		335,399	335,399
Telecommunications and technology	392,945		392,945
Debt service:			
Principal retirements		1,196,251	1,196,251
Interest		371,047	371,047
Capital outlay:			
General government	15,577	69,160	84,737
Public safety	285,991	58,229	344,220
Public service	439,120	500,836	939,956
Telecommunications	15,271		15,271
Community development	19,600	629,516	649,116
Culture and recreation	36,641		36,641
Total expenditures	<u>23,883,405</u>	<u>3,613,415</u>	<u>27,496,820</u>
Excess of revenues over (under) expenditures	<u>(11,981,756)</u>	<u>1,394,913</u>	<u>(10,586,843)</u>
Other financing sources (uses):			
Capital lease	474,797		474,797
Proceeds from sale of asset	347		347
Transfers in	12,297,047	2,623,933	14,920,980
Transfers out	(726,689)	(2,314,674)	(3,041,363)
Total other financing sources (uses)	<u>12,045,502</u>	<u>309,259</u>	<u>12,354,761</u>
Net change in fund balances	63,746	1,704,172	1,767,918
Fund balance, beginning of year	2,531,942	3,969,944	6,501,886
Fund balance, end of year	<u>\$ 2,595,688</u>	<u>\$ 5,674,116</u>	<u>\$ 8,269,804</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, 2014

Net change in fund balances - All governmental funds \$ 1,767,918

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	2,000,671
Depreciation	(2,210,759)

The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net position. (223,842)

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	18,391
Accrued interest payable	43,797
Net OPEB obligation	(284,062)

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

Principal retirements	1,196,251
Proceeds from capital leases	(474,797)

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.

(508,317)

Change in net position of governmental activities	<u><u>\$ 1,325,251</u></u>
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CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2014

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	\$ 5,100,000	\$ 4,795,388	\$ (304,612)
Franchise	1,051,500	1,090,820	39,320
Insurance premium	1,535,000	1,526,267	(8,733)
Alcoholic beverage	727,000	732,169	5,169
Other	899,000	1,257,604	358,604
Licenses and permits	140,500	138,279	(2,221)
Intergovernmental	73,600	338,039	264,439
Fines, forfeitures, and penalties	1,768,000	1,613,749	(154,251)
Charges for services	244,800	257,906	13,106
Investment income	2,000	23,063	21,063
Miscellaneous	133,900	128,365	(5,535)
Total revenues	<u>11,675,300</u>	<u>11,901,649</u>	<u>226,349</u>
Expenditures:			
Current:			
General government:			
Administrative	1,046,123	1,132,423	(86,300)
Finance	654,963	672,812	(17,849)
Garage	(165,776)	37,922	(203,698)
General government	38,000	47,587	(9,587)
City hall	173,021	169,194	3,827
Total general government	<u>1,746,331</u>	<u>2,059,938</u>	<u>(313,607)</u>
Public safety:			
Court administration	386,019	418,115	(32,096)
Probation	288,967	296,779	(7,812)
Police	8,717,433	9,289,681	(572,248)
Community service	104,140	102,461	1,679
Traffic control	824,842	846,379	(21,537)
Fire services	4,361,537	4,528,771	(167,234)
Animal control	289,211	272,334	16,877
Total public safety	<u>14,972,149</u>	<u>15,754,520</u>	<u>(782,371)</u>
Public service:			
Engineering and supervision	301,188	300,025	1,163
Streets	1,326,493	1,298,389	28,104
Street cleaning	80,359	101,152	(20,793)
Trash and refuse	661,042	841,340	(180,298)
Total public service	<u>2,369,082</u>	<u>2,540,906</u>	<u>(171,824)</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2014
(continued)

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:			
Landscaping and cemetery maintenance	935,054	1,006,218	(71,164)
Community development:			
Community development	608,273	645,834	(37,561)
DAL marketing	107,107	113,764	(6,657)
Other community support	548,517	557,080	(8,563)
Total community development	1,263,897	1,316,678	(52,781)
Telecommunications:			
Administration	217,040	222,123	(5,083)
LGTV	163,562	170,822	(7,260)
Total telecommunications	380,602	392,945	(12,343)
Capital Outlay:			
General government	58,000	15,577	42,423
Public safety	101,000	285,991	(184,991)
Public service	177,000	439,120	(262,120)
Telecommunications	20,000	15,271	4,729
Culture and recreation	43,000	36,641	6,359
Community development	5,000	19,600	(14,600)
Total capital outlay	404,000	812,200	(408,200)
Total expenditures	22,071,115	23,883,405	(1,812,290)
Excess (deficiency) of revenues over (under) expenditures	(10,395,815)	(11,981,756)	(1,585,941)
Other financing sources (uses):			
Transfers in	11,330,000	12,297,047	967,047
Transfers out	(719,027)	(726,689)	(7,662)
Sale of capital assets	2,000	347	(1,653)
Capital leases		474,797	474,797
Total other financing sources (uses)	10,612,973	12,045,502	1,432,529
Net change in fund balances	217,158	63,746	(153,412)
Fund balance, beginning of year	2,531,942	2,531,942	-
Fund balance, end of year	\$ 2,749,100	\$ 2,595,688	\$ (153,412)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2014

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents	\$ 6,902,231	\$ 5,869,784	\$ 3,362,270	\$ 16,134,285	\$ 2,077,083
Investments	18,080,384	3,484,379		21,564,763	
Receivables:					
Accounts	8,428,316	1,815,350	657,875	10,901,541	
Other					71,846
Due from other funds	500,000			500,000	1,000,000
Prepays	77,621			77,621	14,240
Inventory	1,054,130	877,377		1,931,507	
Restricted assets:					
Restricted investments	11,840,759			11,840,759	
Total current assets	46,883,441	12,046,890	4,020,145	62,950,476	3,163,169
Noncurrent assets:					
Capital assets, not being depreciated	1,574,303	5,465,878	1,486,063	8,526,244	
Capital assets, being depreciated	38,362,667	65,875,383	18,763,146	123,001,196	
Advances to other funds					1,176,856
Total noncurrent assets	39,936,970	71,341,261	20,249,209	131,527,440	1,176,856
Total assets	86,820,411	83,388,151	24,269,354	194,477,916	4,340,025
<u>LIABILITIES</u>					
Current liabilities:					
Accounts payable	4,486,878	1,521,164	128,217	6,136,259	22,406
Customer deposits	1,629,397	395,203	1,530	2,026,130	
Accrued liabilities	59,458	49,553	20,367	129,378	
Accrued compensated absences	75,992	43,441	30,295	149,728	
Due to other funds	23,016	21,252	9,017	53,285	1,000,000
Unearned revenue	14,725,729			14,725,729	
Claims revenue					1,300,000
Notes payable, current		347,741	50,731	398,472	
Capital leases, current	309,811		604,459	914,270	
Intergovernmental agreement payable - Current	225,000			225,000	
Liabilities payable from restricted assets:					
Accrued interest	86,962			86,962	
Revenue bonds, current	770,000			770,000	
Total current liabilities	22,392,243	2,378,354	844,616	25,615,213	2,322,406
Noncurrent liabilities:					
Compensated absences	113,988	65,161	45,443	224,592	
Revenue bonds, long-term	8,215,000			8,215,000	
Notes payable, long-term		6,657,418	497,935	7,155,353	
Capital leases, long-term	605,054		1,235,612	1,840,666	
Intergovernmental agreement payable - Long-term	3,435,000			3,435,000	
Landfill postclosure liability			7,194,951	7,194,951	
Advances from other funds	1,176,856			1,176,856	
Net OPEB obligation	379,660	336,801	147,505	863,966	
Total noncurrent liabilities	13,925,558	7,059,380	9,121,446	30,106,384	-
Total liabilities	36,317,801	9,437,734	9,966,062	55,721,597	2,322,406
<u>NET POSITION</u>					
Net investment in capital assets	30,037,105	64,336,102	17,860,473	112,233,680	
Unrestricted	20,465,505	9,614,315	(3,557,181)	26,522,639	2,017,619
Total net position	\$ 50,502,610	\$ 73,950,417	\$ 14,303,292	\$ 138,756,319	\$ 2,017,619

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2014

	Business-Type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Governmental Activities
Operating revenues:				
Water and sewerage system		\$ 15,359,434		\$ 15,359,434
Gas system	\$ 17,155,524			17,155,524
Electric system	53,074,347			53,074,347
Sanitation			\$ 8,142,200	8,142,200
Premiums				\$ 8,121,915
Telecommunications	3,049,735			3,049,735
Other sales	590,347	70,738	278,351	939,436
Total operating revenue	<u>73,869,953</u>	<u>15,430,172</u>	<u>8,420,551</u>	<u>97,720,676</u>
Operating expenses:				
Water and sewerage system		9,813,601		9,813,601
Gas system	13,264,923			13,264,923
Electric system	44,782,003			44,782,003
Sanitation			7,013,476	7,013,476
Telecommunications	2,415,797			2,415,797
Administrative services				270,964
Depreciation	2,007,980	3,013,750	1,212,061	6,233,791
Risk management				8,431,759
Total operating expenses	<u>62,470,703</u>	<u>12,827,351</u>	<u>8,225,537</u>	<u>83,523,591</u>
Operating income (loss)	<u>11,399,250</u>	<u>2,602,821</u>	<u>195,014</u>	<u>14,197,085</u>
Nonoperating revenues (expenses):				
Investment income	43,149		803	43,952
Gain (loss) on sale of assets	275			275
Interest expense	(478,085)	(195,734)	(13,508)	(687,327)
Total nonoperating revenues (expenses)	<u>(434,661)</u>	<u>(195,734)</u>	<u>(12,705)</u>	<u>72,467</u>
Net income (loss) before contribution and transfers	<u>10,964,589</u>	<u>2,407,087</u>	<u>182,309</u>	<u>13,553,985</u>
Transfers in	1,695,000	1,020,670	978,259	3,693,929
Transfers out	<u>(12,463,570)</u>	<u>(3,110,000)</u>		<u>(15,573,570)</u>
Change in net position	<u>196,019</u>	<u>317,757</u>	<u>1,160,568</u>	<u>1,674,344</u>
Net position, beginning of year	<u>50,306,591</u>	<u>73,632,660</u>	<u>13,142,724</u>	<u>137,081,975</u>
Net position, end of year	<u>\$ 50,502,610</u>	<u>\$ 73,950,417</u>	<u>\$ 14,303,292</u>	<u>\$ 138,756,319</u>

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2014

	Business-Type Activities Major Enterprise Funds			Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Governmental Activities
Cash flows from operating activities:				
Cash payments from other funds				\$ (918,000)
Cash received from customers and users	\$ 73,501,690	\$ 15,530,119	\$ 8,298,371	\$ 97,330,180
Cash paid to employees	(2,465,442)	(4,086,261)	(2,192,797)	(8,744,500)
Cash paid to suppliers	(57,715,561)	(4,367,711)	(4,523,360)	(66,606,632)
Cash payments to other funds				1,000,000
Net cash provided (used) by operating activities	13,320,687	7,076,147	1,582,214	21,979,048
Cash flows from noncapital financing activities:				
Repayment of advance to (from) other funds				77,684
Advances to other funds	(77,684)			(77,684)
Transfers in	1,695,000	952,440	978,259	3,625,699
Transfers out	(12,463,570)	(3,110,000)		(15,573,570)
Net cash provided (used) by noncapital financing activities	(10,846,254)	(2,157,560)	978,259	(12,025,555)
Cash flows from capital and related financing activities:				
Transfer in		68,230		68,230
Proceeds from debt		3,938,949		3,938,949
Principal payments on revenue bonds	(750,000)			(750,000)
Proceeds from sale of assets	3,276			3,276
Acquisition of capital assets	(532,166)	(5,835,807)	(433,068)	(6,801,041)
Capital lease payments	(318,648)		(488,474)	(807,122)
Payments on notes payable		(139,830)	(49,566)	(189,396)
Payments on intergovernmental agreement	(215,000)			(215,000)
Interest paid	(563,263)	(195,734)	(13,508)	(772,505)
Net cash provided (used) by capital financing activities	(2,375,801)	(2,164,192)	(984,616)	(5,524,609)
Cash flows from investing activities:				
Sale (purchase) of investments	(6,459,124)	(8,660)	803	(6,466,981)
Investment income	43,149			43,149
Net cash provided (used) by investing activities	(6,415,975)	(8,660)	803	(6,423,832)
Net increase (decrease) in cash	(6,317,343)	2,745,735	1,576,660	(1,994,948)
Cash, beginning of year	13,219,574	3,124,049	1,785,610	18,129,233
Cash, end of year	\$ 6,902,231	\$ 5,869,784	\$ 3,362,270	\$ 16,134,285

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2014
(Continued)

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Cash flows from operating activities:					
Operating income (loss)	\$ 11,399,250	\$ 2,602,821	\$ 195,014	\$ 14,197,085	\$ (580,808)
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,007,980	3,013,750	1,212,061	6,233,791	
Changes in operating assests and liabilities:					
Accounts receivable	597,506	93,806	(131,197)	560,115	7,945
Inventory	(106,160)	(119,071)		(225,231)	
Prepaid expense	5,667			5,667	(48)
Accounts payable	287,047	1,406,653	(21,558)	1,672,142	21,213
Claims reserve					175,000
Accrued vacation	9,353	(3,050)	(1,099)	5,204	
Due from other funds	80,500			80,500	(918,000)
Due to other funds	23,016	21,252	9,017	53,285	1,000,000
Unearned revenue	(1,014,488)			(1,014,488)	
Other accrued expenses	14,325	15,204	10,536	40,065	
Customer deposits	(54,797)	(15,111)		(69,908)	
Closure/postclosure			284,757	284,757	
Net OPEB obligation	71,488	59,893	24,683	156,064	
Net cash provided (used) by operating activities	<u>\$ 13,320,687</u>	<u>\$ 7,076,147</u>	<u>\$ 1,582,214</u>	<u>\$ 21,979,048</u>	<u>\$ (294,698)</u>

Supplemental disclosure of non-cash investing and financing activities:

In 2014, the City incurred debt of \$724,396 in the form of capital leases in connection with the acquisition of new equipment

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

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 part of the City's Solid Waste Fund because the board and management of the Authority are substantially the same as the City. Additionally, the City is wholly responsible for the debt of the Authority whose 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, as amended by GASB-61, 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, 200 Main Street, Suite 1-B, LaGrange, Georgia 30240.

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 position 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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

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.

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.

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.

- **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 electricity, telecommunication and natural gas services.
- **Water and Sewerage Fund** - The Water and Sewerage Fund accounts for the operations of the City's water and sewerage activities.
- **Sanitation Fund** - The Sanitation Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

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.

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 position is reported in three parts - (1) net investment in capital assets; (2) restricted net position; and (3) unrestricted net position. 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, 2014.

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, 2014
(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. Long-Term Obligations - In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

- 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 - The City has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:
- **Nonspendable fund balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
 - **Restricted fund balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
 - **Committed fund balance** - Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
 - **Assigned fund balance** - Amounts a government intends to use for a specific purpose. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
 - **Unassigned fund balance** - Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by the passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the City Council through adoption or amendment of the budget as intended for specific purpose (such as purchase of capital assets, construction, debt service, or for other purposes). It is the City's policy to use restricted fund balances first followed by committed amounts, assigned amounts, and then unassigned amounts, respectively.

