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# City of Stockbridge, Georgia

*Comprehensive Annual Financial Report  
For The Year Ended December 31, 2010*





# **City of Stockbridge, Georgia**

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***Comprehensive Annual Financial Report***

***For The Fiscal Year Ended December 31, 2010***

***Prepared by Annette Anderson, Treasurer***





CITY OF STOCKBRIDGE, GEORGIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

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## Introductory Tab





# City of Stockbridge

4640 North Henry Boulevard • Stockbridge, Georgia 30281

Phone: (770) 389-7900 • Fax: (770) 389-7912

June 29, 2011

To the Honorable Mayor, Distinguished Members of City Council  
And the Citizens of the City of Stockbridge:

Ladies and Gentlemen:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Stockbridge, Georgia for the fiscal year ended December 31, 2010.

This report consists of management's representations concerning the finances of the City of Stockbridge, Georgia. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Stockbridge has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Stockbridge's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Stockbridge's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Stockbridge's financial statements have been audited by James L. Whitaker, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Stockbridge for the fiscal year ended December 31, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor

concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Stockbridge's financial statements for the fiscal year ended December 31, 2010, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Government Auditing Standards require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements. This report is available under a separate cover.

## **Profile of the Government**

The City of Stockbridge was founded in 1829 and was incorporated as a city in 1920. Stockbridge is located in the northern part of Henry County, Georgia and is approximately eighteen miles from the state capital of Atlanta. The City is a municipal corporation created under the laws of the State of Georgia and has its corporate name as "City of Stockbridge, Georgia." The affairs of the City are conducted by a Mayor and a five-member city council. The Mayor and City Council members are elected at large. This elected body is responsible for the active coordination of community resources, to anticipate problems and meet community needs.

The City Manager, who is appointed by the Mayor and City Council, oversees the day-to-day operations of the City and ensures the smooth and efficient delivery of city services. All activities and functions of the City are administered by the City Manager and City Clerk and are under the jurisdiction of the Mayor and City Council, as set forth in State and local law.

The City provides a full range of services to approximately 26,000 residents. These services are provided in whole either by the City or through contractual agreements with Henry County. They include public safety (police and fire), community development, highways and streets, water, sewer, sanitation, public improvements, planning and zoning, and general administrative services. The City is one of four incorporated municipalities within Henry County and is not included in Henry County's reporting entity. The City of Stockbridge Downtown Development Authority has not met the criteria, established under Governmental Accounting Standards Board (GASB) – Statement 14, for inclusion in the reporting entity, and accordingly, is excluded from this report.

The annual budget serves as the foundation for the City of Stockbridge's financial planning and control. All funds and departments of the City are required to submit requests for appropriations to the City Manager in August of each year. The City Manager uses these requests as the starting point for developing a proposed budget. The City Manager then presents this proposed budget to the Council for review in October. The Council is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 31, the close of the City of Stockbridge's fiscal year. The appropriated budget is prepared by fund and department. Department supervisors may make transfers of appropriations within a department. Transfers of appropriations between departments require the special approval of the governing council. Budget to actual comparisons are provided in this report for the general fund. These comparisons are presented beginning on page 19 of the basic financial statements.

On January 1, 1995, the City of Stockbridge received its status as a Certified City by the State of Georgia Department of Community Affairs.



## **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Stockbridge operates.

## **Long-Term Financial Planning**

The Mayor and Council of the City of Stockbridge are very diligent with budgeting and planning. With the Joint Comprehensive Development Plan, the Short Term Work program as well as other programs, we share in the planning for growth and development of infrastructure with our county. These plans also address population, economic development, natural histories and cultural resources as well as transportation and community facilities throughout the city and county.

In 1976, the Mayor and Council decided to disband the city's police and fire departments and turn these functions of protecting our citizens over to the county. They felt at that time, and still do, that our citizens pay county taxes for these services and it would be double taxation to ask them to pay city taxes again for the same services. The city does have its own court but outsources probation services. The city does provide water, sewer and sanitation services as well as code enforcement. Streetlights are also provided in every neighborhood for the safety of our citizens. The City of Stockbridge has not had a property tax since 1996.

In 2009, an Ordinance was passed by the City Council to allow the City's sanitation customers to be billed on the Henry County Property Tax bills. This resulted in \$931,786 for 2009 and \$1,006,416 for 2010 of sanitation receipts from the Tax Commission being reported as deferred revenue. The City also bills for stormwater fees on these tax bills.

In prior years the City used bonds issued by the Urban Redevelopment Agency to finance the City's new administrative facilities and for the creation of a Town Center. Bonds outstanding as of December 31, 2010 amounted to \$16,235,000. The remaining bonds are at set rates from 4.45% to 4.865% and will be paid over a twenty-year period. During 2010 the City received financing from the Georgia Environmental Facilities Agency in the form of a grant and loan to improve the City's water distribution system. Total grant proceeds during 2010 amounted to \$1,174,600. The loan was for \$1,761,900 and draw downs as of December 31, 2010 amounted to \$1,507,350.

## **Local Economy**

Stockbridge is intersected by two interstate expressways, I-75 and I-675. These heavily traveled interstates bring tourists into our City. The tourist boosts the sales tax revenue as well as the Hotel/Motel tax revenue. The City has a Hotel/Motel tax rate of 5%. We currently have four motels in the city limits of Stockbridge for which we receive this tax revenue. This revenue has decreased due to the recession.

As there is very little industry within the city limits of Stockbridge, we are considered a bedroom community to the City of Atlanta. Our citizen's employment, as well as our local economy, depends largely on what happens in and around Atlanta. The State of Georgia has been one of the hardest hit states with regard to unemployment with the year 2010 ending with over 10.4% unemployment rate. This has also affected the City of Stockbridge and the surrounding area. There continues to be a high rate of foreclosures within the City. In 2008, Stockbridge had more foreclosures in the 30281 zip code (which also reaches outside the city limits) than any other zip code in the county. Property values have decreased. Fewer real estate sales lowers the City's Real Estate Transfer Tax revenue. There were only 8 new single-family home building permits issued in the City in 2010 as compared to 37 in 2009 and 83 in 2008.

The downturn in the economy, which began in 2007, may be leveling out. While the unemployment rate for Henry County increased to 10.4% in December 2010, 2010 local option sales tax revenue increased 13.4% over 2009 for a total of \$3,130,180.

### **Major Initiatives**

A new Special Purpose Local Option Sales Tax III was passed by the citizens in November of 2007. We began receiving these funds in June of 2008. The prediction was for the City of Stockbridge to receive \$32,857,500 from this revenue source. This amount has been greatly reduced due to the economy. The plans are to use these funds for Capital Projects such as roads, bridges, sidewalks and transportation facilities as well as public safety facilities and equipment, public works facilities and equipment, and construction and renovation of municipal buildings. Most of these projects have been cut back but we are going forward with the renovation of municipal buildings including the Community Center, the Police Station and Court. There was a \$13-\$15 million dollar sewer plant expansion planned that has been postponed and scaled down at this point.

The City purchases the majority of its water from the Henry County Water and Sewer Authority. The City does have three wells online in order to supplement our water consumption. The Environmental Protection Division of the State of Georgia mandated that we have a three-tier billing system and that the water and sewer rates generate enough revenue to cover the expenses and be able to establish funds for future infrastructure needs. With these mandates, we have increased our rates; however, we have not yet covered all of our expenses. We are hoping to increase rates gradually so we will be able to exceed the cost of services and set aside funds for future infrastructure needs.

There are currently three projects at different stages for which we have one Livable Center Initiative Grant and two Transportation Enhancement Grants.

- LCI-East Atlanta/Love Street to Highway 42 – Sidewalks and Streetscapes – Cost approximately \$500,000. This project was under construction as of December 31, 2010.
- TE-Walking Trail – From Flippen Road, Tye Street to Memorial Park on Jennings Way – Cost approximately \$900,000. This project was under construction as of December 31, 2010.
- TE-Old downtown streetscape and lighting on Berry Street – Cost approximately \$1,000,000. This project is in the planning stages as of December 31, 2010.

The City is also in the process of implementing a water main improvement project to loop water lines, upgrade to a larger diameter pipe in twelve locations and remove asbestos/cement water mains to replace them with PVC or ductile pipe all at the approximate cost of \$2,900,000. The project is being financed with a loan/grant program from the Georgia Environmental Facilities Authority and the use of funds from the American Recovery and Reinvestment Act.

### **The Future**

Although the Town Center has been put on hold, it is hoped that eventually it will be a vital part of the City's future. It will take several years for this to develop, especially with the decline in the economy in the past few years, but the energy from this project is predicted to spread throughout downtown Stockbridge. The Mayor and Council are working hard to build a quality development for our citizens. With the predictions of higher fuel costs, more and more people are choosing communities where they can live, work, go to school and worship within walking distance. Town Centers are becoming more and more popular. These communities will house young and old alike, as well as all income groups. It is predicted that our growth will come with high-rise units rather than sprawling subdivisions.

The Atlanta Regional Commission predicted that in 2007 there were 8,459 homes in the City of Stockbridge, by 2010 there will be 11,765, and by 2030, they are predicting 28,385 homes in our city. The population was predicted to grow from approximately 22,000 in 2009 to 28,307 in 2010 and to 69,896 in the year 2030. These predictions were made prior to the downturn in the economy and the growth has not yet come as predicted.

Our Geographic Information Systems Department worked with the United States Census Bureau to ensure an accurate count of our citizens in 2010. Now more than ever we need an accurate count.

With the slow down in the economy, there will be many challenges for the City. The Mayor and Council are working to have quality growth within the City and at the same time keep expenditures in line with revenues. They feel through use of progressive management practices within our city government, we will be able to continue to avoid property taxes.

## **Debt Administration**

As January 1, Urban Redevelopment Agency revenue bonds in the amount of \$16,690,000 were outstanding. Monies from these bond issues are being used to help finance the City's proposed town center which included the construction of a new City Hall as well as preliminary cost to plan for the Town Center development. Under current state statutes, the City's general obligation bonded debt issuances are subject to a legal limitation based on 10 percent of total assessed value of real and personal property. As of December 31, 2010, the City did not have any general obligation bonded debt outstanding. The City's legal limit was \$77,944,550 and related debt per capita was zero.

During 2010 the City received financing from the Georgia Environmental Facilities Agency in the form of a grant and loan to improve the City's water distribution system. Total grant proceeds during 2010 amounted to \$1,174,600. The loan was for \$1,761,900 and draw downs as of December 31, 2010 amounted to \$1,507,350.

## **Benefit Plans –**

### **Pension Plan**

The City contributes to the Georgia Municipal Employee's Benefit System, an agent multiple/employer public employee retirement system administered by the Georgia Municipal Association. All full time City employees and all City officials are eligible to participate in the system. The employee becomes fully vested after ten years of service. The City employee's participation is non-contributory; however, the City is subject to the minimum funding standards for the Public Retirement System Standard law. The policy set by the City for funding the plan expenses exceeds the minimum requirements of this law. The Georgia Municipal Employee's Benefit System is actuarially sound with all indications that this will continue.

### **OPEB Plan**

For the year ended December 31, 2010, the City continued to follow Governmental Accounting Standards Board Statements Nos. 43 and 45, regarding Postemployment Benefits Other Than Pensions", for certain postemployment life insurance benefits provided by the City. The City finances the plan on a pay-as-you-go basis and at the beginning of the year had five retired employees that were eligible to participate. The City did have an Actuarial Valuation and Review for the plan during 2009 which revealed that the actuarial accrued liability as of January 1, 2009 was \$48,744. The annual OPEB cost for the year as calculated during the January 1, 2009 actuarial report amounted to \$5,140. The City did elect to amortize the Unfunded Actuarial Accrued Liability over a 25 year period as a level dollar amount. The actuarial valuation and review is required every three years and therefore no new information is available for 2010.

## **Management Discussion and Analysis**

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Stockbridge's MD&A can be found immediately following the report of the independent auditors.

## **Awards and Acknowledgements**


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 Stockbridge for its comprehensive annual financial report for the year ended December 31, 2009. This was the 12th consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. We also would like to thank Nancy Brown who retired December 31, 2010 for her outstanding service over the past twenty years. Through her efforts, we were awarded the Excellence in Financial Reporting eleven years in a row.

We also thank the Mayor and members of City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Annette Anderson, Treasurer

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Stockbridge  
Georgia

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2009

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



A stylized, handwritten signature in black ink, likely belonging to the President of the GFOA.

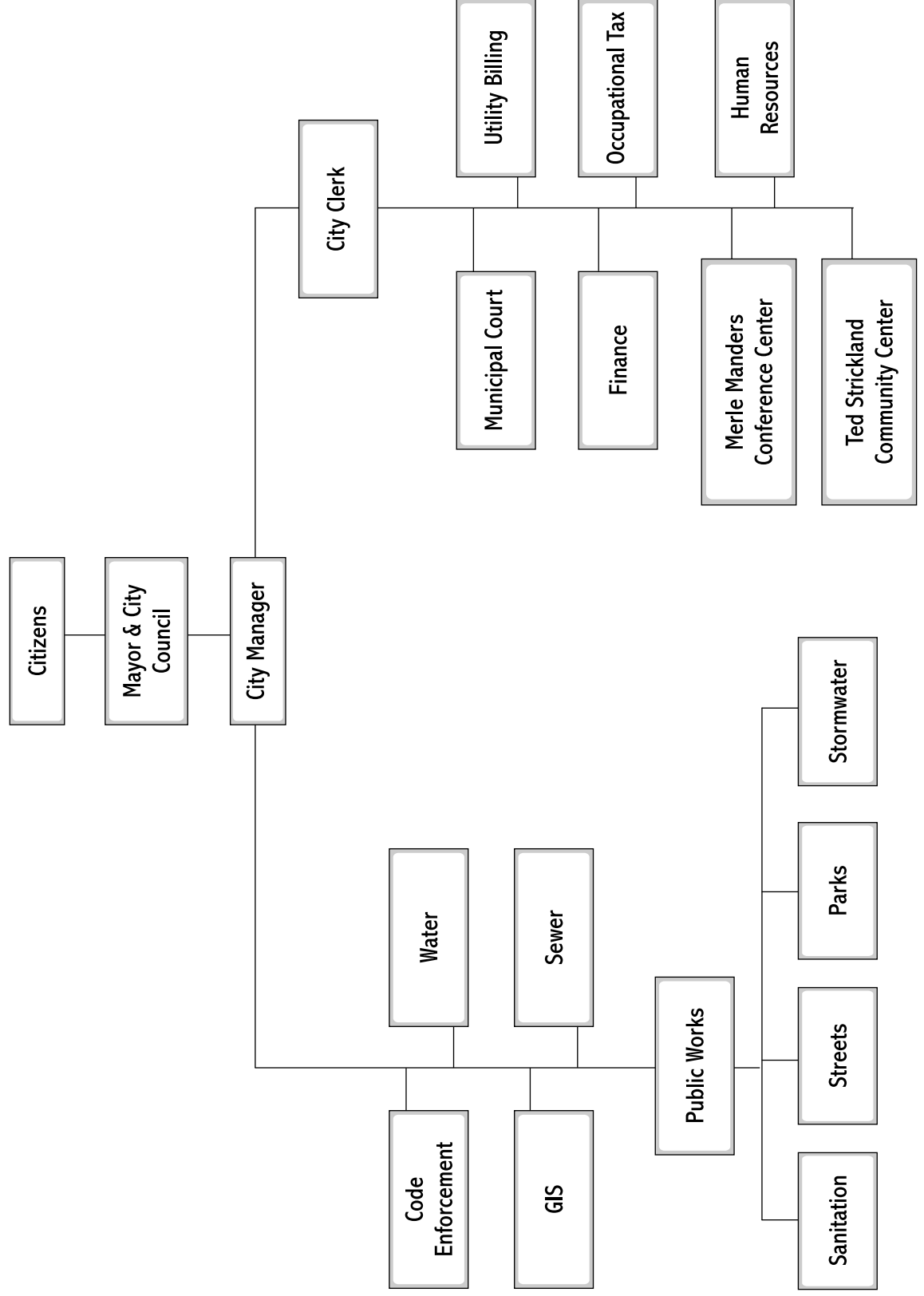
President

A handwritten signature in black ink that reads 'Jeffrey R. Enen'.

Executive Director

# City of Stockbridge, GA

## Organization Chart



## **OFFICIALS OF THE CITY OF STOCKBRIDGE**

### **LEGISLATIVE BRANCH CITY COUNCIL**

Lee Stuart	Mayor
Fred Evans	Mayor Pro Tem
Harold Cochran	Council Member
Shirley M. Dabney	Council Member
Kathryn R. Gilbert	Council Member
Mark Alarcon	Council Member

### **OFFICERS OF THE COUNCIL**

Vanessa Holiday	City Clerk
Nancy Brown	Deputy Clerk
A. J. Welch	City Attorney

### **JUDICIAL BRANCH**

Donald Patten	Municipal Court Judge
Suzanne Whitaker	City Solicitor
Anita Gunnoe	Court Clerk

### **EXECUTIVE BRANCH CITY MANAGER, DIRECTORS AND ADMINISTRATIVE PERSONNEL**

Ray Gibson	Assistant City Manager
Jack Jones	Interim Public Works Director
Jeff Bledsoe	Water Department Supervisor
Dan Dickson	Sewer Collections Supervisor
Brad Holtsinger	Water Reclamation Supervisor
Pam Brooks	Human Resources
Charlene Cheatwood	Utility Billing Clerk
Wynonia Williams	Occupational Tax Clerk
Miranda Roberts	Conference Center Director
Melinda Davies	Geographical Information Systems



Financial Section Tab



# **JAMES L. WHITAKER, P.C.**

Certified Public Accountant  
2295 Henry Clower Blvd., Suite 205  
Snellville, Georgia 30078  
Telephone: 678-205-4438  
Fax: 678-205-4449

**Member of  
The American Institute of  
Certified Public Accountants**

**Member of  
Georgia Society of  
Certified Public Accountants**

## **INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of City Council  
City of Stockbridge, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the City of Stockbridge, Georgia (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

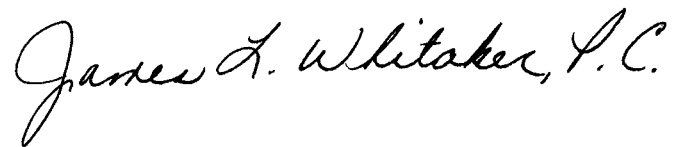
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City of Stockbridge, Georgia, as of December 31, 2010 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparison for the General Fund and Hotel / Motel Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated June 28, 2011 on our consideration of City of Stockbridge's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulation, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 12 and the Historical Pension Information on page 50 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Stockbridge, Georgia's basic financial statements. The introductory section, individual fund financial statements and budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual funds financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink that reads "James L. Whitaker, P.C." The signature is written in a cursive, flowing style.

Snellville, Georgia  
June 28, 2011

## **CITY OF STOCKBRIDGE MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Stockbridge, we offer readers of the City of Stockbridge's financial statements this narrative overview and analysis of the financial activities of the City of Stockbridge for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### **Financial Highlights**

- The assets of the City of Stockbridge exceeded its liabilities at December 31, 2010 by \$51,248,704. Of this amount unrestricted net assets of \$10,521,087 may be used to meet the government's ongoing obligations to citizens and creditors.
- The total net assets increased by \$3,897,339. Of this amount, an increase of \$1,743,238 was associated with governmental activities and an increase of \$2,154,101 was associated with business-type activities.
- As of the close of the current fiscal year, the City of Stockbridge's governmental funds reported combined ending fund balances of \$12,195,950, a decrease of \$1,596,320 in comparison with the prior year. Of this amount \$8,732,885 is unreserved and available for spending and \$3,463,065 is reserved for capital projects and other specific future uses.
- At the end of the current year, unreserved fund balance for the General Fund was \$8,318,250 or 160.3 percent of total General Fund expenditures.
- The City of Stockbridge's total debt obligations (including accrued compensated absences) increased by \$1,003,529. This increase is primarily due to the City obtaining a loan in the amount of \$1,507,350 from the Georgia Environment Facilities Authority to improve the City's water distribution system. The City did make principal payments on the Urban Redevelopment Agency's bond obligations of \$455,000.

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

This discussion and analysis are intended to serve as an introduction to the City of Stockbridge's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the 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 of Stockbridge's finances, in a manner similar to a private-sector business.

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all

or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Stockbridge include general government, public safety and courts, highways and streets, parks and recreation, tourism and promotion, and code enforcement. The business-type activities of the City are water and sewer, solid waste management, conference center and stormwater management.

**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 of Stockbridge 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 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 the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The City maintains seven major governmental funds. The City's major governmental funds are the General Fund, Hotel/Motel Tax Fund, SPLOST II and SPLOST III Capital Project Funds, State and Federal Grants Fund, Urban Redevelopment Fund, and the Perpetual Care Permanent Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds.

The City of Stockbridge adopts an annual budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund and the Hotel/Motel Tax Fund to demonstrate compliance with the FY 10 budget. A project length budget has been adopted for each Capital Projects Fund.

**Proprietary funds.** Enterprise funds (a component of proprietary 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 Water and Sewer Fund, Solid Waste Management Fund, Conference Center Fund, Community Center Fund and its Stormwater Management Fund. All five of the City's enterprise funds are considered by the City to be major funds.

Proprietary funds provide the same type of information as government-wide financial statements only in more detail. The proprietary fund financial statements provide separate information for each of the City's major funds.

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

**Other information.** In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements with prior year comparisons.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by \$51,248,704. The City's net assets reflects its investment in capital assets (72.1 percent), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in 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. Of the total net assets, \$3,787,695 (7.4 percent) is restricted for capital projects and other specified activities and \$10,521,087 (20.5 percent) is unrestricted.

The following is a comparison statement of the City of Stockbridge's net assets as of December 31, 2010:

### City of Stockbridge's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$13,522,003	\$ 14,670,075	\$ 3,506,823	\$ 2,437,367	\$17,028,826	\$17,107,442
Capital assets	<u>35,854,619</u>	<u>33,199,680</u>	<u>18,827,653</u>	<u>15,995,790</u>	<u>54,682,272</u>	<u>49,195,470</u>
Total assets	<u>49,376,622</u>	<u>47,869,755</u>	<u>22,334,476</u>	<u>18,433,157</u>	<u>71,711,098</u>	<u>66,302,912</u>
Current liabilities	1,104,772	835,412	1,465,191	1,227,233	2,569,963	2,062,645
Long-term liabilities	<u>16,296,930</u>	<u>16,802,661</u>	<u>1,595,501</u>	<u>86,241</u>	<u>17,892,431</u>	<u>16,888,902</u>
Total liabilities	<u>17,401,702</u>	<u>17,638,073</u>	<u>3,060,692</u>	<u>1,313,474</u>	<u>20,462,394</u>	<u>18,951,547</u>
Net assets:						
Invested in capital assets, net of related debt	19,619,619	17,811,919	17,320,303	15,995,790	36,939,922	33,807,709
Restricted	3,375,196	4,039,095	412,499	-	3,787,695	4,039,095
Unrestricted	<u>8,980,105</u>	<u>8,380,668</u>	<u>1,540,982</u>	<u>1,123,893</u>	<u>10,521,087</u>	<u>9,504,561</u>
Total net assets	<u>\$31,974,920</u>	<u>\$ 30,231,682</u>	<u>\$19,273,784</u>	<u>\$ 17,119,683</u>	<u>\$51,248,704</u>	<u>\$47,351,365</u>

A portion of the net assets (7.4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$10,521,087) may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities increased the City of Stockbridge's net assets by \$1,743,238. The increase in net assets from Governmental Activities is primarily due to capital grants received from the Department of Transportation for trail and streetscape improvements inside the City. Other key elements of this increase are as follows:

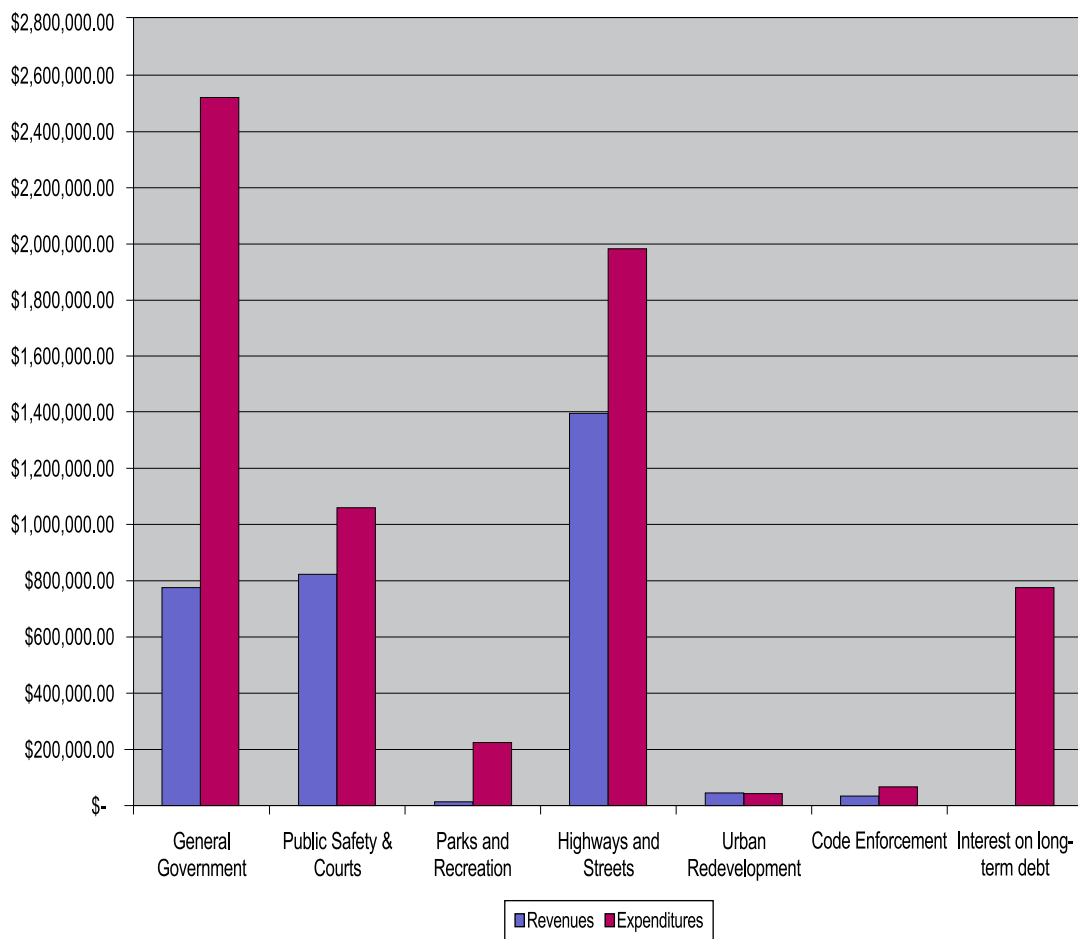
**City of Stockbridge's Change in Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues -						
Charges for services	\$ 1,126,757	\$ 978,537	\$ 4,599,066	\$ 4,216,745	\$ 5,725,823	\$ 5,195,282
Operating grants and contributions	-	-	-	-	-	-
Capital grants and contributions	1,985,246	1,010,556	1,178,613	51,092	3,163,859	1,061,648
General Revenues -						
Sales taxes	3,130,180	2,759,279	-	-	3,130,180	2,759,279
Other taxes	3,071,268	3,020,320	-	-	3,071,268	3,020,320
Interest	155,468	360,899	7,378	18,790	162,846	379,689
Gain on disposal of capital assets	-	-	-	-	-	-
Other	15,399	16,865	-	-	15,399	16,865
Total Revenues	<u>9,484,318</u>	<u>8,146,456</u>	<u>5,785,057</u>	<u>4,286,627</u>	<u>15,269,375</u>	<u>12,433,083</u>
Expenses:						
General government	2,515,610	2,400,464	-	-	2,515,610	2,400,464
Public safety and courts	1,080,261	677,665	-	-	1,080,261	677,665
Parks and recreation	228,944	245,170	-	-	228,944	245,170
Highways and streets	1,971,459	2,083,352	-	-	1,971,459	2,083,352
Urban redevelopment	58,662	153,129	-	-	58,662	153,129
Code enforcement	74,782	68,283	-	-	74,782	68,283
Interest on long-term debt	749,810	855,074	-	-	749,810	855,074
Water	-	-	1,227,051	1,332,501	1,227,051	1,332,501
Sewer	-	-	1,437,926	1,370,293	1,437,926	1,370,293
Solid waste	-	-	966,489	1,088,706	966,489	1,088,706
Conference center	-	-	518,217	549,345	518,217	549,345
Community center	-	-	70,853	-	70,853	-
Stormwater management	-	-	471,972	474,327	471,972	474,327
Total Expenses	<u>6,679,528</u>	<u>6,483,137</u>	<u>4,692,508</u>	<u>4,815,172</u>	<u>11,372,036</u>	<u>11,298,309</u>
Increase (decrease) in net assets before transfers	2,804,790	1,663,319	1,092,549	(528,545)	3,897,339	1,134,774
Transfers	(1,061,552)	(3,704,661)	1,061,552	3,704,661	-	-
Increase (decrease) in net assets	1,743,238	(2,041,342)	2,154,101	3,176,116	3,897,339	1,134,774
Net assets - beginning of year	<u>30,231,682</u>	<u>32,273,024</u>	<u>17,119,683</u>	<u>13,943,567</u>	<u>47,351,365</u>	<u>46,216,591</u>
Net assets - end of year	<u>\$31,974,920</u>	<u>\$ 30,231,682</u>	<u>\$19,273,784</u>	<u>\$ 17,119,683</u>	<u>\$51,248,704</u>	<u>\$47,351,365</u>

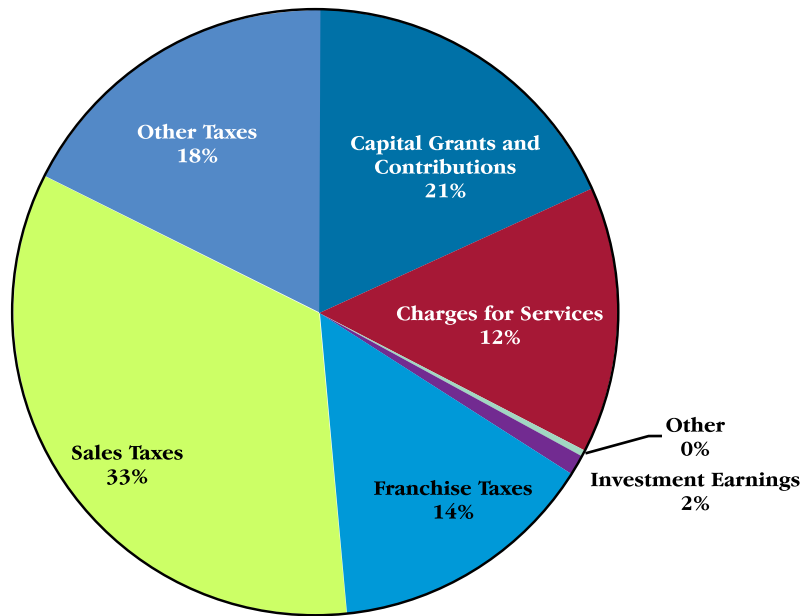


- Revenues from Local Option Sales Tax increased by \$370,901 or 13.4% from 2009. This increase is due to the overall economy. Similarly, the Special Purpose Local Option Sales Tax (included in capital grants and contributions) increased by \$550,268.
- Investment earnings decreased by \$205,431 from 2009 to 2010. This is due to the significant decrease in interest rates and the decrease in the amount of invested funds available in the revenue bond accounts related to the Urban Redevelopment Fund.
- Capital grants and contributions increased by \$974,690 from 2009. This increase is due to the various grants received from the Georgia Department of Transportation for the improvement to the City's streetscapes and walking trails.
- Governmental Activities expenses increased by \$196,391 or 3% from 2009. The main reason for the increase is due to the negotiations under house bill 489 relating to police service within the City where the City agreed to pay Henry County \$300,000 for such specified services.