- M. Deferred Outflows/Inflows of Resources - In addition to assets, the financial statements of the City will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the form of expenditures until that time. Currently, the City has no items that qualify for reporting as a deferred outflow of resources.

Also, in addition to liabilities, the financial statement of the City will sometimes report a separate section for deferred inflows of resources, this separate element, deferred inflows in resources, represents an acquisition of net position that applies to a future period and so will not be recognized as in inflow of resources in the form of revenue until that time. Currently, the City has no items that qualify for reporting as a deferred inflow of resources.

- N. Reclassifications - Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.
- 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.
- P. Subsequent Events - Subsequent events have been evaluated by management through November 10, 2014, which is the date the financial statements were available to be issued.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

2. DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the City's deposits was \$24,923,942, which includes \$7,450 petty cash and the bank balance was \$24,806,912. Of the bank balance, \$515,079 was covered by federal deposit insurance and, \$24,291,833 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, 2014, the City had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>
Municipal Competitive Trust	January 2013 - September 2014	\$ 33,405,523
Coca Cola Stock		<u>825,660</u>
Total investments		34,231,183
Georgia fund 1 (State Investment Pool)	62 day WAM	<u>39,225</u>
Total pooled cash and investments		<u>\$ 34,270,408</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, 2014, the City's investment in the state investment pool was rated AA+ 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 97.5% total investments.

The City's investment of \$39,225 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 State Treasurer 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.

3. NOTES AND ACCOUNTS RECEIVABLE

Primary Government

At June 30, 2014, there were no outstanding notes receivables.

Accounts receivable in the Utility Fund, the Water and Sewerage Fund, and the Sanitation Fund is reported net of an allowance for doubtful accounts of \$8,428,316, \$1,815,350 and \$657,875, respectively.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

Component Unit

Note receivable from an individual, 3.25% per annum, to be paid in monthly installments of principal and interest in the amount of \$1,307 from October 1, 2012 through September 1, 2028.	\$ 178,750
Due within one year	\$ 10,026
Note receivable from C'Sons, LLC, 7.0% per annum, to be paid in monthly installments of principal and interest in the amount of \$479 from March 1, 2011 through February 1, 2015 with the last payment being a balloon payment of \$16,809.	\$ 19,858
Due within one year	\$ 19,858

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2014, was as follows:

	<u>June 30, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2014</u>
<u>Primary Government</u>				
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 9,265,080	\$ 140,826	\$ (200,000)	\$ 9,205,906
Total capital assets not being depreciated	<u>9,265,080</u>	<u>140,826</u>	<u>(200,000)</u>	<u>9,205,906</u>
Capital assets being depreciated:				
Buildings	13,030,763			13,030,763
Machinery and equipment	7,888,643	538,321	(22,585)	8,404,379
Vehicles	3,312,414	285,417	(45,188)	3,552,643
Infrastructure	38,847,156	1,036,107		39,883,263
Total capital assets being depreciated	<u>63,078,976</u>	<u>1,859,845</u>	<u>(67,773)</u>	<u>64,871,048</u>
Less, accumulated depreciation for:				
Buildings	(3,589,402)	(281,002)		(3,870,404)
Machinery and equipment	(5,690,176)	(400,743)	16,656	(6,074,263)
Vehicles	(2,697,839)	(246,702)	27,275	(2,917,266)
Infrastructure	(13,885,983)	(1,282,312)		(15,168,295)
Total accumulated depreciation	<u>(25,863,400)</u>	<u>(2,210,759)</u>	<u>43,931</u>	<u>(28,030,228)</u>
Total capital assets being depreciated, net	<u>37,215,576</u>	<u>(350,914)</u>	<u>(23,842)</u>	<u>36,840,820</u>
Governmental activities capital assets, net	<u>\$ 46,480,656</u>	<u>\$ (210,088)</u>	<u>\$ (223,842)</u>	<u>\$ 46,046,726</u>

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

Governmental activities:	
General government	\$ 497,431
Public safety	175,766
Public service	261,516
Culture and recreation	126,457
Community development	1,149,589
Total depreciation expense for governmental activities	<u>\$ 2,210,759</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

A summary of business-type activities for property, plant and equipment at June 30, 2014 is presented below:

	June 30, 2013	Additions	Retirements	June 30, 2014
<u>Business-Type Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 3,510,561			\$ 3,510,561
Construction in progress		\$ 5,015,683		5,015,683
Total capital assets, not being depreciated	3,510,561	5,015,683	\$ -	8,526,244
Capital assets being depreciated:				
Buildings	26,833,595			26,833,595
Machinery and equipment	20,154,714	1,624,010	(169,680)	21,609,044
Vehicles	1,658,364	72,777	(10,980)	1,720,161
Infrastructure	168,660,561	812,965	(52,755)	169,420,771
Total capital assets being depreciated	217,307,234	2,509,752	(233,415)	219,583,571
Less, accumulated depreciation for:				
Buildings	(13,759,426)	(502,854)		(14,262,280)
Machinery and equipment	(11,755,115)	(1,317,398)	169,680	(12,902,833)
Vehicles	(1,386,246)	(94,710)	7,980	(1,472,976)
Infrastructure	(63,678,211)	(4,318,830)	52,755	(67,944,286)
Total accumulated depreciation	(90,578,998)	(6,233,792)	230,415	(96,582,375)
Total capital assets being depreciated, net	126,728,236	(3,724,040)	(3,000)	123,001,196
Business-type activities capital assets, net	\$ 130,238,797	\$ 1,291,643	\$ (3,000)	\$ 131,527,440

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

Business-type activities:	
Water and sewerage	\$ 3,013,750
Electric system	395,158
Gas system	1,272,105
Telecommunications	340,718
Sanitation	1,212,061
Total depreciation expense for business-type activities	\$ 6,233,792

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Discretely Presented Component Unit</u>				
Capital assets not being depreciated:				
Land - Property held for lease	\$ 1,166,750			\$ 1,166,750
Land - Event center	34,960			34,960
Land - Promenades	198,000			198,000
Total capital assets not being depreciated	1,399,710	\$ -	\$ -	1,399,710
Capital assets being depreciated:				
Buildings and improvements	13,155,996	191,507		13,347,503
Equipment	741,744	17,465		759,209
Total capital assets being depreciated	13,897,740	208,972	-	14,106,712
Less, accumulated depreciation	(2,060,034)	(413,709)		(2,473,743)
Total capital assets being depreciated, net	11,837,706	(204,737)	-	11,632,969
Total capital assets, net	\$ 13,237,416	\$ (204,737)	\$ -	\$ 13,032,679

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

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

Community development	\$ <u>413,709</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, Water and Sewerage, and Sanitation Funds. These lease agreements qualify as capital leases for accounting purposes, and the expense resulting from amortization of assets recorded under capital leases is included in depreciation expense. Therefore, the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Machinery and equipment	\$ 6,058,118	\$ 16,010,154
Less, accumulated depreciation	<u>(4,827,385)</u>	<u>(10,579,829)</u>
Total	<u>\$ 1,230,733</u>	<u>\$ 5,430,325</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2014, were as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Year ending June 30:		
2015	\$ 604,963	\$ 923,830
2016	167,363	841,762
2017	129,949	537,939
2018	41,287	326,352
2019	<u> </u>	<u>145,181</u>
Total lease payments	943,562	2,775,064
Less, amount representing interest	<u>(23,258)</u>	<u>(20,128)</u>
	<u>\$ 920,304</u>	<u>\$ 2,754,936</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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Financing of the City's Transition Center - Debt Service Fund	4.85%	\$ <u>1,565,000</u>

Loans payable currently outstanding are as follows:

	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2015	340,000	75,903
2016	370,000	59,413
2017	410,000	41,468
2018	<u>445,000</u>	<u>21,581</u>
	\$ <u>1,565,000</u>	\$ <u>198,365</u>

Business-Type Activities

The City's Water and Sewerage Fund and Sanitation Fund borrowed funds for system improvements under notes payable agreements with Georgia Environmental Facilities Authority in the amounts of \$17,808,472 and \$1,006,058 respectively. As of June 30, 2014, the City had drawn \$7,700,406 of Water and Sewerage Fund notes, and the entire balance had been drawn of the Sanitation Fund notes.

Notes payables currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Amount</u>
Gas recirculation project at landfill – Sanitation Fund	2.33%	\$ 548,666
Construction of water line – Water and Sewerage Fund	4.10%	509,825
Improvements at water pollution control plant – Water and Sewerage Fund	3.00%	2,556,385
Long Cane pump station – Water and Sewerage Fund	1.40%	2,073,488
Yellow Jacket Creek pump station – Water and Sewerage Fund	1.40%	<u>1,865,461</u>
		\$ <u>7,553,825</u>

Notes payable service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2015	\$ 398,472	\$ 304,485
2016	816,776	291,833
2017	831,591	277,018
2018	846,629	262,079
2019	862,017	246,592
2020-2024	2,407,400	611,001
2025-2029	1,018,391	137,145
2030-2031	<u>372,549</u>	<u>11,754</u>
	\$ <u>7,553,825</u>	\$ <u>2,141,907</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

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 \$10,500,000 in revenue bonds to finance construction projects to expand existing facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
Series 2009 Gas Authority Revenue Bonds	4.09%	\$ 4,040,000
Series 2012 Gas Authority Revenue Refunding Bonds	2.035%	4,945,000
		<u>\$ 8,985,000</u>

Revenue bond service requirements to maturity are as follows:

	<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2015	\$ 770,000	\$ 265,867
2016	800,000	243,313
2017	825,000	219,840
2018	850,000	195,551
2019	880,000	170,547
2020-2024	<u>4,860,000</u>	<u>443,471</u>
	<u>\$ 8,985,000</u>	<u>\$ 1,538,589</u>

- C. Compensated Absences - The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2014. 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. In the year ended June 30, 2014, the LDA refunded the 2007A and 2007B in full. The revenue bonds, 2012 Revenue Refunding 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, 2013. 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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

- 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.

Intergovernmental agreements outstanding at year end are as follows:

Business-Type Activities

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Ridley Office Park - LaGrange Development Authority Series 2005A and 2005B Revenue Bonds	4.41% to 5.50%	<u>\$ 3,660,000</u>

Business-type activities intergovernmental agreements service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2015	\$ 225,000	\$ 146,786
2016	240,000	140,689
2017	255,000	134,185
2018	270,000	127,274
2019	285,000	117,747
2020-2024	1,625,000	389,183
2025-2026	<u>760,000</u>	<u>50,714</u>
	<u>\$ 3,660,000</u>	<u>\$ 1,106,578</u>

Governmental Activities

<u>Purpose</u>	<u>Interest Rates</u>	<u>Balance</u>
Callaway South Industrial Park - LaGrange Development Authority 2012 Series Revenue Bond Refunding	2.60%	\$ 2,810,000
Carmike Cinema - Downtown LaGrange Development Authority Series 2005 Revenue Bonds	5.85%	<u>2,330,000</u>
		<u>\$ 5,140,000</u>

Governmental activities intergovernmental agreements service requirements to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>
Year ending June 30:		
2015	\$ 317,500	\$ 225,563
2016	332,500	212,108
2017	345,000	197,938
2018	357,500	183,118
2019	377,500	167,810
2020-2024	2,142,500	579,279
2025-2028	<u>1,267,500</u>	<u>132,064</u>
	<u>\$ 5,140,000</u>	<u>\$ 1,697,880</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

E. Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2014 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	\$ 5,442,500		\$ (302,500)	\$ 5,140,000	\$ 317,500
Capital leases	1,029,258	\$ 474,797	(583,751)	920,304	583,221
Notes payable	1,875,000		(310,000)	1,565,000	340,000
Compensated absences	<u>547,391</u>	<u>792,716</u>	<u>(811,107)</u>	<u>529,000</u>	<u>211,600</u>
Governmental activities long-term liabilities	<u>\$ 8,894,149</u>	<u>\$ 1,267,513</u>	<u>\$ (2,007,358)</u>	<u>\$ 8,154,304</u>	<u>\$ 1,452,321</u>
Business-type activities:					
Revenue bonds	<u>\$ 9,735,000</u>		<u>\$ (750,000)</u>	<u>\$ 8,985,000</u>	<u>\$ 770,000</u>
Total bonds	9,735,000	\$ -	(750,000)	8,985,000	770,000
Intergovernmental agreements	3,875,000		(215,000)	3,660,000	225,000
Capital leases	2,837,662	724,396	(807,122)	2,754,936	914,270
Notes payable	3,804,272	3,938,949	(189,396)	7,553,825	398,472
Compensated absences	369,116	485,368	(480,164)	374,320	149,728
Landfill closure/postclosure	<u>6,910,194</u>	<u>320,040</u>	<u>(35,283)</u>	<u>7,194,951</u>	
Business-type activities long-term liabilities	<u>\$ 27,531,244</u>	<u>\$ 5,468,753</u>	<u>\$ (2,476,965)</u>	<u>\$ 30,523,032</u>	<u>\$ 2,457,470</u>

Also, the government-wide statement of net position includes \$770,000 of the long-term liabilities due within one year for business-type activities in liabilities "payable from restricted assets." The remaining amount of \$1,687,470 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, 2014 is as follows:

Due to/from other funds:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
General Fund	Utility Fund	\$ 500,000
Nonmajor Governmental Funds	General Fund	306
Utility Fund	General Fund	23,016
Water Sewerage Fund	General Fund	21,252
Sanitation Fund	General Fund	9,017
Internal Service Fund (Group Insurance)	Internal Service Fund (Property and Casualty)	<u>1,000,000</u>
		<u>\$ 1,553,591</u>

Outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments to supplement operations outstanding at year end and other miscellaneous receivables/payables between funds. All due to/from balances are expected to be repaid within one year.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

Advances to/from other funds at June 30, 2014 consisted of the following:

<u>Payable Fund</u>	<u>Receivable Fund</u>	<u>Amount</u>
Utility Fund	Internal Service Fund	<u>\$ 1,176,856</u>

The advance represents a long-term interfund loan between the Property and Casualty Fund and the Utility Fund. The original advance was for \$1.7 million made during the fiscal year ended June 30, 2007, for the purpose of expanding the gas system infrastructure. The advance is being repaid in annual installments through June 2023.

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 Position. A reconciliation to the government-wide Statement of Net Position is as follows:

Total Enterprise Fund non-current liabilities per fund level Statement of Net Position	\$ 30,106,384
Advances from other funds	(1,176,856)
Net OPEB obligation	<u>(863,966)</u>

Non-current liabilities - Due in more than one year per government-wide Statement of Net Position	<u>\$ 28,065,562</u>
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Transfers are primarily used to move funds between the proprietary funds and the governmental funds for expenses paid through the accounts payable system. The City does not levy property taxes to its citizens and therefore relies upon the enterprise funds to supplement the general fund operating expenditures. Other transfers represent flows of cash or goods from one fund to another without a requirement for repayment. These transfers were as follows:

	<u>Transfers In</u>					
	<u>General Fund</u>	<u>Nonmajor Governmental</u>	<u>Utility Fund</u>	<u>Water & Sewerage Fund</u>	<u>Sanitation Fund</u>	<u>Internal Service</u>
Transfers out:						
General Fund		\$ 692,157				\$ 34,532
Nonmajor governmental	\$ 733,326	1,328,118	\$ 185,000	\$ 68,230		
Utility Fund	10,529,213	3,658		952,440	\$ 978,259	
Water & Sewerage Fund	1,000,000	600,000	1,510,000			
Internal service	<u>34,508</u>					
	<u>\$12,297,047</u>	<u>\$ 2,623,933</u>	<u>\$ 1,695,000</u>	<u>\$ 1,020,670</u>	<u>\$ 978,259</u>	<u>\$ 34,532</u>
						<u>\$18,649,441</u>

The nonmajor governmental transfers out of \$2,314,674 includes \$68,230 transferred from the SPLOST (nonmajor governmental) to the Water and Sewerage Fund for SPLOST approved projects.