### Expenses and Program Revenues-Governmental Activities

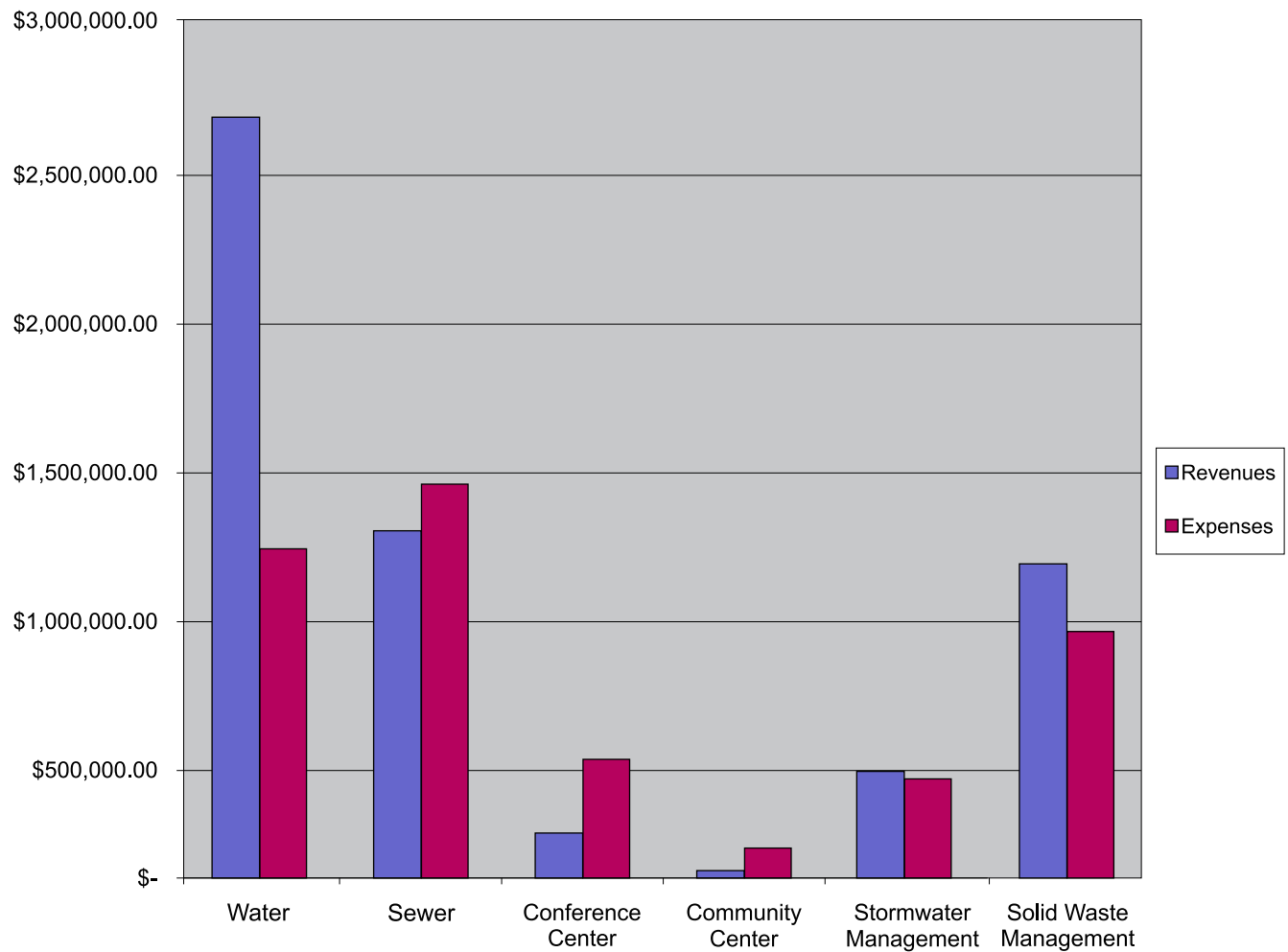


## Revenue by Source-Governmental Activities



**Business-type activities.** Business-type activities increased the City’s net assets by \$2,154,101. The increase is basically the result of the grant received from GEFA for the improvements to the City water system in the amount of \$1,174,600. In addition, the City’s Governmental Activities transferred a newly constructed building costing \$739,617 to the newly created Community Center Fund.

**Expenses and Program Revenues-Business Type Activities**



## Financial Analysis of the Government's Funds

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

**Governmental Funds.** The purpose of the City's governmental fund financial statements 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.

At December 31, 2010 the City's governmental funds reported combined ending fund balances of \$12,195,950, a decrease of \$1,596,320 in comparison to the prior year. Of this amount, \$8,732,885 (71.6 percent) is unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for capital items most of which is funded by the proceeds of the Special Purpose Local Option Sales Tax and Urban Redevelopment Program (\$3,364,125); 2) for Perpetual Care of the City's cemetery (\$11,071); and 3) reserved for prepaid expenses which are not available for current government's spending discretion (\$87,869). The decrease in fund balances of \$1,596,320 is the result of the Urban Redevelopment Fund recognizing the majority of its revenues and bond issues in previous years and expending the monies in the current year along with the General Fund transferring approximately \$1,628,477 to other funds to help finance operations.

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$8,318,250 while the total fund balance totaled \$8,406,119. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 160.3 percent of the total general fund expenditures, while total fund balance represents 162.0 percent of that same amount.

During the current fiscal year, the fund balance of the City's General Fund increased by \$512,774. Key factors in the increase are due to: 1) total revenues increase \$355,850 of which local option sales taxes increase \$370,901 or 13.4%; 2) total expenditures increased \$583,218 of which police expenditures increased \$265,198 due to the additional amounts paid to Henry County for police services as a result of house bill 489 negotiations; 3) transfers to other funds decreased by \$7,192,826 since the General Fund transferred significant monies to other funds during 2009 to pay-off debt; and 3) the overall economic condition seemed to have etched up for the year..

The City of Stockbridge received \$1,560,824 in Special Purpose Local Option Sales Taxes in 2010 compared to \$1,010,556 in 2009. This is up by 54.5% which is due primarily due to the method the SPLOST proceeds are used by the County to pay debt service on bonds issued to finance approved SPLOST projects. The City received the first funds from this source in June 2009. Henry County issued bonds in order to begin projects approved by the voters in November 2007. The City received \$6,626,500 from the County's bond issue in order to begin special projects rather than wait for the revenue to come in over the six year period of the referendum. The debt service on the bonds has to be paid each year before the City or County receives any proceeds to be used on projects. The projects approved by the voters in the SPLOST referendum include public safety facilities and equipment, public works facilities and equipment, construction and renovation of municipal buildings, acquisition of property for public use and the City's share of roads, bridges, sidewalks and transportation facilities.

The Capital Projects Fund includes grants from state and federal agencies. The City has received two Transportation Enhancement grants: one in the amount of \$595,000 with matching funds from the City of \$148,750 for the design and development of a biking trail to connect our parks and the other in the amount of \$270,560 for streetscapes for East Atlanta. The City has an Old Downtown streetscape project for which the design phase began in 2010.

As of December 31, 2010, the Urban Redevelopment Agency of the City of Stockbridge had long-term liabilities from Revenue Bonds in the amount of \$16,235,000. The majority of these funds have been used for purchasing property and building and furnishing a new city hall facility which was begun in July 2007 and was completed the middle of 2009. The cost of the building is approximately \$11,964,000.

The City created the Hotel/Motel Tax Fund during fiscal year 2006 in order to meet the reporting requirements of state law. The Fund is used to account for proceeds from the City's Hotel/Motel tax and the required 40% payment to the Henry County Chamber of Commerce. Unreserved balance at December 31, 2010 for this fund amounted to \$987.

The City of Stockbridge has a Perpetual Care Permanent Fund which is for the upkeep of the City cemetery. A donation of \$5,000 was made with only the investment earnings to be used for cemetery upkeep purposes. Currently, the City has not used any of these proceeds. The current fund balance as of December 31, 2010 amounted to \$11,071

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

Unrestricted net assets of the proprietary funds at the end of the year were \$1,540,982 of which the Water and Sewer Fund had \$1,002,789 (65.1%) and the Stormwater Management Fund had \$564,945 (36.7%). Other factors concerning the finances of proprietary funds have already been addressed in the discussion of the City's business-type activities.

### **General Fund Budgetary Highlights**

The General Fund's original budget of \$8,453,081 (expenditures plus transfers) was amended in December 2010 which decreased the budget by \$38,529 to \$8,414,552. The General Fund's original budget was amended since the City deferred various construction projects until 2011.

The significant variance in the General Fund tax revenues from the final budget was mainly due to the Local Option Sales Taxes received being below estimate by approximately \$290,000. The variance was the result of management's expectation that the economy would significantly improve, however that did not materialize. Interest revenues were also below expectations by approximately \$121,000 due to low interest rates compared to previous years.

### **Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at December 31, 2010 amounts to \$54,682,272 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges and roads.

Major capital asset events during the current fiscal year include the following:

- \$605,900 was spent on engineering and construction costs related to streetscapes and trails.
- \$53,100 for completion of construction of the community center.
- \$2,955,600 for planning, design and construction of the new police and court facilities.
- \$430,000 for the purchase of land..
- \$97,000 for engineering and design of wastewater treatment plant improvements.
- \$2,486,500 for a water main replacement program to be funded through proceeds from a loan and grant program administered by the Georgia Environmental Facilities Authority.

Additional information on the City's capital assets can be found in Note 8.

**Long-term debt.** At the end of the current fiscal year the City had \$17,892,431 in outstanding debt consisting of the following:

#### City of Stockbridge's Outstanding Debt

	<u>Balance</u>
Governmental Activities -	
Accrued Compensated Absences	56,958
Accrued OPEB Obligation	4,972
Revenue Bonds	16,235,000
Business-Type Activities -	
GEFA Notes Payable	1,507,350
Accrued Compensated Absences	<u>88,151</u>
 Total	 <u>\$17,892,431</u>

The City's total debt increased by \$1,003,529. Additional information on the City's long-term debt can be found in note 9.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its total assessed valuation. The current debt limitation for the City of Stockbridge is \$77,944,550, which is significantly in excess of the City of Stockbridge's outstanding general obligation debt.

#### Status of the City of Stockbridge's Economy

- The unemployment rate for the City of Stockbridge is currently 10.4 percent, which is consistent with the state but higher than the national rates.
- Inflationary trends in the region compare favorably to national indices.
- Building permits were sharply down in 2010 due to the continued slowdown in the building industry as a whole.
- Occupational taxes (business licenses) were down due to the economy. These are based on gross receipts.
- The occupancy rate of the City's downtown area has improved in recent years; however, it is not up to its full potential.
- The City's plan for a new town center has been put on hold due to the downturn in the economy.
- Sales tax receipts have shown a slight increase in recent months.
- Although the City has been feeling the effects of the current economic times, as with the rest of the State and the Nation, the City's General Fund still remains in good financial shape with unrestricted reserves of \$8,318,250 or 160.3 percent of total General Fund expenditures.

All of these factors were considered in preparing the City of Stockbridge's budget for Fiscal Year 2011.

#### Requests for Information

This financial report is designed to provide a general overview of the City of Stockbridge's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 389-7900 or at the following address:

City of Stockbridge  
Finance Department  
4640 North Henry Boulevard  
Stockbridge, GA 30281  
4640 North Henry Boulevard  
Stockbridge, GA 30281

## **BASIC FINANCIAL STATEMENTS**

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**CITY OF STOCKBRIDGE, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 3,690,699	\$ 779,552	\$ 4,470,251
Investments	5,544,129	58,000	5,602,129
Receivables (net of allowance for uncollectibles)			
Taxes	1,455,607	-	1,455,607
Intergovernmental	267,721	-	267,721
Fines	248,824	-	248,824
Accounts	2,284	541,931	544,215
Other	8,808	-	8,808
Internal Balances	(1,516,241)	1,516,241	-
Inventory	-	139,870	139,870
Prepaid Items	87,869	-	87,869
Restricted Assets -			
Cash	2,708,609	412,499	3,121,108
Investments	882,513	-	882,513
Interest receivable	48	-	48
Non-Depreciable Capital Assets	13,274,149	4,146,536	17,420,685
Depreciable Capital Assets, Net	22,580,470	14,681,117	37,261,587
Deferred Cost, Net	141,133	58,730	199,863
Total Assets	<u>49,376,622</u>	<u>22,334,476</u>	<u>71,711,098</u>
<b>Liabilities</b>			
Accounts Payable	720,839	315,913	1,036,752
Due To Other Governments	-		-
Accrued Liabilities -			
Salaries	20,741	23,450	44,191
Police bonds	30,192	-	30,192
Customer deposits	-	104,097	104,097
Interest	311,693	15,315	327,008
Other	21,307	-	21,307
Deferred Revenues	-	1,006,416	1,006,416
Liabilities Payable from Restricted Assets -			
Revenue bonds	-	-	-
Accrued interest	-	-	-
Long-Term Liabilities -			
Due within one year	500,000	13,446	513,446
Due in more than one year	15,796,930	1,582,055	17,378,985
Total Liabilities	<u>17,401,702</u>	<u>3,060,692</u>	<u>20,462,394</u>
<b>Net Assets</b>			
Invested in Capital Assets, Net of Related Debt	19,619,619	17,320,303	36,939,922
Restricted For -			
Perpetual care:			
Expendable	6,071	-	6,071
Nonexpendable	5,000	-	5,000
Debt service	-	-	-
Capital projects	3,364,125	412,499	3,776,624
Unrestricted	8,980,105	1,540,982	10,521,087
Total Net Assets	<u>\$ 31,974,920</u>	<u>\$ 19,273,784</u>	<u>\$ 51,248,704</u>

See accompanying notes to the basic financial statements.

**CITY OF STOCKBRIDGE, GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Governmental Activities:</b>				
General Government	\$ 2,515,610	\$ 262,785	\$ -	\$ 508,280
Public Safety and Courts	1,080,261	737,145	-	95,006
Highways and Streets	1,971,459	7,029	-	1,381,960
Parks and Recreation	228,944	10,006	-	-
Urban Redevelopment	58,662	64,604	-	-
Code Enforcement	74,782	45,188	-	-
Interest on Long-Term Debt	749,810	-	-	-
Total Governmental Activities	<u>6,679,528</u>	<u>1,126,757</u>	<u>-</u>	<u>1,985,246</u>
<b>Business-Type Activities:</b>				
Water	1,227,051	1,462,371	-	1,176,765
Sewer	1,437,926	1,293,628	-	1,848
Solid Waste Management	966,489	1,152,171	-	-
Conference Center	518,217	174,984	-	-
Community Center	70,853	24,281	-	-
Stormwater Management	471,972	491,631	-	-
Total Business-Type Activities	<u>4,692,508</u>	<u>4,599,066</u>	<u>-</u>	<u>1,178,613</u>
<b>Total Government</b>	<u>\$ 11,372,036</u>	<u>\$ 5,725,823</u>	<u>\$ -</u>	<u>\$ 3,163,859</u>

**General Revenues:**

Taxes:

Intangible

Franchise

Local option sales

Occupational

Insurance premium

Alcohol beverage

Hotel/Motel

Other

Investment earnings

Gain on disposal of capital assets

Other

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in Net Assets

Net Assets - Beginning of Year

Net Assets - End of Year

See accompanying notes to the basic financial statements.

**Net (Expense) Revenue and  
Changes in Net Assets**

<b>Governmental Activities</b>	<b>Business- Type Activities</b>	<b>Total</b>
\$ (1,744,545)	\$ -	\$ (1,744,545)
(248,110)	-	(248,110)
(582,470)	-	(582,470)
(218,938)	-	(218,938)
5,942	-	5,942
(29,594)	-	(29,594)
(749,810)	-	(749,810)
<u>(3,567,525)</u>	<u>-</u>	<u>(3,567,525)</u>
-	1,412,085	1,412,085
-	(142,450)	(142,450)
-	185,682	185,682
-	(343,233)	(343,233)
-	(46,572)	(46,572)
-	19,659	19,659
<u>-</u>	<u>1,085,171</u>	<u>1,085,171</u>
<u>(3,567,525)</u>	<u>1,085,171</u>	<u>(2,482,354)</u>
25,396	-	25,396
1,334,679	-	1,334,679
3,130,180	-	3,130,180
490,959	-	490,959
530,405	-	530,405
589,448	-	589,448
95,008	-	95,008
5,373	-	5,373
155,468	7,378	162,846
-	-	-
<u>15,399</u>	<u>-</u>	<u>15,399</u>
6,372,315	7,378	6,379,693
<u>(1,061,552)</u>	<u>1,061,552</u>	<u>-</u>
<u>5,310,763</u>	<u>1,068,930</u>	<u>6,379,693</u>
1,743,238	2,154,101	3,897,339
<u>30,231,682</u>	<u>17,119,683</u>	<u>47,351,365</u>
<u>\$ 31,974,920</u>	<u>\$ 19,273,784</u>	<u>\$ 51,248,704</u>

**CITY OF STOCKBRIDGE, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2010**

	<u>CAPITAL PROJECT FUNDS</u>			
	<u>GENERAL</u>	<u>HOTEL/ MOTEL</u>	<u>SPLOST II</u>	<u>SPLOST III</u>
<b>ASSETS</b>				
Cash	\$ 3,137,610	\$ -	\$ 105,032	\$ 2,422,254
Investments	5,544,129	-	-	871,490
Receivables-				
Accounts	2,284	-	-	-
Interest	8,808	-	-	-
Taxes	1,446,668	8,939	-	-
Fines	248,824	-	-	-
Intergovernmental	-	-	-	-
Due from other funds	29,929	-	1,219	-
Prepaid items	87,869	-	-	-
Restricted assets-				
Cash	-	-	-	-
<b>Total Assets</b>	<u>\$ 10,506,121</u>	<u>\$ 8,939</u>	<u>\$ 106,251</u>	<u>\$ 3,293,744</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>Liabilities</b>				
Accounts payable -				
Trade	\$ 281,289	\$ 7,952	\$ -	\$ -
Construction	-	-	-	96,317
Due to other funds	1,539,367	-	-	7,336
Accrued salaries and wages	20,741	-	-	-
Accrued police bonds	30,192	-	-	-
Other accrued expenditures	21,307	-	-	-
Deferred revenues	207,106	-	-	-
<b>Total Liabilities</b>	<u>2,100,002</u>	<u>7,952</u>	<u>-</u>	<u>103,653</u>
<b>Fund Balance</b>				
Reserved for prepaid items	87,869	-	-	-
Reserved for capital projects	-	-	106,251	3,190,091
Reserved for perpetual care	-	-	-	-
Unreserved	8,318,250	987	-	-
<b>Total Fund Balance</b>	<u>8,406,119</u>	<u>987</u>	<u>106,251</u>	<u>3,190,091</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 10,506,121</u>	<u>\$ 8,939</u>	<u>\$ 106,251</u>	<u>\$ 3,293,744</u>

See accompanying notes to the basic financial statements.

CAPITAL PROJECT FUNDS		PERMANENT FUND	TOTAL GOVERNMENTAL FUNDS
STATE AND FEDERAL GRANTS	URBAN RE- DEVELOPMENT FUND	PERPETUAL CARE	
\$ 553,089	\$ -	\$ -	\$ 6,217,985
-	-	11,023	6,426,642
-	-	-	2,284
-	-	48	8,856
-	-	-	1,455,607
-	-	-	248,824
267,721	-	-	267,721
-	-	-	31,148
-	-	-	87,869
-	181,323	-	181,323
<u>\$ 820,810</u>	<u>\$ 181,323</u>	<u>\$ 11,071</u>	<u>\$ 14,928,259</u>
\$ -	\$ -	\$ -	\$ 289,241
221,927	113,354	-	431,598
500	186	-	1,547,389
-	-	-	20,741
-	-	-	30,192
-	-	-	21,307
184,735	-	-	391,841
407,162	113,540	-	2,732,309
-	-	-	87,869
-	67,783	-	3,364,125
-	-	11,071	11,071
413,648	-	-	8,732,885
413,648	67,783	11,071	12,195,950
<u>\$ 820,810</u>	<u>\$ 181,323</u>	<u>\$ 11,071</u>	<u>\$ 14,928,259</u>

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**CITY OF STOCKBRIDGE, GEORGIA  
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
DECEMBER 31, 2010**

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

Total fund balances -- total governmental funds	\$ 12,195,950
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	35,854,619
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred revenues	391,841
Bonds issuance costs are expensed in the funds, but are amortized over the life of the bonds in the statement of net assets:	
Deferred issuance costs	141,133
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Revenue bonds	(16,235,000)
Accrued interest	(311,693)
Long-term portion of OPEB obligation	(4,972)
Long-term portion of compensated absences	<u>(56,958)</u>
Net assets of governmental activities.	<u><u>\$ 31,974,920</u></u>

See accompanying notes to the basic financial statements.

**CITY OF STOCKBRIDGE, GEORGIA  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>CAPITAL PROJECT FUNDS</b>			
	<b>GENERAL</b>	<b>HOTEL/ MOTEL</b>	<b>SPLOST II</b>	<b>SPLOST III</b>
<b>REVENUES</b>				
Taxes	\$ 6,117,592	\$ 95,008	\$ -	\$ -
Licenses and Permits	173,644	-	-	-
Fines, Fees and Forfeitures	775,496	-	-	-
Charges For Services	1,417	-	-	-
Intergovernmental	-	-	-	1,560,824
Interest	149,214	-	390	9,031
Rental Income	66,319	-	-	-
Other	47,652	-	-	-
<b>Total Revenues</b>	<u>7,331,334</u>	<u>95,008</u>	<u>390</u>	<u>1,569,855</u>
<b>EXPENDITURES</b>				
Current				
General Government	1,936,207	-	-	-
Public Safety	472,637	-	-	-
Municipal Court	585,113	-	-	-
Highways and Streets	1,723,970	-	-	-
Parks	189,200	-	-	-
Library	71,855	-	-	-
Urban Redevelopment	-	-	-	-
Code Enforcement	-	-	-	-
Tourism and Promotion	-	62,105	-	-
Capital Outlay	211,101	-	-	1,548,898
Debt Service -				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total Expenditures</b>	<u>5,190,083</u>	<u>62,105</u>	<u>-</u>	<u>1,548,898</u>
Excess of Revenues Over (Under) Expenditures	2,141,251	32,903	390	20,957
<b>Other Financing Sources (Uses):</b>				
Transfers	(1,628,477)	(36,336)	-	-
Disposal of Capital Assets	-	-	-	-
Proceeds from Henry County Splost Bonds	-	-	-	-
Issuance of Debt	-	-	-	-
<b>Total Other Financing Sources (Uses):</b>	<u>(1,628,477)</u>	<u>(36,336)</u>	<u>-</u>	<u>-</u>
Net Change In Fund Balance	512,774	(3,433)	390	20,957
Fund Balance - Beginning	<u>7,893,345</u>	<u>4,420</u>	<u>105,861</u>	<u>3,169,134</u>
<b>Fund Balance - Ending</b>	<u>\$ 8,406,119</u>	<u>\$ 987</u>	<u>\$ 106,251</u>	<u>\$ 3,190,091</u>

See accompanying notes to the basic financial statements.



CAPITAL PROJECT FUNDS		PERMANENT FUND	TOTAL GOVERNMENTAL FUNDS
STATE AND FEDERAL GRANTS	URBAN RE-DEVELOPMENT FUND	PERPETUAL CARE	
\$ -	\$ -	\$ -	\$ 6,212,600
-	-	-	173,644
-	-	-	775,496
-	-	-	1,417
239,688	-	-	1,800,512
1,989	3,980	284	164,888
-	-	-	66,319
-	64,604	-	112,256
<u>241,677</u>	<u>68,584</u>	<u>284</u>	<u>9,307,132</u>
-	-	-	1,936,207
-	-	-	472,637
-	-	-	585,113
-	-	-	1,723,970
-	-	-	189,200
-	-	-	71,855
-	51,634	-	51,634
-	-	-	-
-	-	-	62,105
608,366	2,004,719	-	4,373,084
-	455,000	-	455,000
-	758,539	-	758,539
<u>608,366</u>	<u>3,269,892</u>	<u>-</u>	<u>10,679,344</u>
(366,689)	(3,201,308)	284	(1,372,212)
227,166	1,213,539	-	(224,108)
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>227,166</u>	<u>1,213,539</u>	<u>-</u>	<u>(224,108)</u>
(139,523)	(1,987,769)	284	(1,596,320)
<u>553,171</u>	<u>2,055,552</u>	<u>10,787</u>	<u>13,792,270</u>
<u>\$ 413,648</u>	<u>\$ 67,783</u>	<u>\$ 11,071</u>	<u>\$ 12,195,950</u>

**CITY OF STOCKBRIDGE, GEORGIA  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

Net change in fund balances -- total governmental funds	\$ (1,596,320)
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Governmental funds report capital outlays 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. This is the amount by which capital outlays (\$4,365,646) exceeded depreciation expense (\$873,263) in the current period.	3,492,383
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Transfer of capital assets to various proprietary funds -	
Water & Sewer Fund	(97,827)
Community Center Fund	(739,617)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments (\$455,000) exceeded proceeds (\$-0-)	455,000
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Bonds issuance costs are expensed in the funds, but are amortized over the life of the bonds in the statement of net assets. This is the change in bond issue cost.	(7,027)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances related to timing differences.	177,186
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Change in accrued interest	8,729
Change in long-term portion of accrued OPEB obligation	-
Change in long-term portion of accrued compensated absences	50,731

Change in net assets of governmental activities.	\$ 1,743,238
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See accompanying notes to the basic financial statements.

**CITY OF STOCKBRIDGE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
<b>REVENUES</b>				
Taxes	\$ 6,415,394	\$ 6,417,394	\$ 6,117,592	\$ (299,802)
Licenses and Permits	156,200	169,200	173,644	4,444
Fines, Fees and Forfeitures	735,750	735,750	775,496	39,746
Charges for Services	6,900	6,900	1,417	(5,483)
Interest	270,500	270,500	149,214	(121,286)
Rental Income	62,393	62,393	66,319	3,926
Other	5,000	37,627	47,652	10,025
<b>Total Revenues</b>	<u>7,652,137</u>	<u>7,699,764</u>	<u>7,331,334</u>	<u>(368,430)</u>
<b>EXPENDITURES</b>				
Current				
General Government	2,314,853	2,317,511	1,936,207	381,304
Public Safety	480,000	480,000	472,637	7,363
Municipal Court	559,792	603,359	585,113	18,246
Highways and Streets	1,747,653	1,850,914	1,723,970	126,944
Parks	226,569	226,569	189,200	37,369
Code Enforcement	81,170	81,170	71,855	9,315
Capital Outlay	747,787	699,957	211,101	488,856
<b>Total Expenditures</b>	<u>6,157,824</u>	<u>6,259,480</u>	<u>5,190,083</u>	<u>1,069,397</u>
Excess of revenues over (under) expenditures	1,494,313	1,440,284	2,141,251	700,967
<b>Other Financing Sources (Uses):</b>				
Proceeds From Disposal of Capital Assets	-	-	-	-
Transfers	(2,295,257)	(2,155,072)	(1,628,477)	526,595
<b>Total Other Financing Sources (Uses)</b>	<u>(2,295,257)</u>	<u>(2,155,072)</u>	<u>(1,628,477)</u>	<u>526,595</u>
Change in Fund Balance	(800,944)	(714,788)	512,774	1,227,562
Fund Balance - Beginning	<u>7,893,345</u>	<u>7,893,345</u>	<u>7,893,345</u>	<u>-</u>
<b>Fund Balance - Ending</b>	<u>\$ 7,092,401</u>	<u>\$ 7,178,557</u>	<u>\$ 8,406,119</u>	<u>\$ 1,227,562</u>

See accompanying notes to the basic financial statements.

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**CITY OF STOCKBRIDGE, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL**  
**HOTEL / MOTEL TAX FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGET AMOUNTS			VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
<b>REVENUES</b>				
Taxes	\$ 125,000	\$ 87,500	\$ 95,008	\$ 7,508
Miscellaneous	-	-	-	-
Total Revenues	125,000	87,500	95,008	7,508
<b>EXPENDITURES</b>				
Current-				
Tourism and Promotion-				
Tourism	75,000	22,500	24,095	(1,595)
Payments to others	50,000	35,000	38,010	(3,010)
Capital Outlay-				
Site improvements	-	-	-	-
Total Expenditures	125,000	57,500	62,105	(4,605)
Excess (Deficiency) of Revenues Over Expenditures	-	30,000	32,903	2,903
Other Financing Sources (Uses):				
Transfers	-	(30,000)	(36,336)	(6,336)
Total	-	(30,000)	(36,336)	(6,336)
Net Change in Fund Balances	-	-	(3,433)	(3,433)
Fund Balance - Beginning of year	4,420	4,420	4,420	-
Fund Balance - End of year	<u>\$ 4,420</u>	<u>\$ 4,420</u>	<u>\$ 987</u>	<u>\$ (3,433)</u>

See accompanying notes to the basic financial statements.

**CITY OF STOCKBRIDGE, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**

	<u>Water and Sewer</u>	<u>Solid Waste Management</u>	<u>Conference Center</u>
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash	\$ 231,481	\$ -	\$ -
Investments	58,000	-	-
Receivables-			
Accounts (net)	266,829	75,984	5,871
Unbilled sales	95,449	-	-
Due from other funds	590,191	948,457	-
Inventory	139,870	-	-
Restricted assets -			
Cash	412,499	-	-
Investments	-	-	-
Total current assets	<u>1,794,319</u>	<u>1,024,441</u>	<u>5,871</u>
<b>Noncurrent Assets:</b>			
Capital assets			
Land	416,962	-	28,641
Buildings	-	-	3,293,119
Improvements other than buildings	14,801,065	36,116	21,000
Vehicles	345,295	950,060	-
Furniture and equipment	20,646	-	408,835
Infrastructure	-	-	-
Machinery and equipment	879,896	13,536	179,026
Construction in progress	3,700,933	-	-
Accumulated depreciation	(5,506,192)	(813,895)	(877,012)
Capital assets (net of depreciation)	<u>14,658,605</u>	<u>185,817</u>	<u>3,053,609</u>
Other assets			
Deferred loan cost, net of amortization	58,730	-	-
Total other assets	<u>58,730</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>14,717,335</u>	<u>185,817</u>	<u>3,053,609</u>
<b>Total Assets</b>	<u>16,511,654</u>	<u>1,210,258</u>	<u>3,059,480</u>

See accompanying notes to the basic financial statements.