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, 2014.

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
June 30, 2014
(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 \$5,099,786 for the year ended June 30, 2014. 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 per occurrence up to \$1,000,000 for general insurance liability and \$1,000,000 for workers compensation liability for the plan year ended June 30, 2014. 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, 2012	\$ 525,000	\$ 600,000
Claims and changes in estimate	5,833,596	265,286
Claims payments	<u>(5,833,596)</u>	<u>(265,286)</u>
Liability balance, June 30, 2013	525,000	600,000
Claims and changes in estimate	7,290,242	198,901
Claims payments	<u>(7,115,242)</u>	<u>(198,901)</u>
Liability balance, June 30, 2014	<u>\$ 700,000</u>	<u>\$ 600,000</u>

The liability is an estimate of claims at June 30, 2014 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 for employees and immediate vesting for officials. 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 employee's 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.

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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

Total pension expense amounted to approximately \$1,824,212 for the year ended June 30, 2014. The participant data and the asset values used in the actuarial valuation are as of January 1, 2014.

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, with a net effective amortization period of ten years.
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	7.75%
Projected salary increase	3.50% plus age and service based merit increases
Cost of living adjustments	0.00%
Post retirement benefit increase	Not applicable
Inflation rate	3.50%

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 over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Amortization periods are closed for this plan year.

The annual recommended contribution is the greater of 1) the minimum contribution described above and 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.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

Listed below is a summary of the key valuation results:

Contributions for plan year beginning January 1, 2014:	
Recommended	\$ 1,929,349
Recommended as a percent of payroll	11.25%
State minimum requirement	\$ 1,360,208
Funding elements for plan year beginning January 1, 2014:	
Normal cost, including administrative expenses	\$ 927,069
Market value of assets	\$ 27,519,884
Actuarial value of assets	\$ 29,579,874
Actuarial accrued liability	\$ 36,142,505
Unfunded (surplus) actuarial accrued liability	\$ 6,562,631
Actuarial value of assets as a percentage of actuarial accrued liability (funded ratio)	81.84%
Annual covered payroll	\$ 16,852,800
Ratio of unfunded (surplus) to annual covered payroll	38.94%
GASB 25/27 for plan year beginning January 1, 2014:	
Annual required contributions	\$ 1,360,208
Funded ratio	81.84%
Demographic data for plan year beginning January 1, 2014:	
Number of retired participants and beneficiaries	195
Number of vested former participants	76
Number of active employees, including 7 elected officials:	
Fully vested	201
Not vested	155
Total number of membership in the plan	627
Total payroll	\$ 16,852,800
Average payroll	\$ 48,289

Historical trend information is shown in the table below:

<u>TREND INFORMATION</u>			
<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/14	\$ 1,824,212	100%	\$ 0
06/30/13	\$ 1,737,262	100%	\$ 0
06/30/12	\$ 1,663,188	100%	\$ 0

10. DEFINED CONTRIBUTION PLAN

The City has a defined contribution plan which is administered by Nationwide Retirement Services. The plan is a combined 457 plan and 401A plan. The City matches employee contributions on a 1:2 ratio up to a maximum of \$667 per year. During the year ended June 30, 2014, the City contributed \$107,634 and employees contributed \$337,481. Plan provisions and contribution requirements are established and amended by a resolution of the City Council.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

11. COMMITMENT AND CONTINGENCIES

Agreements with Municipal Electric Authority of Georgia - During 1976, the City, along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and 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, 2014, the outstanding debt of the Authority was approximately \$5.9 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately \$317 million at June 30, 2014.

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, 2014, \$33,405,523 has been placed into the Trust for the benefit of the City, of which \$21,564,764 is available without restriction and \$11,840,759 is subject to restrictions. Due to the restricted nature of the \$11,840,759, the amount is reported as unearned revenue at June 30, 2014.

12. 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 Three Rivers Regional Commission (the "Commission") and is required to pay annual dues thereto. During the year ended June 30, 2014, the City paid \$30,478 in dues.

Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The RC 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 the Commission. Separate financial statements may be obtained from: Three Rivers Regional Commission, P.O. Box 1600, Franklin, Georgia 30217.

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

13. HOTEL / MOTEL LODGING TAX

During the year ended June 30, 2014, the City levied a 5% lodging tax and received \$733,326 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 \$452,977 of lodging tax received from the City during the year ended June 30, 2014 was used for the promotion of tourism.

14. 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.

15. 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 \$7,194,951 reported as the landfill closure and post-closure care liability at June 30, 2014 includes \$1,677,694, 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 \$5,517,257 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 2026. As of June 30, 2014, approximately 56% of this landfill's capacity had been utilized and accordingly, a liability of \$5,517,257 has been recognized. The City will recognize the remaining estimated closure and post-closure care of \$4,328,528 as the remaining capacity is used. See Note 6(E) for changes in the liability for landfill closure and postclosure costs.

16. 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 16 and 17 of these financial statements. 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	\$ 331,937	\$ 335,399	\$ (3,462)

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

17. 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, their spouses and dependents until age 19 or full-time student status until age 25.

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 health, prescription drugs and dental benefits to eligible retirees, their spouses and dependents until age 19 or full-time students until age 25. Retirees may choose which benefits administered by Commerce Benefits Group are 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 other year.

Membership of the Plan consisted of the following as of January 1, 2013, the last valuation date:

Retirees, beneficiaries, and dependents currently receiving benefits	30
Active plan participants	<u>346</u>
Total	<u><u>376</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

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

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

	15-20 Years of Service and Over Age 60	20-25 Years of Service	More Than 25 Years of Service
Healthcare:			
Single	\$ 295	\$ 236	\$ 147
Family	\$ 695	\$ 556	\$ 347

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

Dental:		
Single	\$	20
Family	\$	60

Contributions paid by retirees in the current fiscal year totaled \$86,334.

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, 2014 the City contributed \$830,647 or 4.9% of the covered payroll for employees of \$16,852,800 under the plan.

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.

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, 2014 is shown below:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Plan year ended:			
June 30, 2014	\$ 781,527	1.06%	\$ 2,470,247
June 30, 2013	\$ 781,527	43.68%	\$ 2,030,121
June 30, 2012	\$ 728,446	22.77%	\$ 1,589,995

The net OPEB obligation for the fiscal year ended June 30, 2014 was developed as follows, based on an actuarial valuation date of January 1, 2013:

Annual required contribution	\$ 826,903
Interest on the net OPEB obligation	63,600
Adjustment of ARC	<u>380,270</u>
Annual OPEB cost	1,270,773
Actual contribution	<u>(830,647)</u>
Increase in OPEB obligation	440,126
Net OPEB obligation at beginning of year	<u>2,030,121</u>
Net OPEB obligation at year end	<u>\$ 2,470,247</u>

CITY OF LAGRANGE, GEORGIA
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014
(Continued)

D. Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial valuation date	January 1, 2013	January 1, 2011	January 1, 2009
Actuarial value of assets	\$ 0	\$ 0	\$ 0
Actuarial accrued liability	\$ 6,879,030	\$ 6,212,999	\$ 3,538,714
Total unfunded actuarial liability	\$ 6,879,030	\$ 6,212,999	\$ 3,538,714
Funded ratio	0%	0%	0%
Annual covered payroll	\$ 15,915,617	\$ 15,689,991	\$ 15,042,574
Ratio of the unfunded actuarial liability to annual covered payroll	43.22%	39.60%	23.52%

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	21 years as of July 1, 2012
Asset Valuation Method	Market value
Actuarial assumptions:	
Investment rate of return	4.00%
Inflation rate	3.50%
Salary growth	3.50%
Medical and drug cost trend rate	7.75% graded to 5.00% over 11 years

Of the employees eligible to retire and receive subsidized post-retirement welfare coverage, 75% were assumed to participate in the plan. Calculations are based on the types of benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. 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.

18. SUBSEQUENT EVENTS

Subsequent to June 30, 2014 the City incurred two wrongful death claims, resulting from an accident at the local airport. The amount of the claims exceed the City's insurance coverage. The City plans to vigorously defend against the claim and believes it will prevail.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2014

	Actuarial Valuation Date		
	January 1, 2014	January 1, 2013	January 1, 2012
Actuarial value of plan assets	\$ 29,579,874	\$ 27,812,417	\$ 26,353,170
Actuarial accrued liability	\$ 36,142,505	\$ 33,874,966	\$ 32,087,353
Total unfunded actuarial liability (or funding excess)	\$ 6,562,631	\$ 6,062,549	\$ 5,734,183
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	81.84%	82.10%	82.13%
Annual covered payroll	\$ 16,852,800	\$ 16,199,101	\$ 16,310,763
Ratio of the unfunded actuarial liability (or funding excess) to covered payroll	38.94%	37.43%	35.16%

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN
Year Ended June 30, 2014

	Actuarial Valuation Date		
	January 1, 2013	January 1, 2011	January 1, 2009
Actuarial value of plan assets	\$ -	\$ -	\$ -
Actuarial accrued liability	\$ 6,879,030	\$ 6,212,999	\$ 3,538,714
Total unfunded actuarial liability (or funding excess)	\$ 6,879,030	\$ 6,212,999	\$ 3,538,714
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	0%	0%	0%
Annual covered payroll	\$ 15,915,617	\$ 15,689,991	\$ 15,042,574
Ratio of the unfunded actuarial liability (or funding excess) to covered payroll	43.22%	39.60%	23.52%
Employer contributions	\$ 341,401	\$ 300,293	\$ 372,692

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SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds - Capital projects funds account 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).

- **Capital Projects Fund:** This fund accounts for the accumulation of resources and the subsequent disbursement of such resources in obtaining or renovating 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 expenditures for a 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, 2014

	Capital Projects		Special Revenue				Total
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Grant Fund	Hotel/Motel Tax Fund	Debt Service Fund	Nonmajor Governmental Funds
<u>ASSETS</u>							
Cash and cash equivalents	\$ 57,152	\$ 3,065,691	\$ 1,896,653				\$ 5,019,496
Receivables:							
Intergovernmental		1,198,158					1,198,158
Other	6,773						6,773
Total assets	\$ 63,925	\$ 4,263,849	\$ 1,896,653	\$ -	\$ -	\$ -	\$ 6,224,427
<u>LIABILITIES AND FUND BALANCE</u>							
Liabilities:							
Accounts payable	\$ 3,451	\$ 546,554	\$ 306				\$ 550,005
Due to other funds							306
Total liabilities	3,451	546,554	306	-	-	-	550,311
Fund balance:							
Restricted for:							
Capital projects		3,717,295					3,717,295
Community development			1,896,347				1,896,347
Unassigned	60,474						60,474
Total fund balance	60,474	3,717,295	1,896,347	-	-	-	5,674,116
Total liabilities and fund balance	\$ 63,925	\$ 4,263,849	\$ 1,896,653	\$ -	\$ -	\$ -	\$ 6,224,427

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2014

	Capital Projects		Special Revenue				Total
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Grant Fund	Hotel/Motel Tax Fund	Debt Service Fund	Nonmajor Governmental Funds
Revenues:							
Hotel/Motel tax	\$ 1,091,631				\$ 733,326		\$ 733,326
Lease income							1,091,631
Intergovernmental		\$ 3,020,767	\$ 5,267				3,026,034
Investment income (loss)	1,226	10,156	4,915	\$ 85			16,382
Miscellaneous	125,255		15,700				140,955
Total revenues	1,218,112	3,030,923	25,882	85	733,326	\$ -	5,008,328
Expenditures:							
Current:							
Redevelopment and housing			335,399				335,399
Community development					452,977		452,977
Debt service:							
Principal retirement						1,196,251	1,196,251
Interest						371,047	371,047
Capital outlay:							
General government	69,160						69,160
Public safety		58,229					58,229
Public service	109	500,727					500,836
Community development	140,826	488,690					629,516
Total expenditures	210,095	1,047,646	335,399	-	452,977	1,567,298	3,613,415
Excess of revenues over (under) expenditures	1,008,017	1,983,277	(309,517)	85	280,349	(1,567,298)	1,394,913
Other financing sources (uses):							
Transfers in	600,000		3,658		452,977	1,567,298	2,623,933
Transfers out	(1,513,118)	(68,230)			(733,326)		(2,314,674)
Total other financing sources	(913,118)	(68,230)	3,658	-	(280,349)	1,567,298	309,259
Net change in fund balance	94,899	1,915,047	(305,859)	85	-	-	1,704,172
Fund balance, beginning of year	(34,425)	1,802,248	2,202,206	(85)	-	-	3,969,944
Fund balance, end of year	\$ 60,474	\$ 3,717,295	\$ 1,896,347	\$ -	\$ -	\$ -	\$ 5,674,116

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash	\$ 57,152	\$ 75,194
Receivables:		
Other	<u>6,773</u>	<u>56,302</u>
Total assets	<u>\$ 63,925</u>	<u>\$ 131,496</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 3,451	\$ 3,921
Due to other funds	<u></u>	<u>162,000</u>
Total liabilities	<u>3,451</u>	<u>165,921</u>
Fund balance:		
Restricted for:		
Capital projects	60,474	
Unassigned	<u></u>	<u>(34,425)</u>
Total fund balance	<u>60,474</u>	<u>(34,425)</u>
Total liabilities and fund balance	<u>\$ 63,925</u>	<u>\$ 131,496</u>

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Lease income	\$ 1,091,631	\$ 1,083,639
Interest	1,226	2,238
Grants and subsidies		601
Miscellaneous	<u>125,255</u>	<u>41,779</u>
Total revenues	<u>1,218,112</u>	<u>1,128,257</u>
Expenditures:		
Capital outlay:		
General government	69,160	20,608
Public service	109	33,145
Community development	<u>140,826</u>	<u>480,479</u>
Total expenditures	<u>210,095</u>	<u>534,232</u>
Excess of revenues over expenditures	<u>1,008,017</u>	<u>594,025</u>
Other financing sources (uses):		
Transfers in	600,000	1,062,298
Transfers out	<u>(1,513,118)</u>	<u>(1,712,450)</u>
Total other financing sources (uses)	<u>(913,118)</u>	<u>(650,152)</u>
Net change in fund balance	94,899	(56,127)
Fund balance, beginning of year	<u>(34,425)</u>	<u>21,702</u>
Fund balance, end of year	<u><u>\$ 60,474</u></u>	<u><u>\$ (34,425)</u></u>

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 3,065,691	\$ 1,381,778
Receivables:		
Intergovernmental	<u>1,198,158</u>	<u>490,239</u>
Total assets	<u>\$ 4,263,849</u>	<u>\$ 1,872,017</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	<u>\$ 546,554</u>	<u>\$ 69,769</u>
Total liabilities	<u>546,554</u>	<u>69,769</u>
Fund balance:		
Restricted for capital project	<u>3,717,295</u>	<u>1,802,248</u>
Total fund balance	<u>3,717,295</u>	<u>1,802,248</u>
Total liabilities and fund balance	<u>\$ 4,263,849</u>	<u>\$ 1,872,017</u>

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Intergovernmental	\$ 3,020,767	\$ 3,074,143
Investment income (loss)	10,156	3,439
Total revenues	<u>3,030,923</u>	<u>3,077,582</u>
Expenditures:		
Capital outlay:		
Public safety	58,229	49,063
Public service	500,727	3,496,493
Community development	488,690	
Total expenditures	<u>1,047,646</u>	<u>3,545,556</u>
Excess of revenues over (under) expenditures	<u>1,983,277</u>	<u>(467,974)</u>
Other financing sources (uses):		
Transfer out	<u>(68,230)</u>	<u>(271,772)</u>
Total other financing sources (uses)	<u>(68,230)</u>	<u>(271,772)</u>
Net change in fund balance	1,915,047	(739,746)
Fund balance, beginning of year	<u>1,802,248</u>	<u>2,541,994</u>
Fund balance, end of year	<u>\$ 3,717,295</u>	<u>\$ 1,802,248</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents	\$ 1,896,653	\$ 2,202,303
Receivables:		
Intergovernmental		15,843
Due from other funds		<u>210</u>
Total assets	<u>\$ 1,896,653</u>	<u>\$ 2,218,356</u>
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable		\$ 15,843
Accrued payroll		307
Due to other funds	<u>\$ 306</u>	
Total liabilities	<u>306</u>	<u>16,150</u>
Fund balance:		
Restricted for:		
Community development	<u>1,896,347</u>	<u>2,202,206</u>
Total fund balance	<u>1,896,347</u>	<u>2,202,206</u>
Total liabilities and fund balance	<u>\$ 1,896,653</u>	<u>\$ 2,218,356</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Intergovernmental	\$ 5,267	\$ 96,731
Investment income (loss)	4,915	102,190
Miscellaneous	15,700	21,000
	<u>25,882</u>	<u>219,921</u>
Total revenues		
Expenditures:		
Current:		
Redevelopment and housing	335,399	357,996
	<u>335,399</u>	<u>357,996</u>
Total expenditures		
	<u>(309,517)</u>	<u>(138,075)</u>
Excess of revenues over (under) expenditures		
Other financing sources (uses):		
Transfer in	3,658	2,075
Transfer out		(94,123)
	<u>3,658</u>	<u>(92,048)</u>
Total other financing sources (uses)		
	(305,859)	(230,123)
Net change in fund balance		
Fund balance, beginning of year	2,202,206	2,432,329
Fund balance, end of year	<u>\$ 1,896,347</u>	<u>\$ 2,202,206</u>

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2014

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,700	\$ 5,267	\$ 567
Interest	10,000	4,915	(5,085)
Miscellaneous	21,000	15,700	(5,300)
Total revenues	35,700	25,882	(9,818)
Expenditures:			
Current:			
Redevelopment and housing	331,937	335,399	(3,462)
Total expenditures	331,937	335,399	(3,462)
Excess of revenue over (under) expenditures	(296,237)	(309,517)	(13,280)
Other financing sources (uses):			
Transfer in		3,658	3,658
Total other financing sources (uses)	-	3,658	3,658
Net change in fund balances	(296,237)	(305,859)	(9,622)
Fund balance, beginning of year	2,202,206	2,202,206	-
Fund balance, end of year	\$ 1,905,969	\$ 1,896,347	\$ (9,622)

CITY OF LAGRANGE, GEORGIA
GRANT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Cash and cash equivalents		\$ 625
Total assets	\$ -	\$ 625
<u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Due to other funds		\$ 710
Total liabilities	\$ -	710
Fund balance:		
Unassigned		(85)
Total fund balance	-	(85)
Total liabilities and fund balance	\$ -	\$ 625

CITY OF LAGRANGE, GEORGIA
GRANT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Revenues:		
Intergovernmental		\$ 219,946
Investment income	\$ 85	
Total revenues	<u>85</u>	<u>219,946</u>
Expenditures:		
Current:		
Redevelopment and housing		<u>219,946</u>
Total expenditures	<u>-</u>	<u>219,946</u>
Excess of revenues over (under) expenditures	<u>85</u>	<u>-</u>
Net change in fund balance	85	-
Fund balance, beginning of year	<u>(85)</u>	<u>(85)</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ (85)</u></u>

CITY OF LAGRANGE, GEORGIA
GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2014

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income	\$ 100	\$ 85	\$ (15)
Total revenues	100	85	(15)
Expenditures:			
Current:			
Redevelopment and housing			-
Total expenditures	-	-	-
Excess of revenues over (under) expenditures	100	85	(15)
Net change in fund balance	100	85	(15)
Fund balance, beginning of year	(85)	(85)	-
Fund balance, end of year	\$ 15	\$ -	\$ (15)

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Hotel/Motel tax	\$ 733,326	\$ 785,900
Total revenues	<u>733,326</u>	<u>785,900</u>
Expenditures:		
Current:		
Community development	<u>452,977</u>	<u>486,321</u>
Total expenditures	<u>452,977</u>	<u>486,321</u>
Excess of revenues over (under) expenditures	<u>280,349</u>	<u>299,579</u>
Other financing sources (uses):		
Transfers in	452,977	486,321
Transfers out	<u>(733,326)</u>	<u>(785,900)</u>
Total other financing sources (uses)	<u>(280,349)</u>	<u>(299,579)</u>
Net change in fund balance	-	-
Fund balance, beginning of year		
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2014

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Hotel/Motel tax	\$ 730,000	\$ 733,326	\$ 3,326
Total revenues	730,000	733,326	3,326
Expenditures:			
Current:			
Community development	456,200	452,977	3,223
Total expenditures	456,200	452,977	3,223
Excess of revenue over (under) expenditures	273,800	280,349	6,549
Other financing sources (uses):			
Transfers in	456,200	452,977	(3,223)
Transfers out	(730,000)	(733,326)	(3,326)
Total other financing sources (uses)	(273,800)	(280,349)	(6,549)
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA
DEBT SERVICE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Interest		\$ 612
Other		102,512
Total revenues	\$ -	103,124
Expenditures:		
Principal retirement	1,196,251	1,478,499
Interest	371,047	597,633
Total expenditures	1,567,298	2,076,132
Excess of revenues over (under) expenditures	(1,567,298)	(1,973,008)
Other financing sources (uses):		
Transfers in	1,567,298	1,304,399
Transfers out		(24,209)
Total other financing sources (uses)	1,567,298	1,280,190
Net change in fund balance	-	(692,818)
Fund balance, beginning of year		692,818
Fund balance, end of year	\$ -	\$ -

CITY OF LAGRANGE, GEORGIA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2014

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Investment income			-
Total revenues	\$ -	\$ -	\$ -
Expenditures:			
Debt service:			
Principal retirement	1,196,251	1,196,251	-
Interest and fiscal charges	376,006	371,047	4,959
Total expenditures	1,572,257	1,567,298	4,959
Excess of revenues over (under) expenditures	(1,572,257)	(1,567,298)	4,959
Other financing sources (uses):			
Transfers in	1,572,257	1,567,298	(4,959)
Total other financing sources (uses)	1,572,257	1,567,298	(4,959)
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	\$ -	\$ -	\$ -

LaGRANGE *georgia*
S M A R T M O V E SM

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.

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2014 and 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Cash and cash equivalents	\$ 1,652,879	\$ 1,454,378
Investments	39,225	229,067
Receivables:		
Taxes	1,092,227	1,070,512
Other	9,219	8,990
Due from other funds	53,591	
Inventory	197,596	203,335
Restricted cash and cash equivalents	40,199	88,257
Restricted investments	825,661	788,648
	<u> </u>	<u> </u>
Total assets	<u>\$ 3,910,597</u>	<u>\$ 3,843,187</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 482,708	\$ 508,132
Due to other funds	500,000	500,000
Other accrued liabilities	332,201	303,113
	<u> </u>	<u> </u>
Total liabilities	<u>1,314,909</u>	<u>1,311,245</u>
Fund balance:		
Nonspendable:		
Inventory	197,596	203,335
Restricted for:		
Perpetual care	830,028	793,216
Public safety	35,832	83,689
Unassigned	1,532,232	1,451,702
	<u> </u>	<u> </u>
Total fund balance	<u>2,595,688</u>	<u>2,531,942</u>
	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 3,910,597</u>	<u>\$ 3,843,187</u>

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2014 and 2013

	2014	2013
Revenues:		
Taxes:		
Sales	\$ 4,795,388	\$ 4,950,107
Franchise	1,090,820	1,057,342
Insurance premium	1,526,267	1,474,077
Alcoholic beverage	732,169	723,504
Other	1,257,604	849,666
Licenses and permits	138,279	119,827
Intergovernmental	338,039	591,893
Charges for services	257,906	260,968
Fines and Forfeitures	1,613,749	1,828,645
Investment income (loss)	23,063	27,339
Miscellaneous	128,365	148,511
	<u>11,901,649</u>	<u>12,031,879</u>
Total revenues		
Expenditures:		
Current:		
General government	2,059,938	1,652,312
Public safety	15,754,520	15,176,234
Public service	2,540,906	2,439,588
Culture and recreation	1,006,218	942,167
Community development	1,316,678	1,329,455
Telecommunications	392,945	386,117
Capital outlay:		
General government	15,577	67,043
Public safety	285,991	171,372
Public service	439,120	101,978
Telecommunications	15,271	
Culture and recreation	36,641	85,026
Community development	19,600	35,121
	<u>23,883,405</u>	<u>22,386,413</u>
Total expenditures		
Excess of expenditures over (under) revenues	<u>(11,981,756)</u>	<u>(10,354,534)</u>
Other financing sources (uses):		
Sale of assets	347	2,266
Capital lease	474,797	235,475
Transfers in	12,297,047	11,318,743
Transfers out	(726,689)	(763,006)
	<u>12,045,502</u>	<u>10,793,478</u>
Total other financing sources (uses)		
Net change in fund balance	63,746	438,944
Fund balance, beginning of year	<u>2,531,942</u>	<u>2,092,998</u>
Fund balance, end of year	<u>\$ 2,595,688</u>	<u>\$ 2,531,942</u>

LaGRANGE *georgia*
S M A R T M O V E SP1

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.

Water and Sewerage Fund - This fund accounts for the operation of the City's water and sewerage activities.

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 POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 6,902,231	\$ 13,219,574
Investments	18,080,384	7,721,802
Receivables:		
Accounts	8,428,316	9,025,822
Due from other funds	500,000	580,500
Prepays	77,621	83,288
Inventory	1,054,130	947,970
Restricted assets:		
Restricted investments	11,840,759	15,740,217
Total current assets	<u>46,883,441</u>	<u>47,319,173</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,574,303	1,574,303
Capital assets, being depreciated	38,362,667	39,697,010
Total noncurrent assets	<u>39,936,970</u>	<u>41,271,313</u>
Total assets	<u>86,820,411</u>	<u>88,590,486</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	4,486,878	4,199,831
Customer deposits	1,629,397	1,684,194
Accrued liabilities	59,458	45,133
Accrued compensated absences	75,992	108,376
Due to other funds	23,016	
Unearned revenue	14,725,729	15,740,217
Capital leases - Current	309,811	318,648
Intergovernmental agreement payable - Current	225,000	215,000
Liabilities payable from restricted assets:		
Accrued interest payable	86,962	172,140
Revenue bonds - Current	770,000	750,000
Total current liabilities	<u>22,392,243</u>	<u>23,233,539</u>
Noncurrent liabilities:		
Compensated absences	113,988	72,251
Revenue bonds - Long-term	8,215,000	8,985,000
Capital leases - Long-term	605,054	770,393
Intergovernmental agreement payable - Long-term	3,435,000	3,660,000
Advances from other funds	1,176,856	1,254,540
Net OPEB obligation	379,660	308,172
Total noncurrent liabilities	<u>13,925,558</u>	<u>15,050,356</u>
Total liabilities	<u>36,317,801</u>	<u>38,283,895</u>
<u>NET POSITION</u>		
Net investment in capital assets	30,037,105	30,447,272
Unrestricted	<u>20,465,505</u>	<u>19,859,319</u>
Total net position	<u>\$ 50,502,610</u>	<u>\$ 50,306,591</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Gas system	\$ 17,155,524	\$ 14,605,661
Electric system	53,074,347	49,406,625
Telecommunications	3,049,735	2,921,483
Other sales	590,347	222,208
Total operating revenues	<u>73,869,953</u>	<u>67,155,977</u>
Operating expenses:		
Gas system	13,264,923	10,078,573
Electric system	44,782,003	41,207,271
Telecommunications	2,415,797	2,186,948
Depreciation	2,007,980	1,952,202
Total operating expenses	<u>62,470,703</u>	<u>55,424,994</u>
Operating income	<u>11,399,250</u>	<u>11,730,983</u>
Nonoperating revenues (expenses):		
Gain (loss) on sale of assets	275	(429,039)
Investment income	43,149	13,489
Interest expense	(478,085)	(1,050,859)
Total nonoperating revenues (expenses)	<u>(434,661)</u>	<u>(1,466,409)</u>
Net income before transfers	10,964,589	10,264,574
Transfers in	1,695,000	1,873,113
Transfers out	<u>(12,463,570)</u>	<u>(11,653,406)</u>
Change in net position	196,019	484,281
Net position, beginning of year	<u>50,306,591</u>	<u>49,822,310</u>
Net position, end of year	<u>\$ 50,502,610</u>	<u>\$ 50,306,591</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 73,501,690	\$ 65,526,715
Cash paid to employees	(2,465,442)	(2,346,436)
Cash paid to suppliers	(57,715,561)	(50,398,087)
Net cash provided (used) by operating activities	<u>13,320,687</u>	<u>12,782,192</u>
Cash flow from noncapital financing activities:		
Advances to other funds	(77,684)	(73,808)
Transfers in	1,695,000	1,873,113
Transfers out	(12,463,570)	(11,653,406)
Net cash provided (used) by noncapital financing activities	<u>(10,846,254)</u>	<u>(9,854,101)</u>
Cash flows from capital and related financial activities:		
Proceeds from debt		265,000
Payments on intergovernmental agreement	(215,000)	(205,000)
Principal payments on revenue bonds	(750,000)	(670,000)
Proceeds from sale of assets	3,276	28,698
Acquisition of capital assets	(532,166)	(2,041,286)
Capital lease payments	(318,648)	(360,232)
Interest paid	(563,263)	(766,362)
Net cash provided (used) by capital and related financing activities	<u>(2,375,801)</u>	<u>(3,749,182)</u>
Cash flows from investing activities:		
Sale (purchase) of investments	(6,459,124)	(1,696,428)
Investment income	43,149	13,489
Net cash provided (used) by investing activities	<u>(6,415,975)</u>	<u>(1,682,939)</u>
Net increase (decrease) in cash	(6,317,343)	(2,504,030)
Cash, beginning of year	<u>13,219,574</u>	<u>15,723,604</u>
Cash, end of year	<u>\$ 6,902,231</u>	<u>\$ 13,219,574</u>

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013
(Continued)

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Operating income	\$ 11,399,250	\$ 11,730,983
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,007,980	1,952,202
Changes in operating assets and liabilities:		
Accounts receivable	597,506	(986,552)
Inventory	(106,160)	54,671
Due from other funds	80,500	
Prepays	5,667	4,951
Accounts payable	287,047	555,023
Accrued vacation	9,353	44,607
Other receivable		1,500,000
Due to other funds	23,016	622,000
Unearned revenue	(1,014,488)	(2,896,379)
Customer deposits	(54,797)	131,669
Other accrued expenses	14,325	(2,471)
Net OPEB obligation	<u>71,488</u>	<u>71,488</u>
Net cash provided by operating activities	<u>\$ 13,320,687</u>	<u>\$ 12,782,192</u>

Supplemental disclosure of non-cash investing and financing activities:

In 2014 and 2013, the City incurred debt of \$144,473 and \$569,875, respectively, in the form of capital leases in connection with the acquisition of new equipment.