<u>Community Center</u>	<u>Stormwater Management</u>	<u>Total</u>
\$ 10,933	\$ 537,138	\$ 779,552
-	-	58,000
-	97,798	446,482
-	-	95,449
-	-	1,538,648
-	-	139,870
-	-	412,499
-	-	-
<u>10,933</u>	<u>634,936</u>	<u>3,470,500</u>
-	-	445,603
739,617	-	4,032,736
-	-	14,858,181
-	168,747	1,464,102
3,563	-	433,044
-	164,437	164,437
4,500	31,914	1,108,872
-	-	3,700,933
(13,149)	(170,007)	(7,380,255)
<u>734,531</u>	<u>195,091</u>	<u>18,827,653</u>
-	-	58,730
-	-	58,730
<u>734,531</u>	<u>195,091</u>	<u>18,886,383</u>
<u>745,464</u>	<u>830,027</u>	<u>22,356,883</u>

Continued

**CITY OF STOCKBRIDGE, GEORGIA**  
**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2010**

	<u>Water and Sewer</u>	<u>Solid Waste Management</u>	<u>Conference Center</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable -			
Trade	\$ 40,584	\$ 3,418	\$ 3,338
Construction	241,180	-	-
Due to other funds	-	-	-
Customer deposits	86,726	-	14,021
Accrued compensated absences	5,000	2,000	1,000
Accrued salaries	12,743	5,280	3,281
Deferred revenues	-	1,006,416	-
Notes payable	-	-	-
Accrued interest	15,315	-	-
Total current liabilities	<u>401,548</u>	<u>1,017,114</u>	<u>21,640</u>
<b>Noncurrent Liabilities</b>			
Notes payable	1,507,350	-	-
Accrued compensated absences	36,213	11,570	10,691
Total noncurrent liabilities	<u>1,543,563</u>	<u>11,570</u>	<u>10,691</u>
Total Liabilities	<u>1,945,111</u>	<u>1,028,684</u>	<u>32,331</u>
<b>Net Assets</b>			
Investments in capital assets, net of related debt	13,151,255	185,817	3,053,609
Restricted for capital outlay	412,499	-	-
Unrestricted	1,002,789	(4,243)	(26,460)
Total Net Assets	<u>\$ 14,566,543</u>	<u>\$ 181,574</u>	<u>\$ 3,027,149</u>

See accompanying notes to the basic financial statements.



<u>Community Center</u>	<u>Stormwater Management</u>	<u>Total</u>
\$ 186	\$ 27,207	\$ 74,733
-	-	241,180
-	22,407	22,407
3,350	-	104,097
3,446	2,000	13,446
-	2,146	23,450
-	-	1,006,416
-	-	-
-	-	15,315
<u>6,982</u>	<u>53,760</u>	<u>1,501,044</u>
-	-	1,507,350
-	16,231	74,705
<u>-</u>	<u>16,231</u>	<u>1,582,055</u>
<u>6,982</u>	<u>69,991</u>	<u>3,083,099</u>
734,531	195,091	17,320,303
-	-	412,499
<u>3,951</u>	<u>564,945</u>	<u>1,540,982</u>
<u>\$ 738,482</u>	<u>\$ 760,036</u>	<u>\$ 19,273,784</u>

Concluded

**CITY OF STOCKBRIDGE, GEORGIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Water and Sewer</u>	<u>Solid Waste Management</u>	<u>Conference Center</u>
<b>OPERATING REVENUES</b>			
Charges for services -			
Water sales	\$ 1,405,545	\$ -	\$ -
Sewer charges	1,257,862	-	-
Sanitation fees	-	1,076,149	-
Rentals	-	-	174,984
Stormwater fees	-	-	-
Penalties and reconnect fees	71,531	-	-
Miscellaneous	21,061	-	-
Total operating revenues	<u>2,755,999</u>	<u>1,076,149</u>	<u>174,984</u>
<b>OPERATING EXPENSES</b>			
Purchase of product	502,958	-	-
Salaries and related cost	939,957	585,728	237,741
Professional fees	75,266	-	-
Supplies and materials	206,535	88,798	17,111
Repairs and maintenance	176,312	54,567	94,223
Utilities	203,996	-	27,384
Depreciation and amortization	429,456	76,393	111,623
Other	130,497	161,003	30,135
Total operating expenses	<u>2,664,977</u>	<u>966,489</u>	<u>518,217</u>
Operating income (loss)	<u>91,022</u>	<u>109,660</u>	<u>(343,233)</u>
Non-operating revenues and (expenses)			
Interest earned	2,727	-	-
Rental income	-	76,022	-
Total non-operating revenues (expenses)	<u>2,727</u>	<u>76,022</u>	<u>-</u>
Income before transfers and capital contributions	93,749	185,682	(343,233)
Capital contributions -			
Water	1,176,765	-	-
Sewer	99,675	-	-
Community Center	-	-	-
Transfers	<u>242,447</u>	<u>(312,899)</u>	<u>249,123</u>
Change in net assets	1,612,636	(127,217)	(94,110)
NET ASSETS - BEGINNING	<u>12,953,907</u>	<u>308,791</u>	<u>3,121,259</u>
NET ASSETS - ENDING	<u>\$ 14,566,543</u>	<u>\$ 181,574</u>	<u>\$ 3,027,149</u>

See accompanying notes to the basic financial statements.

<u>Community Center</u>	<u>Stormwater Management</u>	<u>Total</u>
\$ -	\$ -	\$ 1,405,545
-	-	1,257,862
-	-	1,076,149
24,281	-	199,265
-	491,631	491,631
-	-	71,531
-	-	21,061
<u>24,281</u>	<u>491,631</u>	<u>4,523,044</u>
-	-	502,958
34,915	181,365	1,979,706
-	185,631	260,897
10,313	22,627	345,384
9,769	50,191	385,062
-	-	231,380
13,149	32,158	662,779
<u>2,707</u>	<u>-</u>	<u>324,342</u>
<u>70,853</u>	<u>471,972</u>	<u>4,692,508</u>
<u>(46,572)</u>	<u>19,659</u>	<u>(169,464)</u>
-	4,651	7,378
-	-	76,022
<u>-</u>	<u>4,651</u>	<u>83,400</u>
(46,572)	24,310	(86,064)
-	-	1,176,765
-	-	99,675
739,617	-	739,617
<u>45,437</u>	<u>-</u>	<u>224,108</u>
738,482	24,310	2,154,101
<u>-</u>	<u>735,726</u>	<u>17,119,683</u>
<u>\$ 738,482</u>	<u>\$ 760,036</u>	<u>\$ 19,273,784</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Water and Sewer</u>	<u>Solid Waste Management</u>	<u>Conference Center</u>
<b>Cash flows from operating activities:</b>			
Cash received from customers and users	\$ 2,712,419	\$ 1,227,273	\$ 158,524
Cash paid to suppliers for goods	(1,732,711)	(560,240)	(224,925)
Cash paid to employees	(637,731)	(337,463)	(178,032)
Net cash provided from operating activities	<u>341,977</u>	<u>329,570</u>	<u>(244,433)</u>
<b>Cash flows from investing activities:</b>			
Interest received	2,727	-	-
Redemption of investments	-	-	-
Net cash flows from investing activities	<u>2,727</u>	<u>-</u>	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers	242,447	(312,899)	249,123
Change in due to/from other funds	(590,191)	(16,671)	-
Net cash flows from non-capital financing activities	<u>(347,744)</u>	<u>(329,570)</u>	<u>249,123</u>
<b>Cash flows from capital financing activities:</b>			
Proceeds from long-term debt	1,507,350	-	-
Principal payments on long-term debt	-	-	-
Interest paid	-	-	-
Capital contributions	1,178,613	-	-
Purchase / construction of capital assets	(2,378,489)	-	(4,690)
Loan costs	(58,730)	-	-
Net cash flows from capital financing activities	<u>248,744</u>	<u>-</u>	<u>(4,690)</u>
Net cash flows	245,704	-	-
Cash and cash equivalents - beginning	<u>398,276</u>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 643,980</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying notes to the basic financial statements.

<u>Community Center</u>	<u>Stormwater Management</u>	<u>Total</u>
\$ 27,631	\$ 487,067	\$ 4,612,914
(33,762)	(289,605)	(2,841,243)
<u>(20,310)</u>	<u>(124,872)</u>	<u>(1,298,408)</u>
<u>(26,441)</u>	<u>72,590</u>	<u>473,263</u>
-	4,651	7,378
<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>4,651</u>	<u>7,378</u>
45,437	-	224,108
<u>-</u>	<u>59,471</u>	<u>(547,391)</u>
<u>45,437</u>	<u>59,471</u>	<u>(323,283)</u>
-	-	1,507,350
-	-	-
-	-	-
-	-	1,178,613
(8,063)	(9,461)	(2,400,703)
<u>-</u>	<u>-</u>	<u>(58,730)</u>
<u>(8,063)</u>	<u>(9,461)</u>	<u>226,530</u>
10,933	127,251	383,888
<u>-</u>	<u>409,887</u>	<u>808,163</u>
<u>\$ 10,933</u>	<u>\$ 537,138</u>	<u>\$ 1,192,051</u>

Continued

**CITY OF STOCKBRIDGE, GEORGIA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES**

	<u>Water and Sewer</u>	<u>Solid Waste Management</u>	<u>Conference Center</u>
<b>Operating income (loss)</b>	<u>\$ 91,022</u>	<u>\$ 109,660</u>	<u>\$ (343,233)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	429,456	76,393	111,623
(Increase) decrease in receivables	(49,298)	472	(3,871)
(Increase) decrease in inventory	(22,186)	-	-
Increase (decrease) in accounts payable	(120,434)	(2,949)	2,876
Increase (decrease) in customer deposits	5,718	-	(12,589)
Increase (decrease) in accrued liabilities	7,699	(4,658)	761
Increase (decrease) in deferred revenues	-	74,630	-
Rental income	<u>-</u>	<u>76,022</u>	<u>-</u>
Total adjustments	<u>250,955</u>	<u>219,910</u>	<u>98,800</u>
<b>Net cash from operating activities</b>	<u>\$ 341,977</u>	<u>\$ 329,570</u>	<u>\$ (244,433)</u>
<b>Non-cash transactions -</b>			
Construction of various improvements for proprietary funds but paid for by the SPLOST Capital Projects Fund and considered capital contributions by the proprietary funds	<u>\$ 97,827</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

<b>Community Center</b>	<b>Stormwater Management</b>	<b>Total</b>
\$ (46,572)	\$ 19,659	\$ (169,464)
13,149	32,158	662,779
-	(4,564)	(57,261)
-	-	(22,186)
186	27,207	(93,114)
3,350	-	(3,521)
3,446	(1,870)	5,378
-	-	74,630
-	-	76,022
<u>20,131</u>	<u>52,931</u>	<u>642,727</u>
<u>\$ (26,441)</u>	<u>\$ 72,590</u>	<u>\$ 473,263</u>

<u>\$ 739,617</u>	<u>\$ -</u>	<u>\$ 837,444</u>
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Concluded

**CITY OF STOCKBRIDGE, GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**A. Basis of Presentation**

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities, if applicable, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

**B. The Reporting Entity**

The City of Stockbridge, Georgia (the City) was incorporated in 1920 and is located in the northern part of Henry County about 18 miles south of Atlanta. The City provides a full range of services to approximately 22,000 residents. These services are provided in whole by the City or through contractual agreements with Henry County. These services include police services, community development, highways and streets, water and sewer, sanitation, parks, public improvements, planning and zoning, and general administrative services.

Governmental Accounting Standards Board Statement No. 14 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. The City has excluded from the City's financial report the Stockbridge Downtown Development Authority, a development authority recognized under the laws of the State of Georgia, since it is currently inactive.

**Blended Component Unit** – Blended component units, although legally separate entities, are, in substance, part of the government's operations. The City of Stockbridge Urban Redevelopment Agency was created by the City's elected officials to provide for the issuance of bonds to finance the construction of the Town Center facilities including City Hall. Although legally separate, the Urban Redevelopment Agency is blended as a major governmental fund into the primary government. Separate financial statements for the Corporation are not issued.

(See Independent Auditor's Report)



**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):**

**C. Basic Financial Statements-Government-Wide Statements**

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Assets presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-finances or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

**D. Basic Financial Statements-Fund Financial Statements**

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The City has only seven governmental funds and four enterprise funds and considers all of the funds to be major funds.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):**

**D. Basic Financial Statements-Fund Financial Statements – Continued:**

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

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

**Hotel / Motel Tax Fund** – Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. The City's only Special Revenue Fund is the Hotel/Motel Tax Fund.

**The SPLOST Capital Projects Funds** – These funds are used by the City to account for acquisition and construction of major capital facilities that were approved by the voters of Henry County, Georgia through the special purpose local option sales tax referendum.

**The State and Federal Grants Capital Projects Fund** – This fund is used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds, that are financed with state and federal financial assistance.

**The Urban Redevelopment Capital Projects Fund** – This fund is used to account for the proceeds for the issuance of bonds to finance the construction of the Town Center facilities.

**Perpetual Care Permanent Fund** – The Perpetual Care Permanent Fund accounts for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the community cemetery.

**Proprietary Fund Type** – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major proprietary funds:

**Water and Sewer Enterprise Fund** – This fund is used to account for activities connected with the development, operation, and maintenance of water and sewer in Stockbridge and parts of Henry Co.

**Solid Waste Management Enterprise Fund** - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

**The Conference Center Fund** – This fund accounts for activities related to the Merle Manders Conference Center.

**The Community Center Fund** – Created during 2010 to account for activities related to the Ted Strickland Community Center. The Community Center building was completed during 2010 and facilitates community activities for city residents.

**Stormwater Management Fund** – This fund was created during the fiscal year ended December 31, 2004, to account for revenues generated from the charges for stormwater services provided to the citizens of Stockbridge.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):**

**E. Measurement Focus**

**Government-Wide Financial Statements** – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net assets.

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

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

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

**F. Basis of Accounting**

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

**1. Accrual**

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

**2. Modified Accrual**

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. “Available” means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

(See Independent Auditor’s Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):**

**F. Basis of Accounting - Continued**

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

**G. Cash and Investments**

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase and the State of Georgia's Georgia Fund 1. For reporting purposes, all investments are recorded at fair value.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2010:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; and c) items associated with a fund other than the fund to which the income is assigned.

The City's policy is to hold investments until maturity.

**H. Inventory**

Inventory held for resale, if any, is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption and is valued at cost. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventories of the Water and Sewer Fund consist of various repair parts and supplies.

**I. Prepaid Expenses**

Payments made to vendors for service that will benefit periods beyond December 31, 2010 are recorded as prepaid items and are expensed during the period benefited.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):**

**J. Restricted Assets**

Certain proceeds from the Water and Sewer Enterprise and the Urban Redevelopment Agency Funds debt issues are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable debt covenants.

**K. Capital Assets**

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

Capital assets purchased or acquired with an original cost of \$3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Interest in the amount of \$15,315 was capitalized during fiscal year ended December 31, 2010. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	30-50 years
Improvement other than buildings	25-50 years
Furniture and fixtures	10-20 years
Vehicles	5-10 years
Machinery and equipment	5-10 years
Infrastructure	40-50 years

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

**L. Accrued Liabilities and Long-Term Obligations**

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liabilities in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):**

**M. Revenues**

Substantially all governmental fund revenues are accrued. When applicable, property taxes are billed and collected within the same period in which the taxes are levied. In applying GASB No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenues when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

**N. Expenditures**

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

**O. Compensated Absences**

The City accrues accumulated unpaid vacation and sick leave benefits, which will be paid to employees upon separation from service, when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

**P. Interfund Activity**

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses and are not eliminated in the process of consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

**Q. Encumbrances**

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

**R. Net Assets**

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The City's government-wide statement of net assets reports \$3,787,695 of restricted net assets, \$3,296,342 of which is restricted by enabling legislation.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):**

**R. Net Assets - Continued**

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

**S. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

**T. Contributions of Capital**

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

**U. Estimates**

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

**V. Budgets and Budgetary Accounting**

The City Council adopts an annual budget for all of the City's funds and is required by state law to adopt annual budgets for the General Fund and all special revenue funds i.e. Hotel / Motel Tax Fund. Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of an ordinance. Any revisions that alter the total expenditures of any department must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Governmental fund type budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in December 2010. All annual appropriations lapse at year end.

(See Independent Auditor's Report).

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**2. CASH AND INVESTMENTS**

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure the government's deposits may not be returned to it. The City's financial policies require all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of December 31, 2010, \$12,768,495 of the government's bank balance of \$13,518,495 was exposed to custodial credit risk as follows:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1	48 days average	\$ <u>871,490</u>

**Investments**

The City's financial policies authorize investment in any securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia, pooled investment programs of the State of Georgia, and no-load mutual funds of direct obligations of the United States.

Investments as of December 31, 2010, consisted of 1) certificates of deposit in the amount of \$5,613,152 and are included in the above mentioned bank balances, and 2) The Georgia Fund 1 in the amount of \$871,490. Additional information regarding the Georgia Fund 1 follows:

<u>Investments</u>	<u>Maturities</u>	<u>Fair Value</u>
Georgia Fund 1	46 days average	\$ <u>871,490</u>

"Georgia Fund 1" created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money 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 SEC as an investment company. 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. The fund is managed by the Georgia Office of Treasury and Fiscal Services (OTFS). OTFS is guided by the policies of the State Depository Board and OCGA 55-17-2 and 50-17-63.

**3. PROPERTY TAX**

Property taxes attach as an enforceable lien on property as of January 1. The City, when applicable, obtains the services of Henry County to bill and collect the City's property taxes. The County remits taxes collected to the City on a bi-monthly basis. Property taxes are levied approximately October 1 of each year and are due 60 days after issuance. A local option sales tax is in force. Proceeds from this tax are remitted to the City monthly and are utilized to give property tax owners tax relief. No property taxes were levied for the year ended December 31, 2010. There were no property taxes receivable as of December 31, 2010.

(See Independent Auditor's Report)



**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**4. INTERGOVERNMENTAL REVENUES AND RECEIVABLES**

Intergovernmental revenues reported in the fund financial statements for the year ended December 31, 2010 consist of the following:

SPLOST proceeds from Henry County, Georgia	\$ 1,560,824
U. S. Department of Transportation - LCI and Te Grants	<u>239,688</u>
Total	<u>\$ 1,800,512</u>

Intergovernmental receivables as of December 31, 2010 consist of the following:

State and Federal Grants Fund	
U. S. Department of Transportation -	<u>\$ 267,721</u>

**5. RECEIVABLES**

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Funds**

	<u>General</u>	<u>Hotel/ Motel</u>	<u>State and Federal Grants</u>	<u>Perpetual Care</u>	<u>Total</u>
Accounts	\$ 2,284	\$ -	\$ -	\$ -	\$ 2,284
Interest	8,808	-	-	48	8,856
Taxes	1,446,668	8,939	-	-	1,455,607
Fines	497,824	-	-	-	497,824
Intergovernmental	<u>-</u>	<u>-</u>	<u>267,721</u>	<u>-</u>	<u>267,721</u>
Gross Receivables	1,955,584	8,939	267,721	48	2,232,292
Less: Allowance for Uncollectibles	<u>(249,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(249,000)</u>
Net Total Receivables	<u>\$ 1,706,584</u>	<u>\$ 8,939</u>	<u>\$ 267,721</u>	<u>\$ 48</u>	<u>\$ 1,983,292</u>

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**5. RECEIVABLES, (Continue)**

**Proprietary Funds**

	Water and Sewer	Solid Waste Management	Conference Center	Stormwater Management	Total
Accounts	\$ 381,778	\$ 76,484	\$ 5,871	\$ 97,798	\$ 561,931
Interest	-	-	-	-	-
Gross Receivable	381,778	76,484	5,871	97,798	561,931
Less: Allowance for Uncollectibles	(19,500)	(500)	-	-	(20,000)
Net Total Receivable	<u>\$ 362,278</u>	<u>\$ 75,984</u>	<u>\$ 5,871</u>	<u>\$ 97,798</u>	<u>\$ 541,931</u>

**6. INTER-FUND TRANSACTIONS**

Individual fund interfund receivable and payable balances at December 31, 2010 were as follows:

Payable From	Payable To				
	General	SPLOST II	Water and Sewer	Solid Waste	Total
General	\$ -	\$ 719	\$ 590,191	\$ 948,457	\$ 1,539,367
SPLOST III	7,336	-	-	-	7,336
State and Federal Grants	-	500	-	-	500
Urban Redevelopment	186	-	-	-	186
Stormwater	22,407	-	-	-	22,407
Total	<u>\$ 29,929</u>	<u>\$ 1,219</u>	<u>\$ 590,191</u>	<u>\$ 948,457</u>	<u>\$ 1,569,796</u>

During 2009 the City Council approved a change in the method of charging and collecting charges for sanitation services. The City now bills for the service on the annual tax bills. The tax bills are prepared, mailed and collected by the Henry County Tax Commissioner. Monies collected for 2009 sanitation services and remitted to the City prior to year end were deposited into the City's General Fund operating bank account. As a result the General Fund owes the Solid Waste fund \$948,457.

Other inter-fund receivables/payables are the result of receipts or expenditures being received or paid out of one fund but are eligible to be received or paid out of another fund but were not reimbursed as of December 31, 2010.

Individual fund interfund transfers for the year ended December 31, 2010 were as follows:

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**6. INTER-FUND TRANSACTIONS, (Continued)**

Individual fund inter-fund transfers for the year ended December 31, 2010 were as follows:

Transfer To	Transfer From			
	General	Hotel/Motel	Solid Waste	Total
General	\$ -	\$ 36,336	\$ 312,899	\$ 349,235
State & Federal Grants	227,166	-	-	227,166
Urban Redevelopment Fund	1,213,539	-	-	1,213,539
Water & Sewer	242,447	-	-	242,447
Community Center	45,437	-	-	45,437
Conference Center	249,123	-	-	249,123
Total	<u>\$ 1,977,712</u>	<u>\$ 36,336</u>	<u>\$ 312,899</u>	<u>\$ 2,326,947</u>

During the fiscal year ended December 31, 2010, the General Fund transferred \$249,123 to the Conference Center Fund, \$242,447 to the Water and Sewer Fund and \$45,437 to the Community Center Fund all to help finance operations of the various proprietary funds. The General Fund also transferred \$227,166 to the State and Federal Grants Capital Projects Fund to finance the City's share of matching requirements under grant agreements. During 2010 the General Fund transferred \$1,213,539 to the Urban Redevelopment to help repay a portion of the City's long term debt.

In the Statement of Changes in Net Assets, additional transfers were recognized in the amount of \$97,827 to the Water and Sewer Fund and \$739,617 to the Community Center Fund for capital assets transferred to the individual proprietary funds. This increased the total transfers in the Statement of Changes in Net Assets to \$1,061,552. These transfers were for sewer improvements and community center building improvements financed with SPLOST proceeds. These transactions were recognized as capital outlay expenditures in the SPLOST Fund and as capital contributions in the Water and Sewer Fund and Community Center Fund.

**7. DEFERRED COST**

Urban Redevelopment Fund -	
Debt issuance cost, net of accumulated amortization of \$30,664	\$ 141,133
Water and Sewer Fund -	
Debt issuance cost, net of accumulated amortization of \$-0-	58,730
Total Deferred Cost	<u>\$ 199,863</u>

Debt issuance costs are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the Statement of Net Assets and Proprietary Fund Statements. Debt issuance costs are being amortized using the straight line method over the life of the related debt issue. The debt issue cost is related to revenue bonds in the Urban Redevelopment Fund and notes payable in the Water and Sewer Fund.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**8. PROPERTY, PLANT AND EQUIPMENT**

Capital asset activity for the year ended December 31, 2010 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 7,962,602	\$ 430,000	\$ -	\$ 8,392,602
Construction in progress	<u>1,989,473</u>	<u>3,729,518</u>	<u>(837,444)</u>	<u>4,881,547</u>
Total	<u>9,952,075</u>	<u>4,159,518</u>	<u>(837,444)</u>	<u>13,274,149</u>
Capital assets being depreciated:				
Buildings and improvements	16,321,281	35,357	-	16,356,638
Improvements other than buildings	797,038	-	-	797,038
Infrastructure	5,932,959	-	-	5,932,959
Machinery and equipment	1,092,860	12,199	-	1,105,059
Office equipment	612,326	5,675	-	618,001
Vehicles, including related equipment	738,522	124,115	-	862,637
Furniture and fixtures	<u>1,029,764</u>	<u>28,782</u>	<u>-</u>	<u>1,058,546</u>
Total capital assets being depreciated	<u>26,524,750</u>	<u>206,128</u>	<u>-</u>	<u>26,730,878</u>
Less accumulated depreciation for:				
Buildings and improvements	937,991	408,516	-	1,346,507
Improvements other than buildings	364,053	38,008	-	402,061
Infrastructure	284,084	147,672	-	431,756
Machinery and equipment	745,677	60,104	-	805,781
Office equipment	231,157	55,566	-	286,723
Vehicles, including related equipment	487,981	78,147	-	566,128
Furniture and fixtures	<u>226,202</u>	<u>85,250</u>	<u>-</u>	<u>311,452</u>
Total accumulated depreciation	<u>3,277,145</u>	<u>873,263</u>	<u>-</u>	<u>4,150,408</u>
Total capital assets being depreciated, net	<u>23,247,605</u>	<u>(667,135)</u>	<u>-</u>	<u>22,580,470</u>
Governmental capital assets, net	<u>\$33,199,680</u>	<u>\$ 3,492,383</u>	<u>\$ (837,444)</u>	<u>\$35,854,619</u>

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

General Government	\$ 550,054
Public Safety	21,976
Highways and Streets	260,242
Parks and Recreation	38,952
Code Enforcement	<u>2,039</u>
Total depreciation expense	<u>\$ 873,263</u>

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**8. PROPERTY, PLANT AND EQUIPMENT – (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-Type Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 445,603	\$ -	\$ -	\$ 445,603
Construction in progress	1,116,557	2,584,376	-	3,700,933
Total	1,562,160	2,584,376	-	4,146,536
Capital assets being depreciated:				
Buildings and improvements	3,293,119	739,617	-	4,032,736
Improvements other than buildings	14,789,181	69,000	-	14,858,181
Infrastructure	164,437	-	-	164,437
Vehicles	1,464,102	-	-	1,464,102
Furniture and fixtures	429,481	3,563	-	433,044
Machinery and equipment	1,010,786	98,086	-	1,108,872
Total capital assets being depreciated	21,151,106	910,266	-	22,061,372
Less accumulated depreciation for:				
Buildings and improvements	503,716	78,189	-	581,905
Improvements other than buildings	4,382,284	338,860	-	4,721,144
Infrastructure	15,921	5,281	-	21,202
Vehicles	1,103,263	128,798	-	1,232,061
Furniture and fixtures	159,448	28,915	-	188,363
Machinery and equipment	552,844	82,736	-	635,580
Total capital assets being depreciated	6,717,476	662,779	-	7,380,255
Total capital assets being depreciated, net	14,433,630	247,487	-	14,681,117
Business-Type Activities capital assets, net	\$ 15,995,790	\$ 2,831,863	\$ -	\$ 18,827,653

Depreciation expense was charged to functions/programs as follows:

Water	\$ 127,264
Sewer	302,192
Solid Waste Management	76,393
Conference Center	111,623
Community Center	13,149
Stormwater Management	32,158
Total depreciation expense	\$ 662,779

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**9. LONG-TERM DEBT**

**Changes in Long-Term Debt**

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion</u>
<b>Governmental Activities</b>					
Accrued Compensated Absences	\$ 107,689	\$ 112,498	\$ (163,229)	\$ 56,958	\$ 20,000
OPEB Obligation	4,972	3,168	(3,168)	4,972	-
Urban Redevelopment Revenue Bonds	<u>16,690,000</u>	<u>-</u>	<u>(455,000)</u>	<u>16,235,000</u>	<u>480,000</u>
Total Governmental-Type Activity Long-Term Debt	<u>\$16,802,661</u>	<u>\$ 115,666</u>	<u>\$ (621,397)</u>	<u>\$ 16,296,930</u>	<u>\$ 500,000</u>
<b>Business-Type Activities</b>					
GEFA Notes Payable	\$ -	\$ 1,507,350	\$ -	\$ 1,507,350	\$ -
Accrued Compensated Absences	<u>86,241</u>	<u>118,366</u>	<u>(116,456)</u>	<u>88,151</u>	<u>13,446</u>
Total Business-Type Activity Long-Term Debt	<u>\$ 86,241</u>	<u>\$ 1,625,716</u>	<u>\$ (116,456)</u>	<u>\$ 1,595,501</u>	<u>\$ 13,446</u>

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities. However, proceeds from any asset sales relative to the Urban Redevelopment project will be used to liquidate the related revenue bond obligation.

The Water and Sewer Enterprise Fund is used to liquidate all of the business-type activity long-term liabilities except for the accrued compensated absences which are the individual proprietary funds' responsibility to liquidate.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**9. LONG-TERM DEBT - (Continued)**

**Urban Redevelopment Revenue Bonds -**

The City entered into an agreement with Wachovia Bank that provided for the issuance of revenue bonds for the purchase of land and construction of structures and improvements for the New Town Center. Various bond issues were used by the City during the purchase and construction phases. Some of the issues were non taxable while others were taxable issues. All of the remaining outstanding bonds are non taxable. During the year ended December 31, 2010 the City repaid various bond issues in the amount of \$455,000. Amounts outstanding at year end of \$16,235,000 reflect total draw downs to date net of repayments, if any.

Urban Redevelopment Fund long-term liabilities outstanding at year end are as follows:

Series 2005 B Revenue bonds payable to Wachovia Bank, in the total amount of \$7,330,000, interest at 4.45%, matures 2/1/31	\$ 6,940,000
Series 2006 A Revenue bonds payable to Wachovia Bank, in the total amount of \$4,795,000, current interest at 4.58%, matures 2/1/31	4,550,000
Series 2006 C Revenue bonds payable to Wachovia Bank, in the total amount of \$5,000,000, current interest at 4.865%, matures 2/1/31	<u>4,745,000</u>
Total	<u>\$ 16,235,000</u>

Annual debt service requirements to maturity for the revenue bonds that have closed are as follows:

Fiscal Year	Principle	Interest	Total
2011	480,000	737,016	1,217,016
2012	500,000	714,462	1,214,462
2013	520,000	690,979	1,210,979
2014	545,000	666,457	1,211,457
2015	570,000	640,779	1,210,779
2016-2020	3,260,000	2,776,008	6,036,008
2021-2025	4,090,000	1,933,231	6,023,231
2026-2030	5,105,000	878,171	5,983,171
2031	1,165,000	26,860	1,191,860
Totals	<u>\$ 16,235,000</u>	<u>\$ 9,063,963</u>	<u>\$ 25,298,963</u>

**Water and Sewer Long-Term Debt –**

The City issues revenue bonds and enters into construction note agreements with the Georgia Environmental Facilities Authority where in both types of debt the government pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year related to notes issued in 2010 to finance construction projects to improve the City's water distribution facilities. The note was issued by the Georgia Environmental Facilities Authority in the total amount of \$1,761,900. Draw downs from the note as of December 31, 2010 amounted to \$1,507,350. The note bears interest at 3% and will be due in equal monthly payments over a twenty year period when the loan closes.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**10. DEFERRED REVENUES**

Deferred revenues as of December 31, 2010, reported in the Governmental Fund's balance sheet, consisted of the following items:

Revenues earned but not received within 60 days after year end:	
Fines and forfeitures	\$ 207,106
Grants	<u>184,735</u>
 Total deferred revenues - Governmental Funds	 <u>\$ 391,841</u>

**11. RISK MANAGEMENT**

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

Coverages are as follows:

Coverage Description – Property:	
Buildings and contents – (Blanket)	\$29,968,560
Automobile physical damage	Per Application on file with GIRMA

Coverage Description – Casualty:	
Comprehensive general liability	\$1,000,000
Automobile liability	\$1,000,000
Errors and omissions (Public Officials)	\$1,000,000
Employee benefits liability	\$1,000,000
Pollution liability	\$1,000,000

Coverage Description – Crime:	
Blanket bond – employees required to be bonded	\$500,000
Blanket bond – all other employees	\$500,000
Depositors forgery	\$500,000
Money and securities – loss inside and outside premises	\$500,000

Deductible:	
All coverages are subject to a per occurrence deductible of	\$1,000

Coverage Exceptions:	none
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Coverage Subject to a Retroactive Date:

Public officials, pollution and employee benefits liability coverages are subject to a retroactive date of 5/1/87.