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF OPERATING INCOME
Year Ended June 30, 2014

	Electric System	Gas System	Telecom- municatons	Total
Operating revenues	<u>\$ 53,274,874</u>	<u>\$ 17,545,344</u>	<u>\$ 3,049,735</u>	<u>\$ 73,869,953</u>
Operating expenses:				
Electricity and natural gas purchase	41,271,680	11,505,656		52,777,336
Depreciation	562,684	1,104,578	340,718	2,007,980
Other operating	4,162,320	1,759,267	1,763,800	7,685,387
	<u>45,996,684</u>	<u>14,369,501</u>	<u>2,104,518</u>	<u>62,470,703</u>
Operating income	<u>\$ 7,278,190</u>	<u>\$ 3,175,843</u>	<u>\$ 945,217</u>	<u>\$ 11,399,250</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE
Year Ended June 30, 2014

	Historical Cost			Allowance of Depreciation				Net Asset Value	
	Balance June 30, 2013	Additions	Deletions	Balance June 30, 2014	Balance June 30, 2013	Expenses	Deletions		
Gas system	\$ 34,014,232	\$ 71,039		\$ 34,085,271	\$ (10,595,442)	\$ (1,104,578)		\$ (11,700,020)	\$ 22,385,251
Electric system	22,399,725	265,852	\$ (63,735)	22,601,842	(10,437,026)	(562,684)	\$ 60,733	\$ (10,938,977)	\$ 11,662,865
Telecommunications	8,810,896	339,748		9,150,644	(2,921,072)	(340,718)		\$ (3,261,790)	\$ 5,888,854
	<u>\$ 65,224,853</u>	<u>\$ 676,639</u>	<u>\$ (63,735)</u>	<u>\$ 65,837,757</u>	<u>\$ (23,953,540)</u>	<u>\$ (2,007,980)</u>	<u>\$ 60,733</u>	<u>\$ (25,900,787)</u>	<u>\$ 39,936,970</u>

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE SCHEDULES OF REVENUES
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Gas system:		
Gas sales	\$ 17,155,524	\$ 14,605,661
Miscellaneous	389,820	38,101
	<u>17,545,344</u>	<u>14,643,762</u>
Electric system:		
Electricity sales	51,957,169	48,296,194
Street and security lights	1,117,178	1,110,431
Miscellaneous	200,527	171,628
	<u>53,274,874</u>	<u>49,578,253</u>
Telecommunications:		
Internet services	1,599,209	1,506,009
Other telecommunications services	1,450,526	1,427,953
	<u>3,049,735</u>	<u>2,933,962</u>
 Total operating revenues	 <u>\$ 73,869,953</u>	 <u>\$ 67,155,977</u>

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and cash equivalents	\$ 5,869,784	\$ 3,124,049
Investments	3,484,379	3,475,719
Receivables:		
Accounts	1,815,350	1,909,156
Inventory	877,377	758,306
Total current assets	<u>12,046,890</u>	<u>9,267,230</u>
Noncurrent assets:		
Capital assets, not being depreciated	5,465,878	498,525
Capital assets, being depreciated	65,875,383	68,020,680
Total noncurrent assets	<u>71,341,261</u>	<u>68,519,205</u>
Total assets	<u>83,388,151</u>	<u>77,786,435</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	1,521,164	114,512
Customer deposits	395,203	410,314
Accrued liabilities	49,553	34,349
Accrued compensated absences	43,441	44,661
Due to other funds	21,252	139,831
Notes payable - Current	347,741	
Total current liabilities	<u>2,378,354</u>	<u>743,667</u>
Noncurrent liabilities:		
Compensated absences	65,161	66,991
Notes payable - Long-term	6,657,418	3,066,209
Net OPEB obligation	336,801	276,908
Total noncurrent liabilities	<u>7,059,380</u>	<u>3,410,108</u>
Total liabilities	<u>9,437,734</u>	<u>4,153,775</u>
<u>NET POSITION</u>		
Net investment in capital assets	64,336,102	65,313,165
Unrestricted	<u>9,614,315</u>	<u>8,319,495</u>
Total net position	<u>\$ 73,950,417</u>	<u>\$ 73,632,660</u>

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Water and sewerage system	\$ 15,359,434	\$ 14,723,394
Other sales	70,738	121,526
Total operating revenues	<u>15,430,172</u>	<u>14,844,920</u>
Operating expenses:		
Water and sewerage system	9,813,601	9,736,005
Depreciation	3,013,750	2,973,060
Total operating expenses	<u>12,827,351</u>	<u>12,709,065</u>
Operating income	<u>2,602,821</u>	<u>2,135,855</u>
Nonoperating revenues (expenses):		
Interest expense	(195,734)	(104,440)
Total nonoperating revenues (expenses)	<u>(195,734)</u>	<u>(104,440)</u>
Net income before contributions and transfers	2,407,087	2,031,415
Transfers in	1,020,670	1,132,186
Transfers out	<u>(3,110,000)</u>	<u>(2,485,000)</u>
Change in net position	317,757	678,601
Net position, beginning of year	<u>73,632,660</u>	<u>72,954,059</u>
Net position, end of year	<u><u>\$ 73,950,417</u></u>	<u><u>\$ 73,632,660</u></u>

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 15,530,119	\$ 14,853,104
Cash paid to employees	(4,086,261)	(3,713,526)
Cash paid to suppliers	(4,367,711)	(5,856,671)
Net cash provided (used) by operating activities	<u>7,076,147</u>	<u>5,282,907</u>
Cash flow from noncapital financing activities:		
Transfers in	952,440	1,132,186
Transfers out	(3,110,000)	(2,485,000)
Net cash provided (used) by noncapital financing activities	<u>(2,157,560)</u>	<u>(1,352,814)</u>
Cash flows from capital and related financial activities:		
Transfer in	68,230	
Proceeds from debt	3,938,949	
Principal payments on revenue bonds		(1,534,040)
Acquisition of capital assets	(5,835,807)	(78,402)
Payments on notes payable	(139,830)	(135,425)
Interest paid	(195,734)	(28,315)
Net cash provided (used) by capital and related financing activities	<u>(2,164,192)</u>	<u>(1,776,182)</u>
Cash flows from investing activities:		
Purchase of investments	(8,660)	(3,475,719)
Net cash provided (used) by investing activities	<u>(8,660)</u>	<u>(3,475,719)</u>
Net increase (decrease) in cash	2,745,735	(1,321,808)
Cash, beginning of year	<u>3,124,049</u>	<u>4,445,857</u>
Cash, end of year	<u>\$ 5,869,784</u>	<u>\$ 3,124,049</u>
Cash flows from operating activities:		
Operating income	\$ 2,602,821	\$ 2,135,855
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,013,750	2,973,060
Changes in operating assets and liabilities:		
Accounts receivable	93,806	21,463
Inventory	(119,071)	46,134
Accounts payable	1,406,653	32,428
Accrued vacation	(3,050)	23,747
Due to other funds	21,252	
Customer deposits	(15,111)	(13,279)
Other accrued expenses	15,204	3,606
Net OPEB obligation	<u>59,893</u>	<u>59,893</u>
Net cash provided by operating activities	<u>\$ 7,076,147</u>	<u>\$ 5,282,907</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 3,362,270	\$ 1,785,610
Receivables:		
Accounts receivable	657,875	526,678
Total current assets	<u>4,020,145</u>	<u>2,312,288</u>
Noncurrent assets:		
Capital assets, not being depreciated	1,486,063	1,437,733
Capital assets, being depreciated	18,763,146	19,010,546
Total noncurrent assets	<u>20,249,209</u>	<u>20,448,279</u>
Total assets	<u>24,269,354</u>	<u>22,760,567</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable	128,217	149,776
Customer deposits	1,530	1,530
Accrued liabilities	20,367	9,831
Accrued compensated absences	30,295	30,735
Due to other funds	9,017	
Notes payable, current	50,731	49,566
Capital leases, current	604,459	488,474
Total current liabilities	<u>844,616</u>	<u>729,912</u>
Noncurrent liabilities:		
Compensated absences	45,443	46,102
Notes payable, long-term	497,935	548,666
Capital leases, long-term	1,235,612	1,260,147
Landfill postclosure liability	7,194,951	6,910,194
Net OPEB obligation	147,505	122,822
Total noncurrent liabilities	<u>9,121,446</u>	<u>8,887,931</u>
Total liabilities	<u>9,966,062</u>	<u>9,617,843</u>
<u>NET POSITION</u>		
Net investment in capital assets	17,860,473	18,101,426
Unrestricted	<u>(3,557,181)</u>	<u>(4,958,702)</u>
Total net position	<u>\$ 14,303,292</u>	<u>\$ 13,142,724</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2014 and 2013

	2014	2013
Operating revenues:		
Sanitation	\$ 8,142,200	\$ 8,294,522
Other sales	278,351	239,401
Total operating revenues	<u>8,420,551</u>	<u>8,533,923</u>
Operating expenses:		
Sanitation	7,013,476	8,078,829
Depreciation	1,212,061	1,130,817
Total operating expenses	<u>8,225,537</u>	<u>9,209,646</u>
Operating income	<u>195,014</u>	<u>(675,723)</u>
Nonoperating revenues (expenses):		
Investment income	803	1,625
Interest expense	(13,508)	(116,067)
Total nonoperating revenues (expenses)	<u>(12,705)</u>	<u>(114,442)</u>
Net income (loss) before transfers	182,309	(790,165)
Transfers in	978,259	618,820
Transfers out	<u></u>	<u>(8,089)</u>
Change in net position	1,160,568	(179,434)
Net position, beginning of year	<u>13,142,724</u>	<u>13,322,158</u>
Net position, end of year	<u>\$ 14,303,292</u>	<u>\$ 13,142,724</u>

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	2014	2013
Cash flows from operating activities:		
Cash received from customers and users	\$ 8,298,371	\$ 8,114,901
Cash paid to employees	(2,192,797)	(2,043,489)
Cash paid to suppliers	(4,523,360)	(5,687,581)
Net cash provided (used) by operating activities	<u>1,582,214</u>	<u>383,831</u>
Cash flows from noncapital financing activities:		
Transfers in	978,259	618,820
Transfers out	(8,089)	(8,089)
Net cash provided (used) by noncapital financing activities	<u>978,259</u>	<u>610,731</u>
Cash flows from capital and related financing activities:		
Capital lease payments	(488,474)	(460,304)
Payments on notes payable	(49,566)	(48,451)
Acquisition of capital assets	(433,068)	(432,042)
Interest paid	(13,508)	(34,746)
Net cash provided (used) by capital and related financing activities	<u>(984,616)</u>	<u>(975,543)</u>
Cash flows from investing activities:		
Investment income	803	1,625
Net cash provided (used) by investing activities	<u>803</u>	<u>1,625</u>
Net increase (decrease) in cash	1,576,660	20,644
Cash, beginning of year	<u>1,785,610</u>	<u>1,764,966</u>
Cash, end of year	<u><u>\$ 3,362,270</u></u>	<u><u>\$ 1,785,610</u></u>
Cash flows from operating activities:		
Operating income	\$ 195,014	\$ (675,723)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,212,061	1,130,817
Changes in operating assets and liabilities:		
Accounts receivable	(131,197)	(419,022)
Prepays	8,089	8,089
Accounts payable	(21,558)	80,233
Accrued vacation	(1,099)	13,335
Due from other funds	9,017	(2,235)
Other accrued expenses	10,536	(2,235)
Closure/postclosure care	284,757	223,654
Net OPEB obligation	24,683	24,683
Net cash provided by operating activities	<u><u>\$ 1,582,214</u></u>	<u><u>\$ 383,831</u></u>

Supplemental disclosure of non-cash investing and financing activities:

In 2014 and 2013, the City incurred debt of \$579,923 and \$601,584, respectively, in the form of capital leases in connection with the acquisition of new equipment

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 POSITION
June 30, 2014

	<u>Group Insurance Fund</u>	<u>Property and Casualty Fund</u>	<u>Total</u>
<u>ASSETS</u>			
Current assets:			
Cash and cash equivalents	\$ 531,698	\$ 1,545,385	\$ 2,077,083
Receivables-other	19,856	51,990	71,846
Due from other funds		1,000,000	1,000,000
Prepaid expense	14,240		14,240
Advances to other funds		1,176,856	1,176,856
	<u>565,794</u>	<u>3,774,231</u>	<u>4,340,025</u>
Total assets			
	<u>565,794</u>	<u>3,774,231</u>	<u>4,340,025</u>
<u>LIABILITIES AND NET POSITION</u>			
Current liabilities:			
Accounts payable		22,406	22,406
Claims reserve	700,000	600,000	1,300,000
Due to other funds	1,000,000		1,000,000
	<u>1,700,000</u>	<u>622,406</u>	<u>2,322,406</u>
Total liabilities			
	<u>1,700,000</u>	<u>622,406</u>	<u>2,322,406</u>
Net position:			
Unrestricted	<u>(1,134,206)</u>	<u>3,151,825</u>	<u>2,017,619</u>
Total net position	<u>\$ (1,134,206)</u>	<u>\$ 3,151,825</u>	<u>\$ 2,017,619</u>

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2014

	Group Insurance Fund	Property and Casualty Fund	Total
Operating revenues:			
Charges for services	\$ 7,127,423	\$ 994,492	\$ 8,121,915
Operating expenses:			
Administrative services	201,318	69,646	270,964
Risk management	7,797,985	633,774	8,431,759
Total operating expenses	7,999,303	703,420	8,702,723
Operating income (loss)	(871,880)	291,072	(580,808)
Nonoperating revenues:			
Investment income	1,156	71,311	72,467
Total nonoperating revenues	1,156	71,311	72,467
Income (loss) before transfers	(870,724)	362,383	(508,341)
Transfers in	34,532		34,532
Transfers out	(34,508)		(34,508)
Change in net position	(870,700)	362,383	(508,317)
Net position, beginning of year	(263,506)	2,789,442	2,525,936
Net position, end of year	\$ (1,134,206)	\$ 3,151,825	\$ 2,017,619

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2014

	Group Insurance Fund	Property and Casualty Fund	Total
Cash flows from operating activities:			
Cash payments from other funds		\$ (918,000)	\$ (918,000)
Cash received from customers and users	\$ 7,135,368	994,492	8,129,860
Cash paid to suppliers	(7,824,351)	(682,207)	(8,506,558)
Cash payments to other funds	1,000,000		1,000,000
Net cash provided (used) by operating activities	<u>311,017</u>	<u>(605,715)</u>	<u>(294,698)</u>
Cash flows from noncapital financing activities:			
Repayments of advances to other funds		77,684	77,684
Transfers in	34,532		34,532
Transfers out	(34,508)		(34,508)
Net cash provided (used) by noncapital financing activities	<u>24</u>	<u>77,684</u>	<u>77,708</u>
Cash flows from investing activities:			
Investment income	1,156	71,311	72,467
Net cash provided (used) by investing activities	<u>1,156</u>	<u>71,311</u>	<u>72,467</u>
Net increase (decrease) in cash	312,197	(456,720)	(144,523)
Cash, beginning of year	<u>219,501</u>	<u>2,002,105</u>	<u>2,221,606</u>
Cash, end of year	<u><u>\$ 531,698</u></u>	<u><u>\$ 1,545,385</u></u>	<u><u>\$ 2,077,083</u></u>
Cash flows form operating activities:			
Operating income (loss)	\$ (871,880)	\$ 291,072	\$ (580,808)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	7,945		7,945
(Increase) decrease in interfund receivable		(918,000)	(918,000)
(Increase) decrease in prepaid expense	(48)		(48)
Increase (decrease) in accounts payable		21,213	21,213
Increase (decrease) in interfund payable	1,000,000		1,000,000
Increase (decrease) in claims reserve	175,000		175,000
Net cash provided (used) by operating activities	<u><u>\$ 311,017</u></u>	<u><u>\$ (605,715)</u></u>	<u><u>\$ (294,698)</u></u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 531,698	\$ 219,501
Receivables-other	19,856	27,801
Prepaid expense	<u>14,240</u>	<u>14,192</u>
Total assets	<u>565,794</u>	<u>261,494</u>
 <u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Claims reserve	700,000	525,000
Due to other funds	<u>1,000,000</u>	<u>525,000</u>
Total current liabilities	<u>1,700,000</u>	<u>525,000</u>
 Net position:		
Unrestricted	<u>\$ (1,134,206)</u>	<u>\$ (263,506)</u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	<u>\$ 7,127,423</u>	<u>\$ 6,128,742</u>
Operating expenses:		
Administrative services	201,318	213,850
Risk management	<u>7,797,985</u>	<u>6,320,160</u>
Total operating expenses	<u>7,999,303</u>	<u>6,534,010</u>
Operating income (loss)	<u>(871,880)</u>	<u>(405,268)</u>
Nonoperating revenues:		
Investment income	<u>1,156</u>	<u>702</u>
Total nonoperating revenues	<u>1,156</u>	<u>702</u>
Income (loss) before transfers	(870,724)	(404,566)
Transfers in	34,532	1,655,816
Transfers out	<u>(34,508)</u>	<u>(38,443)</u>
Change in net position	(870,700)	1,212,807
Net position, beginning of year	<u>(263,506)</u>	<u>(1,476,313)</u>
Net position, end of year	<u><u>\$ (1,134,206)</u></u>	<u><u>\$ (263,506)</u></u>

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash received from customers and users	\$ 7,135,368	\$ 6,115,391
Cash paid to suppliers	(7,824,351)	(6,537,306)
Cash payments to other funds	<u>1,000,000</u>	<u>(1,117,373)</u>
Net cash provided (used) by operating activities	<u>311,017</u>	<u>(1,539,288)</u>
Cash flows from noncapital financing activities:		
Transfers in	34,532	1,655,816
Transfers out	<u>(34,508)</u>	<u>(38,443)</u>
Net cash provided (used) by noncapital financing activities	<u>24</u>	<u>1,617,373</u>
Cash flows from investing activities:		
Investment income	<u>1,156</u>	<u>702</u>
Net cash provided (used) by investing activities	<u>1,156</u>	<u>702</u>
Net increase (decrease) in cash	312,197	78,787
Cash, beginning of year	<u>219,501</u>	<u>140,714</u>
Cash, end of year	<u>\$ 531,698</u>	<u>\$ 219,501</u>
Cash flows from operating activities:		
Operating income (loss)	\$ (871,880)	\$ (405,268)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in receivables	7,945	(13,351)
(Increase) decrease in prepaid expense	(48)	(3,296)
Increase (decrease) in interfund payable	1,000,000	(1,117,373)
Increase (decrease) in claims reserve	<u>175,000</u>	<u></u>
Net cash provided (used) by operating activities	<u>\$ 311,017</u>	<u>\$ (1,539,288)</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 1,545,385	\$ 2,002,105
Due from other funds	1,000,000	82,000
Receivables-other	51,990	51,990
Advances to other funds	<u>1,176,856</u>	<u>1,254,540</u>
Total assets	<u>3,774,231</u>	<u>3,390,635</u>
<u>LIABILITIES AND NET POSITION</u>		
Current liabilities:		
Accounts payable	22,406	1,193
Claims reserve	<u>600,000</u>	<u>600,000</u>
Total liabilities	<u>622,406</u>	<u>601,193</u>
Net position:		
Unrestricted	<u>\$ 3,151,825</u>	<u>\$ 2,789,442</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Operating revenues:		
Charges for services	\$ 994,492	\$ 1,000,674
Operating expenses:		
Administrative services	69,646	45,457
Risk management	633,774	685,631
Total operating expenses	<u>703,420</u>	<u>731,088</u>
Operating income (loss)	<u>291,072</u>	<u>269,586</u>
Nonoperating revenues:		
Investment income	71,311	76,969
Total nonoperating revenues	<u>71,311</u>	<u>76,969</u>
Income (loss) before transfers	362,383	346,555
Transfers out		<u>(1,617,373)</u>
Change in net position	362,383	(1,270,818)
Net position, beginning of year	<u>2,789,442</u>	<u>4,060,260</u>
Net position, end of year	<u>\$ 3,151,825</u>	<u>\$ 2,789,442</u>

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities:		
Cash payments from other funds	\$ (918,000)	\$ 1,035,373
Cash received from customers and users	994,492	1,000,674
Cash paid to suppliers	<u>(682,207)</u>	<u>(731,356)</u>
Net cash provided (used) by operating activities	<u>(605,715)</u>	<u>1,304,691</u>
Cash flows from noncapital financing activities:		
Repayment of advances to other funds	77,684	73,808
Transfers out		<u>(1,617,373)</u>
Net cash provided (used) by noncapital financing activities	<u>77,684</u>	<u>(1,543,565)</u>
Cash flows from investing activities:		
Investment income	<u>71,311</u>	<u>76,969</u>
Net cash provided (used) by investing activities	<u>71,311</u>	<u>76,969</u>
Net increase (decrease) in cash	(456,720)	(161,905)
Cash, beginning of year	<u>2,002,105</u>	<u>2,164,010</u>
Cash, end of year	<u>\$ 1,545,385</u>	<u>\$ 2,002,105</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 291,072	\$ 269,586
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in interfund receivable	(918,000)	1,035,373
Increase (decrease) in accounts payable	<u>21,213</u>	<u>(268)</u>
Net cash provided (used) by operating activities	<u>\$ (605,715)</u>	<u>\$ 1,304,691</u>

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
COMPARATIVE SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Governmental fund capital assets:		
Land	\$ 9,205,906	\$ 9,265,080
Buildings	13,030,763	13,030,763
Machinery and equipment	8,404,379	7,888,643
Vehicles	3,552,643	3,312,414
Infrastructure	<u>39,883,263</u>	<u>38,847,156</u>
Total governmental fund capital assets	<u>\$ 74,076,954</u>	<u>\$ 72,344,056</u>
Investment in governmental fund capital assets by source:		
General fund revenues	\$ 12,081,853	\$ 11,337,426
General obligation bonds	3,000,000	3,000,000
Capital projects fund	51,062,780	50,074,309
Special revenues fund	4,429,256	4,429,256
Donations	<u>3,503,065</u>	<u>3,503,065</u>
Total governmental fund capital assets	<u>\$ 74,076,954</u>	<u>\$ 72,344,056</u>

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
June 30, 2014

<u>Function and Activity</u>	<u>Total</u>	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Machinery and Equipment</u>	<u>Vehicles</u>	<u>Infrastructure</u>
General government	\$ 14,853,950	\$ 5,313,501	\$ 6,364,488	\$ 2,772,015	\$ 403,946	
Public safety	6,968,096	21,465	2,266,959	2,303,661	2,252,951	\$ 123,060
Public service	11,215,173	371,261		1,775,475	464,120	8,604,317
Culture and recreation	5,050,272	1,737,735	206,943	426,757	337,508	2,341,329
Community development	<u>35,989,463</u>	<u>1,761,944</u>	<u>4,192,373</u>	<u>1,126,471</u>	<u>94,118</u>	<u>28,814,557</u>
Total governmental funds capital assets	<u>\$ 74,076,954</u>	<u>\$ 9,205,906</u>	<u>\$ 13,030,763</u>	<u>\$ 8,404,379</u>	<u>\$ 3,552,643</u>	<u>\$ 39,883,263</u>

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CHANGE IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
Year Ended June 30, 2014

<u>Function and Activity</u>	<u>Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2014</u>
General government	\$ 15,067,012	\$ 15,577	\$ (228,639)	\$ 14,853,950
Public safety	6,693,054	285,991	(10,949)	6,968,096
Public service	10,776,053	439,120		11,215,173
Culture and recreation	5,036,216	36,641	(22,585)	5,050,272
Community development	<u>34,771,721</u>	<u>1,223,342</u>	<u>(5,600)</u>	<u>35,989,463</u>
Total governmental funds capital assets	<u>\$ 72,344,056</u>	<u>\$ 2,000,671</u>	<u>\$ (267,773)</u>	<u>\$ 74,076,954</u>

*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:

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

CITY OF LAGRANGE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUNDS
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2014

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Special Local Option Sales Tax - 2006:				
Roads, streets and bridges:				
Construction and resurfacing	\$ 9,800,000	\$ 14,854,460	\$ -	\$ 14,854,460
Bridge repair	880,000	-	-	-
Bike and sidewalk facilities	880,000	14,649	-	14,649
Utility relocation and construction	4,880,000	1,952,732	10,132	1,962,864
Public safety facilities and equipment	2,880,000	3,033,291	46,926	3,080,217
Special Local Option Sales Tax - 2011:				
Road and bridge improvements	\$ 10,550,000	\$ -	\$ 500,727	\$ 500,727
Utility relocation	3,000,000	-	58,098	58,098
Bicycle and sidewalk facilities and neighborhood parks	3,000,000	-	488,690	488,690
Public safety facilities and equipment	3,400,000	-	11,303	11,303

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.

CONTENTS

	<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.	90
<u>Revenue Capacity</u> - These schedules present information to help the reader assess the City's most significant local revenue source, utility revenue.	96
<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.	101
<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.	105
<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.	107

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 POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
Net investment										
in capital assets	\$ 20,955,023	\$ 22,872,801	\$ 27,138,772	\$ 29,417,747	\$ 31,406,673	\$ 33,802,402	\$ 37,274,638	\$ 40,409,288	\$ 43,576,398	\$ 43,561,422
Restricted	6,492,224	5,628,363	3,191,045	6,943,819	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502
Unrestricted	3,474,485	4,177,433	4,659,797	(2,034,791)	(1,855,322)	(3,029,985)	(2,908,655)	(3,461,667)	(3,311,359)	(3,569,275)
Total governmental activities net position	\$ 30,921,732	\$ 32,678,597	\$ 34,989,614	\$ 34,326,775	\$ 37,644,866	\$ 37,918,669	\$ 41,871,410	\$ 43,476,627	\$ 45,146,398	\$ 46,471,649
Business-type activities:										
Net investment										
in capital assets	\$ 74,485,060	\$ 78,006,264	\$ 85,729,997	\$ 87,979,264	\$ 88,744,568	\$ 103,765,331	\$ 113,856,456	\$ 114,889,792	\$ 113,861,863	\$ 112,233,680
Unrestricted	15,595,791	14,868,506	11,136,268	11,166,823	19,395,224	15,548,813	16,249,506	21,208,735	23,220,112	26,522,639
Total business-type activities net position	\$ 90,080,851	\$ 92,874,770	\$ 96,866,265	\$ 99,145,887	\$ 108,139,792	\$ 119,314,144	\$ 130,105,962	\$ 136,098,527	\$ 137,081,975	\$ 138,756,319
Primary government:										
Net investment										
in capital assets	\$ 95,440,083	\$ 100,879,065	\$ 112,868,769	\$ 117,397,011	\$ 120,151,241	\$ 137,567,733	\$ 151,131,094	\$ 155,299,080	\$ 157,438,261	\$ 155,795,102
Restricted	6,492,224	5,628,363	3,191,045	6,943,819	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502
Unrestricted	19,070,276	19,045,939	15,796,065	9,131,832	17,539,902	12,518,828	13,340,851	17,747,068	19,908,753	22,953,364
Total primary government net position	\$ 121,002,583	\$ 125,553,367	\$ 131,855,879	\$ 133,472,662	\$ 145,784,658	\$ 157,232,813	\$ 171,977,372	\$ 179,575,154	\$ 182,228,373	\$ 185,227,968