(See Independent Auditor's Report)



**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**11. RISK MANAGEMENT - Continued**

Chapter 85 Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated non-profit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government.

The basis for estimating the liabilities for unpaid claims is “IBNR” established by an actuary.

During the year ended December 31, 2010, the City paid no claims. The City has not compiled a record of the claims paid up to the \$1,000 deductible for the prior years. The City is not aware of any claims which the City is liable for (up to the \$1,000) which were outstanding and unpaid at December 31, 2010. No provisions have been made in the financial statements for the year ended December 31, 2010 for any estimate of potential unpaid claims.

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Stockbridge became a member of the Georgia Municipal Associated Workers’ Compensation Self Insurance Fund. The liability of the fund to the employees of any employer (City of Stockbridge) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers’ compensation and / or employer’s liability.

As part of these risk pools, the City is obligated to pay all contributions and assessments as prescribed by the pools, to cooperate with the pool’s agents and attorneys, to follow loss reduction procedures established by the funds and to report as promptly as possible in the funds being required to pay any claim of loss. The City is also to allow the pool’s agents and attorneys to represent the City in investigation, settlement discussions and all levels of litigation arising out of any claim made against the City within the scope of loss protection furnished by the funds.

The funds are to defend and protect the members of the funds against liability or loss as prescribed in the member government contract and in accordance with the worker’s compensation law of Georgia. The funds are to pay all costs taxed against members in any legal proceeding defended by the members, all interest accruing after entry of judgment, and all expenses incurred for investigation, negotiation or defense.

**12. HOTEL / MOTEL TAX**

The City levies a 5% hotel/motel tax in accordance with the provisions of OCGA 48-13-51. In order to comply with the expenditure requirements of this code section, the City remits 40% of the monies collected under this provision to the Henry County Chamber of Commerce. The following is a summary of the collections and expenditures for the year ended December 31, 2010:

Total Collected	\$ 95,008	100%
Amount remitted to the Chamber	\$ 38,010	40%

**13. POLICE PROTECTION**

Henry County provides the City of Stockbridge with police protection by maintaining five full-time police officers, one lieutenant and a secretary within the city limits of Stockbridge. Prior to 2010 these services were paid for by the citizens of Stockbridge through property and sales taxes collected by the County and the City paid the County for additional police services the City may request from time to time. Subsequent to 2009, the City began to pay the County an agreed upon amount in addition to the amount paid by the citizens of Stockbridge. For 2010 the agreed upon amount is \$300,000 and increases annually up to \$500,000 beginning in 2012.

(See Independent Auditor’s Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**14. JOINT VENTURE**

Under Georgia law, the City, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Atlanta Regional Commission (ARC). Membership in this organization 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 ARC Board membership includes the chief elected official of each county, one representative for all the cities in a member county and 15 citizen representatives. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the ARC. Separate financial statements may be obtained from:

Atlanta Regional Commission  
3715 Northside Parkway  
Building 200, Suite 300  
Atlanta, Georgia 30327

**15. LEASE AGREEMENTS**

The City leases its solid waste transfer station to Lamar County Regional Solid Waste Management Authority who subleases to Waste Management. The lease is on a year to year basis. The monthly rental charged by the City is \$1 for each ton of solid waste received at the site. For the year ended December 31, 2010, the City received \$76,022 in rental fees under the terms of the contract. The leased assets cost \$36,116 and are reported net of accumulated depreciation of \$22,572 for a net carrying value of \$13,544.

The City's lease agreements, other than the agreement described above, are relatively minor commitments whereby the City is leasing various pieces of office equipment.

**16. CONTINGENCIES**

Amounts received or receivable from grant agencies are subject to audit and adjustments by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

In 2007 the citizens of Henry County voted to approve a special purpose local option sales tax to help finance the acquisition and construction of major capital equipment and facilities. In relation to this, the City entered into an intergovernmental agreement with Henry County and the other cities inside the County whereby Henry County would issue revenue bonds to finance some of the SPLOST projects in advance of the SPLOST tax collections. City of Stockbridge received \$6,626,500 from the County under this agreement.

The revenue bonds are in the name of Henry County and are not a direct liability of the City of Stockbridge. However, under the terms of the intergovernmental agreement the County will retain all of the first SPLOST revenue collections for each year in amounts that will satisfy the annual debt service requirements. The agreement also requires the City of Stockbridge to pay its share of debt service requirements should the SPLOST revenue collections not be sufficient to satisfy the debt service requirements under the bond issue. Management believes the SPLOST revenue collections will be sufficient to satisfy all debt service requirements under the bond ordinance.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**17. DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The City's defined benefit pension plan, City of Stockbridge Retirement Plan (SRP), provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by the City Council. SRP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303.

**Funding Policy**

SRP members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate for 2010 is 21.58% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

**Annual Pension Cost**

For 2010, the City's annual pension cost of \$456,490 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the January 1, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases of 3.5% plus age and service based merit increases. The actuarial value of SRP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period.

SRP's unfunded actuarial accrued liability is being amortized over a 30 year period from 1983 and current changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. The remaining period at December 31, 2010 was 10 years. These amortization periods, if applicable, are closed for this plan year.

**Three - Year Trend Information for SRP**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 456,490	100%	\$ -
12/31/09	\$ 429,818	100%	\$ -
12/31/08	\$ 344,901	100%	\$ -

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**17. DEFINED BENEFIT PENSION PLAN - Continued**

**Annual Pension Cost – (continued)**

<b>Actuarial Valuation Date As of</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ( (b-a)/c )</b>
7/1/2010	\$ 5,007,432	\$ 6,157,553	\$ 1,150,121	81.3%	\$ 2,475,607	46.5%
1/1/2009	\$ 3,549,172	\$ 5,272,073	\$ 1,722,901	67.3%	\$ 2,115,387	81.4%
1/1/2009	\$ 3,860,238	\$ 4,804,184	\$ 943,946	80.4%	\$ 2,227,561	42.4%

**Trend Information**

Annual trend information required by generally accepted accounting principles is presented on page 49 and reveals the progress made in accumulating sufficient assets to pay benefits when due.

**18. OTHER POST-EMPLOYMENT BENEFITS**

For the year ended December 31, 2009, the City implemented Governmental Accounting Standards Board Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions", for certain postemployment life insurance benefits provided by the City. The requirement of this Statement was implemented prospectively.

**Plan Description**

The City of Stockbridge OPEB Plan (the Plan) is a single-employer defined benefit life insurance plan administered by the Georgia Municipal Employees Benefit System (GMEBS). The Plan was adopted and established by the City Council. The Plan provides postemployment life insurance benefits to eligible retirees of the City in accordance with the City's personnel policies. At January 1, 2010, 5 retired employees were eligible to participate. Inasmuch as the Plan has no assets, reporting an employee benefit trust fund in the accompanying financial statements is not required nor was a separate or stand-alone report issued.

**Funding Policy**

The City is financing the post employee benefits on a pay-as-you-go basis. Employees / retirees are not required to contribute to the Plan. For fiscal year 2010, five retirees received benefits under the Plan. The City provided required contributions of \$3,168 toward the annual OPEB costs.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**18. OTHER POST-EMPLOYMENT BENEFITS**

**Annual OPEB Cost and Net OPEB Obligation**

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed twenty five years. The following table shows the components of the City's annual OPEB cost for 2010 and 2009:

	<u>2009</u>	<u>2010</u>
Annual required contribution	\$ 5,140	\$ 3,168
Interest on net OPEB obligation	-	-
Adjustment to annual required contribution	-	-
Annual OPEB Cost	<u>5,140</u>	<u>3,168</u>
Contribution made	<u>168</u>	<u>3,168</u>
Increase (decrease) in net OPEB obligation	4,972	-
Net OPEB obligation, beginning of year	-	4,972
Net OPEB obligation, end of year	<u><u>\$ 4,972</u></u>	<u><u>\$ 4,972</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation 2010 and 2009 (first year of implementation), were as follows:

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
12/31/09	\$ 5,140	3.3%	\$ 4,972
12/31/10	\$ 3,168	100.0%	\$ -

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**18. OTHER POST-EMPLOYMENT BENEFITS - Continued**

**Funding Status and Funding Progress**

As of January 1, 2009, the actuarial accrued liability for benefits was \$48,744, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan was \$2,115,387 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 2.3%.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the life insurance cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The following required schedule of funding progress, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

<b>Actuarial Valuation Date As of Jan. 1</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ( (b-a)/c )</b>
2009	\$ -	\$ 48,744	\$ 48,744	0.0%	\$ 2,115,387	2.3%

Plans with fewer than 200 participants are required to have actuarial valuations performed every 3 years. The January 1, 2009 valuation was the first valuation required.

**Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the City and plan members at that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

In the Plan's January 1, 2009 actuarial valuation, the projected unit credit cost method was used. Basic assumptions used include a 4% investment rate of return (based on the City's own investment return). The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at January 1, 2009 was 25 years. The following assumptions were also used:

Eligibility – Employees are assumed to receive benefits upon retirement. The eligibility requirements for participation is for employees to retire with 10 years of continuous service immediately prior to retirement who have a minimum of 20 years of total credit service or disabled with 10 years of service. Dependents are not eligible for life insurance benefits.

Discount Rate – Based on the historic and expected returns of the City's short term investment portfolio, a discount rate of 4% was used. The unfunded actuarial accrued liability is being amortized on a compound interest basis over 25 years. The remaining amortization period at December 31, 2009 was 25 years.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS – (Continued)**

**19. CONSTRUCTION COMMITMENTS AND CONTINGENCIES**

The City is in the process of upgrading its water system through a water main replacement project which will consist of adding / replacing 48,000 linear feet of water mains throughout the City. The project is expected to cost approximately \$2,936,500 and is to be financed through a 60% / 40% loan to grant program offered by the Georgia Environmental Facilities Authority through its Drinking Water State Revolving Fund. Benefits received from the City under this program will be federal economic stimulus funds. Total cost incurred for this project as of December 31, 2010 amounted to approximately \$2,832,000. Loan and grant proceeds in the amount of \$2,681,950 had been received by the City as of December 31, 2010.

**20. MAJOR USERS /TAXPAYERS**

The ten major customers of the water and sewer system are primarily from various multi-family living facilities, construction and retail entities. The major users represent approximately 31 percent of the water sales and sewer charges from the system for the year ended December 31, 2010.

The ten major property owners of the City for fiscal year 2010 represent approximately 11% of the current tax assessed property value. The City, however, did not levy property taxes for 2010. The ten largest property owners of the City are comprised of mainly real-estate investment type entities, including multi-family living facilities and commercial retail facilities.

**21. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including:

- A) Deficit fund balances or net asset balances of individual funds – As of December 31, 2010, none of the City's funds had deficit fund balances.
- B) During the fiscal year ended December 31, 2010, none of the City's governmental funds had expenditures that materially exceeded their respective appropriations nor did any department have any material amounts of expenditures in excess of appropriations. Material excesses are considered to have occurred if expenditures exceed appropriations by a factor of over 5 percent and greater than \$5,000.

(See Independent Auditor's Report)

**CITY OF STOCKBRIDGE, GEORGIA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**ANALYSIS OF PENSION PLAN FUNDING PROGRESS**

<b>Actuarial Valuation Date As of</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio (a/b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ( (b-a)/c )</b>
7/1/2010	\$ 5,007,432	\$ 6,157,553	\$ 1,150,121	81.3%	\$ 2,475,607	46.5%
1/1/2009	\$ 3,549,172	\$ 5,272,073	\$ 1,722,901	67.3%	\$ 2,115,387	81.4%
1/1/2008	\$ 3,860,238	\$ 4,804,184	\$ 943,946	80.4%	\$ 2,227,561	42.4%
1/1/2007	\$ 3,382,177	\$ 4,221,556	\$ 839,379	80.1%	\$ 1,959,213	42.8%
1/1/2006	\$ 2,940,931	\$ 3,668,661	\$ 727,730	80.2%	\$ 1,936,356	37.6%
1/1/2005	\$ 2,536,273	\$ 3,437,515	\$ 901,242	73.8%	\$ 1,600,008	56.3%
1/1/2004	\$ 2,175,772	\$ 3,062,874	\$ 887,102	71.0%	\$ 1,484,219	59.8%
1/1/2003	\$ 1,870,228	\$ 2,666,727	\$ 796,499	70.1%	\$ 1,275,728	62.4%
1/1/2002	\$ 1,657,639	\$ 2,349,987	\$ 692,348	70.5%	\$ 1,008,729	68.6%
1/1/2001	\$ 1,413,324	\$ 2,060,951	\$ 647,627	68.6%	\$ 990,389	65.4%

**Changes in the Unfunded Actuarial Accrued Liability:**

Changes in the Plan's unfunded actuarial accrued liability as of January 1, 2009 follow:

Beginning balance	\$ 1,722,901
Change due to contribution policy	(39,264)
Change due to actuarial gains, losses, and assumptions	<u>(533,516)</u>
Ending balance	<u>\$ 1,150,121</u>



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## **GENERAL FUND**

The general fund of the City is used to account for all financial resources except those required to be accounted for in another fund.