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CITY OF LAGRANGE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses										
Governmental activities:										
General government	\$ 1,867,233	\$ 1,861,149	\$ 1,774,541	\$ 2,071,915	\$ 2,214,134	\$ 2,202,176	\$ 2,023,144	\$ 2,447,844	\$ 2,374,352	\$ 2,702,167
Public safety	11,214,890	11,435,498	12,451,424	12,927,862	13,152,404	14,074,285	13,941,126	14,477,949	15,583,597	16,512,002
Public service	4,276,819	3,250,325	2,811,952	2,822,341	2,708,868	2,746,773	2,829,962	3,129,297	2,925,579	2,855,304
Culture and recreation	944,364	1,015,887	1,033,239	1,201,017	1,097,198	1,092,616	990,442	1,103,386	1,090,148	1,156,457
Community development	1,568,303	1,849,841	2,216,201	5,320,867	2,151,152	2,480,853	2,317,269	2,590,079	2,885,126	3,160,331
Redevelopment and housing								503,278	577,942	335,399
Miscellaneous	510,577	640,300	1,068,017	818,825	890,116	748,224	817,226	377,065	398,890	415,457
Interest on long-term debt.	423,878	511,415	388,276	874,110	615,465	621,623	502,255	600,050	583,580	327,250
Total governmental activities expenses	20,806,064	20,564,415	21,743,650	26,036,937	22,829,337	23,966,550	23,421,424	25,228,948	26,419,214	27,464,367
Business-type activities:										
Water and sewerage	11,250,626	12,472,000	12,689,848	11,535,187	11,711,112	11,357,660	12,069,015	12,730,898	12,813,505	13,023,085
Gas	17,004,842	21,836,159	17,185,437	18,427,268	16,769,452	14,631,785	13,832,177	11,155,625	12,078,193	14,847,586
Electric system	30,592,415	32,588,379	32,919,187	33,811,521	33,071,620	35,065,463	37,470,631	40,414,968	42,433,294	45,996,684
Sanitation	5,673,818	5,850,259	5,888,158	6,192,524	6,937,117	6,844,824	7,507,351	8,672,057	9,325,713	8,239,045
Telecommunications	1,243,870	1,773,071	2,032,142	2,229,256	2,120,507	2,256,707	2,320,373	2,464,663	2,393,405	2,104,518
Total business-type activities expenses	65,765,571	74,519,868	70,714,772	72,195,756	70,609,808	70,156,439	73,199,547	75,438,211	79,044,110	84,210,918
Total primary government expenses	\$ 86,571,635	\$ 95,084,283	\$ 92,458,422	\$ 98,232,693	\$ 93,439,145	\$ 94,122,989	\$ 96,620,971	\$ 100,667,159	\$ 105,463,324	\$ 111,675,285
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 276,231	\$ 588,084	\$ 427,172	\$ 404,484	\$ 165,722	\$ 100,601	\$ 152,279	\$ 270,308	\$ 119,827	\$ 202,638
Public safety	1,589,711	1,733,392	1,770,610	2,193,003	2,224,272	2,119,124	2,001,184	2,056,481	2,089,613	1,871,655
Public service	239,338	263,671	332,979	301,184	252,565	170,271	279,526			
Culture and recreation				72,083	75,000	26,250		66,275	148,511	63,435
Community development	1,119,295	914,157	1,155,887	2,438,571	1,244,589	1,064,311	1,080,982	1,104,382	1,248,930	1,232,586
Redevelopment and housing				56,702	77,150	64,071				
Operating grants and contributions	137,954	104,999	103,647	120,626	8,000	259,664	459,031	660,012	812,440	338,610
Capital grants and contributions	2,097,397	1,773,021	500,000		151,634	3,427,141	3,571,714	3,560,013	3,174,313	3,036,190
Total governmental activities program revenues	5,439,926	5,377,324	4,290,295	6,117,449	4,198,932	7,231,433	7,544,716	7,717,471	7,593,634	6,745,114
Business-type activities:										
Charges for services:										
Water and sewerage	12,304,516	13,060,052	15,283,242	15,235,164	16,438,835	15,235,935	16,516,255	16,229,302	14,844,920	15,430,172
Gas system	18,701,940	23,792,947	19,614,023	21,265,823	18,472,311	16,205,246	17,013,290	13,459,998	14,643,762	17,545,344
Electric system	35,716,067	38,009,059	38,628,435	39,330,658	41,105,416	46,379,093	50,266,129	49,744,322	49,578,253	53,274,874
Sanitation	6,943,583	7,249,559	7,052,969	6,894,842	7,277,443	7,030,912	7,645,580	8,368,771	8,533,923	8,420,551
Telecommunications	1,367,384	2,123,716	2,377,509	4,402,924	2,369,796	3,096,680	2,672,258	2,861,178	2,933,962	3,050,010
Operating grants and contributions				452,189				151,268		
Capital grants and contributions	1,402,765				2,750,000	1,171,307	248,729			
Total business-type activities program revenues	76,436,255	84,235,333	82,956,178	87,581,600	88,413,801	89,119,173	94,362,241	90,814,839	90,534,820	97,720,951
Total primary government program revenues	\$ 81,876,181	\$ 89,612,657	\$ 87,246,473	\$ 93,699,049	\$ 92,612,733	\$ 96,350,606	\$ 101,906,957	\$ 98,532,310	\$ 98,128,454	\$ 104,466,065

[illegible]

CITY OF LAGRANGE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year Ended June 30

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General fund:										
Nonspendable	\$ 206,050	\$ 194,759	\$ 251,157	\$ 223,642	\$ 212,344	\$ 223,439	\$ 248,238	\$ 185,692	\$ 203,335	\$ 197,596
Restricted				619,478	580,738	628,958	776,590	861,865	876,905	865,860
Unassigned	1,565,837	1,990,109	1,988,670	1,967,494	2,475,461	1,621,469	1,674,201	1,045,441	1,451,702	1,532,232
Total general fund	\$ 1,771,887	\$ 2,184,868	\$ 2,239,827	\$ 2,810,614	\$ 3,268,543	\$ 2,473,866	\$ 2,699,029	\$ 2,092,998	\$ 2,531,942	\$ 2,595,688
All other governmental funds										
Nonspendable, reported in:										
Debt service	\$ 52,143	\$ 46,028	\$ 30,683	\$ 36,482						
Capital projects		14,688								
Restricted, reported in:										
Special revenue	3,446,079	3,409,855	3,319,912	3,889,854	\$ 3,448,272	\$ 3,068,134	\$ 2,736,199	\$ 2,432,329	\$ 2,202,206	\$ 1,896,347
Debt service	1,762,872	1,124,890	591,857	1,509,928	1,466,784	1,203,952	928,295	692,818		
Capital projects	1,231,130	1,032,902		888,077	2,597,721	2,245,208	3,070,853	2,563,696	1,802,248	3,717,295
Unassigned			(751,407)				(6,510)	(85)	(34,510)	60,474
Total all other governmental funds	\$ 6,492,224	\$ 5,628,363	\$ 3,191,045	\$ 6,324,341	\$ 7,512,777	\$ 6,517,294	\$ 6,728,837	\$ 5,688,758	\$ 3,969,944	\$ 5,674,116

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues										
Taxes, licenses and permits	\$ 7,804,356	\$ 8,550,767	\$ 9,494,389	\$ 13,971,595	\$ 12,972,234	\$ 9,162,108	\$ 9,446,194	\$ 9,768,301	\$ 9,960,423	\$ 10,273,853
Intergovernmental	2,288,485	2,100,494	1,261,121	1,791,439	1,444,399	3,757,242	4,886,129	4,127,929	3,983,314	3,364,073
Charges for services	267,242	339,184	373,674	389,462	386,410	402,548	284,338	281,683	260,968	257,906
Fines and forfeitures	1,272,171	1,402,527	1,398,173	1,783,541	1,817,862	1,696,576	1,716,846	1,774,798	1,828,645	1,613,749
Investment income	266,186	333,920	293,122	233,222	147,708	106,833	52,899	36,484	135,818	39,445
Grants and subsidies							187,920	50,954		
Lease income				410,000				1,085,582	1,083,639	1,091,631
Miscellaneous	1,372,690	1,271,448	925,648	1,441,823	297,696	1,204,796	310,939	233,274	313,802	269,320
Total revenues	13,271,130	13,998,340	13,746,127	20,021,082	17,066,309	16,330,103	16,885,265	17,359,005	17,566,609	16,909,977
Expenditures										
General government	1,575,397	1,624,130	1,626,122	1,580,930	1,494,994	1,604,065	1,425,924	1,805,045	1,652,312	2,059,938
Public safety	10,614,052	11,410,643	12,359,237	12,611,373	12,432,950	13,393,140	13,498,540	14,244,396	15,176,234	15,754,520
Public service	3,763,165	2,798,923	2,318,629	2,308,335	2,156,083	2,207,494	2,306,871	2,759,983	2,493,475	2,540,906
Culture and recreation	755,436	852,432	857,379	1,003,840	884,840	885,939	818,368	946,692	942,167	1,006,218
Community development	1,376,485	1,757,338	1,969,599	1,424,745	1,549,630	1,568,676	1,525,229	1,674,357	1,815,776	1,769,655
Redevelopment and housing	388,976	387,302	807,255	519,307	599,055	436,144	480,592	503,278	577,942	335,399
Telecommunications and technology	116,714	258,735	262,935	294,671	276,701	296,011	326,362	367,318	386,117	392,945
Debt service:										
Principal	820,092	814,269	881,339	1,285,445	1,290,625	1,304,204	1,272,643	1,220,330	1,478,499	1,196,251
Interest	423,878	408,951	420,630	736,547	626,348	633,156	585,208	542,588	597,633	371,047
Capital outlay	3,250,998	2,909,976	5,761,421	4,619,200	3,477,743	3,910,773	4,917,057	4,612,883	4,486,441	2,069,941
Total expenditures	23,085,193	23,222,699	27,264,546	26,384,393	24,788,969	26,239,602	27,156,794	28,676,870	29,606,596	27,496,820
Excess of revenues over (under) expenditures	(9,814,063)	(9,224,359)	(13,518,419)	(6,363,311)	(7,722,660)	(9,909,499)	(10,271,529)	(11,317,865)	(12,039,987)	(10,586,843)
Other financing sources (uses)										
Capital lease	150,586	398,688	800,953	1,268,232	257,752	195,276	214,753	176,496	235,475	474,797
Proceeds from sale of assets	20,183	495,421	907,147	81,855	30,144	13,823	6,153	20,099	2,266	347
Transfers in	8,633,933	9,234,115	10,869,335	11,346,232	11,903,713	10,661,802	13,148,673	12,448,340	14,173,836	14,920,980
Transfers out	(1,335,081)	(1,354,745)	(1,441,376)	(2,628,925)	(2,822,584)	(2,751,562)	(2,661,344)	(2,973,180)	(3,651,460)	(3,041,363)
Total other financing sources (uses)	7,469,621	8,773,479	11,136,059	10,067,394	9,369,025	8,119,339	10,708,235	9,671,755	10,760,117	12,354,761
Net change in fund balances	\$ (2,344,442)	\$ (450,880)	\$ (2,382,360)	\$ 3,704,083	\$ 1,646,365	\$ (1,790,160)	\$ 436,706	\$ (1,646,110)	\$ (1,279,870)	\$ 1,767,918
Debt service as a percentage of noncapital expenditures	6.27%	6.02%	6.05%	9.29%	9.00%	8.68%	8.35%	7.33%	8.26%	6.16%

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	Special Purpose Local Option Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
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	-	4,575,193	\$ 656,088	1,047,832	-	650,917	383,507	7,313,537
2008	-	5,097,403	4,493,720	1,097,656	-	673,950	441,436	11,804,165
2009	-	4,807,415	3,377,101	1,240,566	-	703,676	422,387	10,551,145
2010	-	4,777,940	3,016,067	1,010,406	-	696,307	396,511	9,897,231
2011	-	4,871,868	2,985,768	1,099,653	-	725,737	517,277	10,200,303
2012	-	5,067,756	3,117,039	1,082,666	-	725,536	644,444	10,637,441
2013	-	4,950,107	3,074,143	1,057,342	-	723,504	785,900	10,590,996
2014	-	4,795,388	3,020,767	1,090,820	-	732,169	733,326	10,372,470

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CITY OF LAGRANGE, GEORGIA
UTILITY DEPARTMENT - OPERATING AND FINANCIAL RATIO ANALYSIS
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
WATER & SEWER FUND:*										
FINANCIAL RATIOS:										
Water & sewer profit margin (%)	9.4	4.8	19.0	26.0	27.0	25.0	25.0	21.0	14.0	16.0
Return on total assets (%)						8.0	6.0	5.0	3.0	3.0
Return on equity (%)						9.0	6.0	5.0	3.0	3.0
Liabilities/Assets (%)						17.0	11.0	6.0	5.0	11.0
Current ratio (x)						1.3	1.2	9.6	12.5	5.1
Receivables avg. days outstanding						54.4	43.5	44.5	46.9	42.9
General fund transfer (% of Income)						22.0	9.0	19.0	67.0	87.0
General fund transfer (% of Revenue)						8.0	2.0	4.0	9.0	14.0
Cash and investments(\$)						3,590	2,133	4,446	6,600	9,354
Net Equity Transfers Out (\$)						1,250	388	681	1,353	2,089
Capital investment versus depreciation (x)						1.4	1.0	0.2	0.5	1.9
Capitalization (\$)						73,941	73,403	76,200	76,699	80,607
Working Capital (\$)						1,732	1,097	6,435	8,523	9,669
OPERATING INFORMATION:										
Water MMGAL sales	2,142	2,198	2,406	2,261	2,087	2,102	2,187	2,076	1,913	1,891
Sewer MMGAL sales	1,395	1,434	1,524	1,462	1,288	1,179	1,144	1,088	1,073	1,104
Revenues \$/MMGAL sold	3.48	3.60	3.89	4.09	4.75	4.64	4.81	5.01	4.97	5.15
Water and Sewer Operating/MMGAL	3.15	3.42	3.13	3.02	3.46	3.46	3.62	3.97	4.29	4.35
Divisional operating expenses \$/Kgal sold	2.11	2.48	2.30	2.10	2.46	2.56	2.70	3.04	3.26	3.28
Installed Water meters	18,502	18,700	19,002	19,262	19,324	19,342	19,544	19,584	19,607	19,660
Water distribution employees	16	16	17	17	17	17	17	17	17	17
Water production employees	14	13	13	13	13	13	13	13	13	13
meters/distribution employee	1,156	1,169	1,118	1,133	1,137	1,138	1,150	1,152	1,153	1,156
meters/production employee	1,322	1,438	1,462	1,482	1,486	1,488	1,503	1,506	1,508	1,512
MMGAL/distribution employee	134	137	142	133	123	124	129	122	112	111
MMGAL/production employee	153	169	185	174	160	162	168	160	147	145
UTILITY FUND:										
FINANCIAL RATIOS:										
Gas profit margin (%)	10.0	8.2	12.0	13.0	9.0	9.0	15.0	15.0	16.0	13.0
Electric profit margin (%)	14.7	14.3	15.0	14.0	19.9	25.0	25.0	18.0	16.0	15.0
Telecom profit margin (%)	55.3	15.3	13.0	43.0	8.0	27.0	13.0	13.0	14.0	10.0
Return on total assets (%)	7.6	6.9	9.0	10.0	11.3	17.0	18.0	14.0	13.0	13.0
Return on equity (%)	12.3	10.5	14.0	16.0	17.7	34.0	32.0	24.0	20.0	22.0
Liabilities/Assets (%)	45.1	42.8	40.0	42.0	40.7	52.0	46.0	45.0	43.0	42.0
Current ratio (x)	2.5	2.1	2.2	2.4	1.9	3.4	4.2	3.8	3.6	4.0
Receivables avg. days outstanding	43.5	45.4	45.3	48.4	42.4	49.4	49.9	53.1	49.2	42.0

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund transfer (% of Income)	73.2	68.1	61.0	51.0	62.0	58.0	62.0	113.0	95.0	98.0
General fund transfer (% of Revenue)	10.7	7.9	10.0	9.0	13.0	11.0	12.0	17.0	12.0	12.0
Cash & Investments (\$)	13,838	8,759	9,629	10,728	14,422	15,268	16,504	18,853	20,942	24,982
Net Equity Transfers Out (\$)	7,504	6,141	7,668	7,600	10,927	8,984	10,136	13,688	9,780	10,769
Capital investment versus depreciation (x)	2.2	2.0	1.2	1.2	1.5	2.4	0.5	0.4	1.0	0.3
Capitalization (\$)	116,899	115,637	118,204	122,009	127,250	60,618	66,172	63,749	63,722	62,757
Working Capital (\$)	14,924	10,525	12,073	15,172	12,354	18,289	24,186	22,705	22,831	26,199
OPERATING INFORMATION:										
Electric MWH purchases ^	525,129	513,354	502,517	497,201	485,857	515,880	532,868	515,529	525,329	535,331
Electric MWH sales	506,029	492,641	482,332	477,031	462,132	494,628	511,050	492,216	505,156	514,629
Electric \$/MWH sold	70.58	77.15	80.09	82.45	88.72	93.78	98.07	100.23	97.81	103.13
Electric operating \$/MWH sold	60.21	66.15	68.25	70.84	71.55	70.70	73.51	81.75	82.60	88.11
Electric purchases expense \$/MWH sold	55.020	61.450	62.190	64.310	64.66	63.83	67.68	74.46	74.16	79.54
Electric divisional operating expenses \$/MWH sold	44.560	4.010	5.350	5.800	6.14	6.13	4.90	6.28	7.41	7.48
Installed electric meters	12,754	12,873	12,919	13,127	13,288	13,369	13,499	13,581	13,561	13,582
Electric distribution employees	12	12	12	12	12	12	12	12	12	12
Electric right-of-way employees					3	3	5	5	5	5
meters/employee	1,063	1,073	1,077	1,094	1,107	1,114	1,125	1,132	1,130	1,132
MWHs/employee	42,169	41,053	40,194	39,753	38,511	41,219	42,588	41,018	42,096	42,886
Gas Dth purchases ^	1,986,250	1,902,006	2,055,045	1,983,793	1,871,114	2,237,482	2,259,628	2,045,060	2,157,212	2,157,212
Gas Dth sales	1,914,773	1,813,697	1,997,983	1,968,043	1,813,037	2,164,172	2,211,191	1,957,928	2,145,567	2,145,567
Gas revenue \$/Dth sold	10.00	13.12	9.82	10.81	10.17	7.49	7.45	6.81	6.81	8.00
Gas operating expense \$/Dth sold	9.00	12.04	8.60	9.37	9.22	6.80	6.33	5.78	5.70	6.92
Gas purchases expense \$/Dth sold	7.69	11.05	7.46	7.98	7.39	5.11	4.76	4.05	3.92	5.36
Gas divisional operating expenses \$/Dth sold	1.05	0.71	0.77	0.80	1.18	0.89	0.76	0.83	0.77	0.82
Installed Gas meters	9,545	9,580	9,567	9,560	9,552	9,543	9,497	9,444	9,460	9,460
Gas employees	12	12	12	12	12	12	11	10	10	8
meters/employee	795	798	797	797	796	795	863	944	946	1,183
Dth/employee	159,564	151,141	166,499	164,004	151,086	180,348	201,017	195,793	214,557	268,196
Boring Crew										2.0
Customer Service Reps	6	6	6	6	6	6	6	6	6	6
Meters/CSR	6,800	6,859	6,915	6,992	7,027	7,042	7,090	7,102	7,105	7,117
Utility Service Workers	9	9	9	9	9	9	9	9	9	9
Service Orders Completed	25,110	28,008	27,801	25,841	26,730	25,188	25,473	26,759	26,188	22,337
Meters/Service Worker	4,533	4,573	4,610	4,661	4,685	4,695	4,727	4,734	4,736	4,745
Orders per USW	2,790	3,112	3,089	2,871	2,970	2,808	2,725	2,725	2,910	2,482

* Prior to fiscal year June 30, 2010 the Water and Sewer Fund was a part of the Utility Fund; therefore, some data is not available for the Water and Sewer Fund for prior years. In time this schedule will present the required 10 years of data.

^ Electric and gas energy purchases are reported on a cash rather than accrual basis.

CITY OF LAGRANGE, GEORGIA
PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank
	Milliken & Co.	\$ 666,081	1	3.4	\$ 807,351	1
	City of Greenville	220,045	2	1.1	149,522	3
	Troup County Commissioners	166,064	3	0.8	139,225	4
	City of Hogansville	155,464	4	0.8		
	West Ga Health	146,109	5	0.7	151,645	2
	Kimberly Clark	120,378	6	0.6	98,872	5
	City of West Point	120,297	7	0.6		
	Lee Crossing Rent Office	97,116	8	0.5	62,867	7
	Troup Co. School System	83,629	9	0.4	71,816	6
	Sun Ridge Apartments	71,016	10	0.4		
	Exxon Mobil				45,793	10
	Whispering Pines				46,512	9
	LaGrange College				51,576	8
		<u>\$ 1,846,199</u>		<u>9.3</u>	<u>\$ 1,625,179</u>	<u>13.7</u>

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
PRINCIPAL NATURAL GAS CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Customer	Customer Charges	Rank	Customer Charges	Rank	Percentage of Total Customer Charges
	KIA Motor Corporation	\$ 3,631,650	1			21.1
	Milliken & Co.	2,853,746	2	\$ 5,011,231	1	26.4
	Mountville Mills	790,721	3	305,165	9	1.6
	Kimberly Clark	703,069	4	1,092,745	2	5.8
	Exxon Mobil	609,557	5	744,803	3	3.9
	Interface Flooring Systems	569,014	6	446,452	5	2.4
	Custom Organics	507,357	7			
	West Ga Health	385,315	8	532,516	4	2.8
	Troup Co. School System	183,686	9	333,459	8	1.8
	C W Matthews Contracting Co. Inc	179,235	10			
	LaGrange Moulding Co			440,281	6	2.3
	Kleen Tex #2			334,193	7	1.8
	Emerson Network			271,453	10	1.4
		<u>\$ 10,413,350</u>		<u>\$ 9,512,298</u>		<u>50.2</u>
						<u>60.5</u>

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
PRINCIPAL ELECTRIC CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

	2014			2005		
	Customer	Customer Charges	Rank	Percentage of Total Customer Charges	Customer Charges	Rank
	Exxon Mobil	\$ 3,583,280	1	6.8	\$ 2,570,377	1
	Duracell USA	2,320,839	2	4.4	1,350,255	2
	West Ga Health	1,583,528	3	3.0	1,152,876	4
	Sewon America, Inc	1,525,442	4	2.9		
	Interface Flooring Systems	1,416,275	5	2.7		
	Wal-Mart	1,314,733	6	2.5	1,224,903	3
	Troup Co. School System	1,081,751	7	2.0	878,291	6
	SAFA	1,058,756	8	2.0		
	Mountville Mills, Inc	886,613	9	1.7		
	LaGrange College	768,553	10	1.5	683,736	10
	Federal Mogul				731,772	9
	Freudenberg NOK				795,732	7
	Treadgear Films Division				1,143,866	5
	Kleen Tex #2				746,257	8
		<u>\$ 15,539,770</u>		<u>29.5</u>	<u>\$ 11,278,065</u>	<u>31.7</u>

Data Source: City Utility Department

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			
2005		\$ 4,136,485	\$ 3,445,000	\$ 39,838,372		\$ 2,235,762	\$ 2,553,090	\$ 52,208,709	10.39%	\$ 1,908
2006		3,845,904	3,320,000	35,562,337		2,517,687	2,437,364	47,683,292	9.21%	1,725
2007		3,910,520	3,175,000	30,625,000		2,691,679	2,317,460	42,719,659	8.01%	1,532
2008	\$ 6,550,000	4,268,307	3,015,000	26,135,000	\$ 4,790,000	2,934,297	5,425,407	53,118,011	9.74%	1,899
2009	6,342,500	3,622,934	2,835,000	26,975,000	4,625,000	2,339,656	5,749,878	52,489,968	11.11%	1,848
2010	6,125,000	2,931,506	2,635,000	21,875,000	4,455,000	1,854,440	7,250,517	47,126,463	9.54%	1,593
2011	5,892,500	2,336,116	2,405,000	14,375,000	4,275,000	2,399,862	4,166,600	35,850,078	7.13%	1,186
2012	5,647,500	1,787,282	2,155,000	10,130,701	4,080,000	2,565,141	3,988,148	30,353,772	6.02%	1,012
2013	5,442,500	1,029,258	1,875,000	9,735,000	3,875,000	2,837,662	3,804,272	28,598,692	5.66%	953
2014	5,140,000	920,304	1,565,000	8,985,000	3,660,000	2,754,936	7,553,825	30,579,065	6.03%	1,019

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 105 for personal income and population data.

CITY OF LAGRANGE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2014

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	\$ 13,501,469	45%	\$ 6,075,661
Troup County Board of Public Education	2,071,379	45%	932,121
Subtotal, overlapping debt			<u>7,007,782</u>
Direct debt:			
City of LaGrange, Georgia governmental activities			7,625,304
LaGrange Development Authority			-
Subtotal, direct debt			<u>7,625,304</u>
Total direct and overlapping debt			<u>\$ 14,633,086</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

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt limit	\$ 85,166,194	\$ 87,295,349	\$ 89,860,844	\$ 90,770,301	\$ 93,574,966	\$ 107,048,174	\$ 103,939,639	\$ 103,123,860	\$ 104,653,160	\$ 104,177,955
Total net debt applicable to limit										
Total net debt margin	\$ 85,166,194	\$ 87,295,349	\$ 89,860,844	\$ 90,770,301	\$ 93,574,966	\$ 107,048,174	\$ 103,939,639	\$ 103,123,860	\$ 104,653,160	\$ 104,177,955
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 2014										
Assessed value										\$ 1,041,779,549
Add Back: Exempt real property										
Total assessed value										<u>\$ 1,041,779,549</u>
Debt limit (10% of total assessed value)										\$ 104,177,955
Debt applicable to limit:										
General obligation bonds										
Less: Amount set aside for repayment of general obligation debt										
Total net debt applicable to limit										<u>-</u>
Legal debt margin										<u>\$ 104,177,955</u>

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 DEBT
 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	
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	8,218,102	8,224,060	3,705,000	608,890	4,313,890	1.91
2010	15,240,285	8,294,471	6,945,814	3,850,000	449,507	4,299,507	1.62
2011	16,519,380	8,987,982	7,531,398	4,610,000	281,585	4,891,585	1.54
2012	16,383,600	9,613,720	6,769,880	3,595,000	89,875	3,684,875	1.84

* Operating and non 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.

Note: The Water and Sewer Bonds were paid off in fiscal year ended June 30, 2012.

CITY OF LAGRANGE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling	City / County Consolidated School Enrollment **	Unemployment Rate ***
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	19,109	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	472,592,640	16,640	32.8	N/A	12,646	9.5%
2010	29,588	494,119,600	16,700	33.0	N/A	12,572	13.5%
2011	30,232	502,500,000	16,621	33.0	N/A	12,730	12.8%
2012	30,000	504,520,000	16,817	33.0	N/A	12,727	12.2%
2013	30,000	504,900,000	16,830	33.0	N/A	12,755	10.0%
2014	30,000	506,900,000	16,897	33.0	N/A	12,667	9.5%

N/A = Not Available

Data Sources:

* 2005 and 2010 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	2014			2005		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Troup County School System	Education	1,939	1	21.00%	*		
West Georgia Health Systems	Medical Services	1,300	2	14.10%	*		
Milliken & Co.	Textiles	1,099	3	11.90%	*		
Interface Flooring	Floor coverings	1,000	4	10.80%	*		
Wal-Mart Distribution Center	Warehousing	960	5	10.40%	*		
Sewon America, Inc.	Car Manufacturing Supplier	912	6	9.90%	*		
Troup County Board of Commissioners	Government	552	7	6.00%	*		
Mountville Mills	Carpet	550	8	6.00%	*		
Caterpillar, Inc	Forestry Products	480	9	5.20%	*		
Duracell	Batteries	428	10	4.70%	*		

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	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities:										
General government	29	29	19	19	18	16	16	16	16	16
Public safety:										
Police	107	108	97	97	94	94	96	95	95	95
Fire	59	59	60	60	58	58	58	58	57	57
Animal control	3	3	3	3	3	3	3	4	4	4
Court services	3	3	2	3	3	3	3	3	3	3
Probation services	4	4	4	4	4	4	5	5	5	5
Public service:										
Landscaping & cemeteries	13	13	15	15	12	9	8	8	8	8
Highways & streets	20	20	20	20	19	19	18	17	17	17
Traffic control	3	3	2	2	2	2	3	3	3	3
Trash and refuse	9	9	9	9	8	8	8	8	8	8
Engineering	1	1	1	1	2	2	2	2	2	2
Community development:										
Life & building safety	7	7	0	0	0	0	0	0	0	0
Housing & inspections	2	2	2	2	2	1	1	1	1	1
Economic development	1	1	2	2	2	1	1	1	1	1
Community and economic development	4	3	9	9	9	8	7	7	7	7
Other governmental services:										
Vehicle maintenance	15	15	15	15	15	16	16	16	16	16
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	282	282	262	263	253	246	247	246	245	245
Business-type activities:										
Water & sewerage	63	63	62	62	62	64	64	64	64	64
Electric	12	12	12	12	15	18	17	17	17	17
Gas	12	12	12	12	11	12	10	10	10	10
Telecommunications	5	5	4	4	6	6	6	6	5	6
Sanitation	32	32	33	33	33	32	32	32	32	32
Business-type activities support services	27	28	28	28	28	27	27	27	27	27
Total business-type activities	151	152	151	151	155	159	156	156	155	156
Grand total	433	434	413	414	408	405	403	402	400	401

CITY OF LAGRANGE, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police:										
Physical arrests	4,537	4,489	5,042	5,417	5,826	5,795	4,769	5,451	6,111	5,780
Parking violations	1,253	1,158	1,205	571	564	639	215	185	424	298
Traffic violations	13,053	14,687	15,116	17,486	18,945	17,920	15,163	17,491	20,060	14,488
Fire:										
Number of calls answered	2,854	2,514	2,632	3,020	3,436	3,332	3,724	4,223	4,723	4,477
Inspections	1,235	2,197	2,763	3,201	2,842	2,427	3,242	2,925	2,715	2,715
Health and welfare:										
Animal control (captured animals-City)	1,128	908	600	1,329	1,464	1,616	1,370	1,448	1,446	1,331
Highways and streets:										
Street resurfacing (miles)	4	9	2	1	15	15	17	12	23	3
Potholes repaired	2,554	2,360	2,500	520	500	350	150	89	57	71
Water and sewerage:										
New water connections	295	198	383	114	93	116	166	57	7	36
New sewage connections	184	179	305	299	275	132	11	120	22	31
Average daily consumption (thousands of gallons)	5,869	6,022	6,590	6,195	5,719	5,760	5,992	5,688	5,242	5,179
Average daily sewage treatment (thousands of gallons)	6,310	5,150	5,320	5,280	5,465	5,870	4,710	4,550	4,370	4,940
Gas:										
Breaks on gas main	75	9	10	15	21	10	13	14	1	2
Solid waste:										
Refuse collected (tons/day)	359	386	441	480	485	392	392	412	412	419
Recyclables collected (tons/day)	7	7	7	8	7	9	9	11	11	13

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	75	81	77	83	86	86	83	86	82	77
Fire stations	3	3	3	4	5	5	5	5	5	5
Fire engines	9	9	8	10	10	10	10	10	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	207	207	207	207	207	207	207	207
Parks	12	12	14	14	14	14	14	14	14	14
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	4	3	3	3	3	3	3	3	3
Community centers	1	1	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	194	198	205	207	207	207	207	207	207	207
Streetlights (additions)	202	176	106	87	138	138	155	25	25	25
Traffic signals (City owned)	15	15	9	9	9	9	9	9	8	8
Water and sewerage:										
Water mains (miles)	191	195	200	210	215	430	432	434	435	442
Fire hydrants	1,704	1,729	1,800	1,850	1,900	2,000	2,030	2,040	2,060	1,919
Maximum daily water capacity (thousands of gallons)	10,100	12,400	11,500	13,000	22,000	22,000	22,000	22,000	22,000	22,000
Sanitary sewers (miles)	194	198	210	215	215	215	215	215	215	215
Storm sewers (miles)	49	51	55	57	57	57	57	57	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)	248	250	260	310	324	351	309	326	326	327
Number of distribution stations	15	13	12	11	11	13	13	13	14	17
Sanitation:										
Collection trucks	32	33	35	34	35	35	38	41	41	42

L^aGRANGE *georgia*
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