**CITY OF STOCKBRIDGE, GEORGIA**  
**GENERAL FUND**  
**COMPARATIVE BALANCE SHEET**  
**DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<u><b>2010</b></u>	<u><b>2009</b></u>
Cash	\$ 3,137,610	\$ 2,163,037
Investments	5,544,129	6,672,356
Receivables-		
Accounts	2,284	6,476
Interest	8,808	11,433
Taxes	1,446,668	1,313,674
Fines	248,824	247,219
Due from other funds	29,929	328,715
Prepaid items	<u>87,869</u>	<u>92,510</u>
<b>Total assets</b>	<u><u>\$ 10,506,121</u></u>	<u><u>\$ 10,835,420</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 281,289	\$ 347,111
Due to other funds	1,539,367	2,264,367
Accrued salaries and wages	20,741	19,033
Accrued police bonds	30,192	33,680
Other accrued expenses	21,307	63,230
Deferred revenues	<u>207,106</u>	<u>214,654</u>
Total liabilities	<u>2,100,002</u>	<u>2,942,075</u>
<b>Fund balance</b>		
Reserved for prepaid items	87,869	92,510
Unreserved	<u>8,318,250</u>	<u>7,800,835</u>
Total fund balance	<u>8,406,119</u>	<u>7,893,345</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 10,506,121</u></u>	<u><u>\$ 10,835,420</u></u>

**CITY OF STOCKBRIDGE, GEORGIA  
GENERAL FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Taxes	\$ 6,117,592	\$ 5,667,228
Licenses and permits	173,644	155,059
Fines, fees and forfeitures	775,496	746,086
Charges for services	1,417	4,404
Intergovernmental	-	-
Interest	149,214	321,699
Rental income	66,319	71,543
Other	47,652	9,465
<b>Total revenues</b>	<u>7,331,334</u>	<u>6,975,484</u>
<b>EXPENDITURES</b>		
Current		
General government	1,936,207	1,875,398
Public safety	472,637	207,439
Municipal court	585,113	467,591
Highways and streets	1,723,970	1,622,072
Parks	189,200	211,883
Code enforcement	71,855	66,172
Capital outlay	211,101	156,310
<b>Total expenditures</b>	<u>5,190,083</u>	<u>4,606,865</u>
Excess of revenues over (under) expenditures	2,141,251	2,368,619
<b>Other financing sources (uses):</b>		
Disposal of capital assets	-	-
Transfers	(1,628,477)	(8,821,303)
<b>Total other financing sources (uses):</b>	<u>(1,628,477)</u>	<u>(8,821,303)</u>
Net change in fund balance	512,774	(6,452,684)
Fund balance - beginning	<u>7,893,345</u>	<u>14,346,029</u>
<b>Fund balance - ending</b>	<u>\$ 8,406,119</u>	<u>\$ 7,893,345</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(With comparative actual amounts for the year ended December 31, 2009)

	<b>2010</b>			<b>2009</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>REVENUES</b>				
<b>Taxes</b>				
Property taxes	\$ 1,200	\$ 31	\$ (1,169)	\$ -
Real estate transfer tax	6,000	5,343	(657)	6,272
Intangible tax	30,000	25,396	(4,604)	33,566
Franchise tax	1,266,528	1,334,679	68,151	1,243,106
Local option sales tax	3,419,265	3,130,180	(289,085)	2,759,279
Alcohol beverage tax	614,241	602,896	(11,345)	574,702
Occupational tax	530,160	488,662	(41,498)	504,022
Insurance premium tax	550,000	530,405	(19,595)	546,281
<b>Total taxes</b>	<b>6,417,394</b>	<b>6,117,592</b>	<b>(299,802)</b>	<b>5,667,228</b>
<b>Licenses and permits</b>				
Business licenses	169,200	173,644	4,444	155,059
<b>Fines, fees and forfeitures</b>	<b>735,750</b>	<b>775,496</b>	<b>39,746</b>	<b>746,086</b>
<b>Charges for services</b>				
Miscellaneous	6,900	1,417	(5,483)	4,404
<b>Intergovernmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Interest</b>	<b>270,500</b>	<b>149,214</b>	<b>(121,286)</b>	<b>321,699</b>
<b>Rental income</b>	<b>62,393</b>	<b>66,319</b>	<b>3,926</b>	<b>71,543</b>
<b>Other</b>	<b>37,627</b>	<b>47,652</b>	<b>10,025</b>	<b>9,465</b>
<b>Total revenues</b>	<b>\$ 7,699,764</b>	<b>\$ 7,331,334</b>	<b>\$ (368,430)</b>	<b>\$ 6,975,484</b>

**CITY OF STOCKBRIDGE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(With comparative actual amounts for the year ended December 31, 2009)

	<b>2010</b>			<b>2009</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>EXPENDITURES</b>				
<b>Current</b>				
<b>General Government</b>				
Governing body	\$ 243,384	\$ 224,907	\$ 18,477	\$ 149,719
City manager	226,046	174,560	51,486	213,124
Administrative	1,561,682	1,278,179	283,503	1,326,715
Government buildings	286,399	258,561	27,838	185,840
Total General Government	<u>2,317,511</u>	<u>1,936,207</u>	<u>381,304</u>	<u>1,875,398</u>
<b>Public Safety</b>				
Charges for police services	400,000	398,187	1,813	96,063
Other services	-	438	(438)	12,931
Salaries and related cost	-	-	-	7,296
Supplies	-	50	(50)	8,329
Other costs	80,000	73,962	6,038	82,820
Total Public Safety	<u>480,000</u>	<u>472,637</u>	<u>7,363</u>	<u>207,439</u>
<b>Municipal Court</b>				
Salaries and related cost	310,099	309,190	909	232,679
Other services	105,915	99,081	6,834	65,221
Supplies	14,150	11,822	2,328	31,965
Other cost	173,195	165,020	8,175	137,726
Total Municipal Court	<u>603,359</u>	<u>585,113</u>	<u>18,246</u>	<u>467,591</u>
<b>Highways and Streets</b>				
Salaries and related cost	857,504	868,203	(10,699)	796,784
Other services	491,510	383,469	108,041	359,526
Supplies	501,900	472,298	29,602	465,762
Total Highways and Streets	<u>1,850,914</u>	<u>1,723,970</u>	<u>126,944</u>	<u>1,622,072</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**BUDGET (GAAP BASIS) AND ACTUAL**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**  
(With comparative actual amounts for the year ended December 31, 2009)

	<b>2010</b>			<b>2009</b>
	<b>Final Budget</b>	<b>Actual</b>	<b>Variance</b>	<b>Actual</b>
<b>Parks and Recreation</b>				
Salaries and related cost	\$ 130,789	\$ 127,415	\$ 3,374	\$ 119,335
Other services	51,500	23,391	28,109	51,191
Supplies	44,280	38,394	5,886	41,357
Total Parks and Recreation	226,569	189,200	37,369	211,883
<b>Code Enforcement</b>				
Salaries and related cost	68,870	61,561	7,309	56,594
Other services	4,775	3,987	788	6,221
Supplies	7,525	6,307	1,218	3,357
Total Code Enforcement	81,170	71,855	9,315	66,172
<b>Capital Outlay</b>				
General Government	182,337	74,787	107,550	75,759
Public Safety	68,993	-	68,993	27,855
Municipal Court	64,888	39,888	25,000	-
Highways and Streets	266,739	96,426	170,313	52,696
Parks and Recreation	117,000	-	117,000	-
Code Enforcement	-	-	-	-
Total Capital Outlay	699,957	211,101	488,856	156,310
<b>Total expenditures</b>	<b>\$ 6,259,480</b>	<b>\$ 5,190,083</b>	<b>\$ 1,069,397</b>	<b>\$ 4,606,865</b>

## **SPECIAL REVENUE FUND**

**The Hotel / Motel Tax Fund** is used by the City to account for proceeds from the City's Hotel / Motel Tax and the required 40% payment to the Henry County Chamber of Commerce



**CITY OF STOCKBRIDGE, GEORGIA**  
**HOTEL / MOTEL TAX FUND**  
**BALANCE SHEET**  
**DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<u><b>2010</b></u>	<u><b>2009</b></u>
Receivables-		
Taxes	\$ 8,939	\$ 7,366
Accrued interest	<u>-</u>	<u>-</u>
<b>Total assets</b>	<u><u>\$ 8,939</u></u>	<u><u>\$ 7,366</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ <u>7,952</u>	\$ <u>2,946</u>
 Total liabilities	 <u>7,952</u>	 <u>2,946</u>
 <b>Fund balance</b>		
Unreserved	<u>987</u>	<u>4,420</u>
 Total fund balance	 <u>987</u>	 <u>4,420</u>
 <b>Total liabilities and fund balance</b>	 <u><u>\$ 8,939</u></u>	 <u><u>\$ 7,366</u></u>

**CITY OF STOCKBRIDGE, GEORGIA  
HOTEL / MOTEL TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Taxes	\$ 95,008	\$ 96,394
<b>Total revenues</b>	<u>95,008</u>	<u>96,394</u>
<b>EXPENDITURES</b>		
Current-		
Printing and binding	-	-
Tourism and promotion	24,095	16,866
Payments to others	<u>38,010</u>	<u>38,381</u>
<b>Total expenditures</b>	<u>62,105</u>	<u>55,247</u>
Excess of revenues over (under) expenditures	32,903	41,147
Other financing sources (uses):		
Transfers	<u>(36,336)</u>	<u>(45,358)</u>
Net change in fund balance	(3,433)	(4,211)
<b>Fund Balance -</b>		
Beginning	<u>4,420</u>	<u>8,631</u>
Ending	<u><u>\$ 987</u></u>	<u><u>\$ 4,420</u></u>

## **CAPITAL PROJECTS FUNDS**

**The SPLOST Capital Projects Funds** are used to account for the acquisition and construction of major capital facilities that were approved by the voters of Henry County, Georgia through the special purpose local option sales tax referendum.

**The State and Federal Capital Projects Fund** is used to account for the acquisition and construction of major capital facilities, other than those financed by proprietary funds and trust funds, that are financed with state and federal financial assistance.

**The Urban Redevelopment Capital Projects Fund** is used to account for the proceeds for the issuance of revenue bonds to finance the construction of the Town Center facilities which is the City's redevelopment project.

**CITY OF STOCKBRIDGE, GEORGIA  
SPLOST II CAPITAL PROJECTS FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<b><u>2010</u></b>	<b><u>2009</u></b>
Cash	\$ 105,032	\$ 104,642
Due from other funds	<u>1,219</u>	<u>1,219</u>
<b>Total assets</b>	<b><u>\$ 106,251</u></b>	<b><u>\$ 105,861</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>
<b>Fund balance</b>		
Reserved for specified purposes	<u>106,251</u>	<u>105,861</u>
Total fund balance	<u>106,251</u>	<u>105,861</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 106,251</u></b>	<b><u>\$ 105,861</u></b>

**CITY OF STOCKBRIDGE, GEORGIA  
SPLOST II CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Intergovernmental	\$ -	\$ -
Interest	390	536
Miscellaneous	<u>-</u>	<u>718</u>
<b>Total revenues</b>	<u>390</u>	<u>1,254</u>
<b>EXPENDITURES</b>		
Capital Outlay -		
Road and street improvements	-	-
Park improvements	-	-
Water and sewer	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	390	1,254
Other financing sources (uses)		
Settlement / Reimbursement proceeds	-	-
Transfers	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	390	1,254
<b>Fund Balance -</b>		
Beginning	<u>105,861</u>	<u>104,607</u>
Ending	<u>\$ 106,251</u>	<u>\$ 105,861</u>

**CITY OF STOCKBRIDGE, GEORGIA  
SPLOST II CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 7,711,704	\$ -	\$ 7,711,704	\$ 7,711,703
Interest	199,111	390	199,501	-
Miscellaneous	<u>718</u>	<u>-</u>	<u>718</u>	<u>-</u>
<b>Total revenues</b>	<u>7,911,533</u>	<u>390</u>	<u>7,911,923</u>	<u>7,711,703</u>
<b>EXPENDITURES</b>				
Capital Outlay -				
Road and street improvements	4,068,250	-	4,068,250	4,011,703
Water and sewer improvements	2,033,303	-	2,033,303	1,700,000
Parks and recreation	76,804	-	76,804	200,000
Land and buildings	<u>1,702,315</u>	<u>-</u>	<u>1,702,315</u>	<u>1,800,000</u>
<b>Total expenditures</b>	<u>7,880,672</u>	<u>-</u>	<u>7,880,672</u>	<u>7,711,703</u>
Excess of revenues over (under) expenditures	30,861	390	31,251	-
Other financing sources (uses)				
Settlement/ Reimbursement proceeds	75,000	-	75,000	-
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 105,861</u>	390	<u>\$ 106,251</u>	<u>\$ -</u>
<b>Fund Balance -</b>				
Beginning		<u>105,861</u>		
Ending		<u>\$ 106,251</u>		

**CITY OF STOCKBRIDGE, GEORGIA  
SPLOST III CAPITAL PROJECTS FUND  
BALANCE SHEET  
DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<u><b>2010</b></u>	<u><b>2009</b></u>
Cash	\$ 2,422,254	\$ 1,626
Investments	871,490	2,397,336
Due from Henry County	-	-
Due from other funds	<u>-</u>	<u>976,393</u>
<b>Total assets</b>	<u><u>\$ 3,293,744</u></u>	<u><u>\$ 3,375,355</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 96,317	\$ 29,598
Due to other funds	<u>7,336</u>	<u>176,623</u>
Total liabilities	<u>103,653</u>	<u>206,221</u>
<b>Fund balance</b>		
Reserved for specified purposes	<u>3,190,091</u>	<u>3,169,134</u>
Total fund balance	<u>3,190,091</u>	<u>3,169,134</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 3,293,744</u></u>	<u><u>\$ 3,375,355</u></u>

**CITY OF STOCKBRIDGE, GEORGIA  
SPLOST III CAPITAL PROJECTS FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Intergovernmental	\$ 1,560,824	\$ 1,010,556
Interest	<u>9,031</u>	<u>32,202</u>
<b>Total revenues</b>	<u>1,569,855</u>	<u>1,042,758</u>
<b>EXPENDITURES</b>		
Capital Outlay -		
Roads, bridges, sidewalks and transportation facilities	17,005	296,387
Public safety facilities and equipment	1,380,935	309,838
Public works facilities and equipment	97,827	598,483
Construction and renovation of municipal buildings	53,131	632,129
Facilities, land and public facilities	-	233,755
Debt Service - principal		
Construction and renovation of municipal buildings	<u>-</u>	<u>1,900,000</u>
<b>Total expenditures</b>	<u>1,548,898</u>	<u>3,970,592</u>
Excess of revenues over (under) expenditures	20,957	(2,927,834)
Other financing sources (uses)		
Transfers	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>
Net change in fund balance	20,957	(2,927,834)
<b>Fund Balance -</b>		
Beginning	<u>3,169,134</u>	<u>6,096,968</u>
Ending	<u>\$ 3,190,091</u>	<u>\$ 3,169,134</u>



**CITY OF STOCKBRIDGE, GEORGIA  
SPLOST III CAPITAL PROJECTS FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Project Authorization</u>
<b>REVENUES</b>				
Intergovernmental	\$ 9,586,015	\$ 1,560,824	\$ 11,146,839	\$ 32,857,500
Interest	<u>37,192</u>	<u>9,031</u>	<u>46,223</u>	<u>-</u>
<b>Total revenues</b>	<u>9,623,207</u>	<u>1,569,855</u>	<u>11,193,062</u>	<u>32,857,500</u>
<b>EXPENDITURES</b>				
Capital Outlay / Debt Service				
Roads, bridges, sidewalks and transportation facilities	807,178	17,005	824,183	3,060,000
Public safety facilities and equipment	829,389	1,380,935	2,210,324	2,000,000
Public works facilities and equipment	2,230,752	97,827	2,328,579	17,097,500
Construction and renovation of municipal buildings	<u>2,586,754</u>	<u>53,131</u>	<u>2,639,885</u>	<u>10,700,000</u>
<b>Total expenditures</b>	<u>6,454,073</u>	<u>1,548,898</u>	<u>8,002,971</u>	<u>32,857,500</u>
Excess of revenues over (under) expenditures	3,169,134	20,957	3,190,091	-
Other financing sources (uses)				
Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 3,169,134</u>	20,957	<u>\$ 3,190,091</u>	<u>\$ -</u>
<b>Fund Balance -</b>				
Beginning		<u>3,169,134</u>		
Ending		<u>\$ 3,190,091</u>		

**CITY OF STOCKBRIDGE, GEORGIA**  
**STATE AND FEDERAL GRANTS CAPITAL PROJECTS FUND**  
**COMPARATIVE BALANCE SHEET**  
**DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
Cash	\$ 553,089	\$ 573,063
Grant receivable	<u>267,721</u>	<u>-</u>
<b>Total assets</b>	<u>\$ 820,810</u>	<u>\$ 573,063</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 221,927	\$ 19,392
Deferred grant revenue	184,735	-
Due to other funds	<u>500</u>	<u>500</u>
Total liabilities	<u>407,162</u>	<u>19,892</u>
 <b>Fund balance</b>		
Unreserved	<u>413,648</u>	<u>553,171</u>
Total fund balance	<u>413,648</u>	<u>553,171</u>
<b>Total liabilities and fund balance</b>	<u>\$ 820,810</u>	<u>\$ 573,063</u>

**CITY OF STOCKBRIDGE, GEORGIA  
STATE AND FEDERAL CAPITAL PROJECTS FUND  
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010</u>			<u>2009</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>REVENUES</b>				
Intergovernmental	\$ 1,560,560	\$ 239,688	\$ (1,320,872)	\$ -
Interest	<u>2,500</u>	<u>1,989</u>	<u>(511.00)</u>	<u>2,776</u>
<b>Total revenues</b>	<u>1,563,060</u>	<u>241,677</u>	<u>(1,321,383)</u>	<u>2,776</u>
<b>EXPENDITURES</b>				
Capital Outlay -				
Highways and streets	<u>2,280,700</u>	<u>608,366</u>	<u>1,672,334</u>	<u>111,398</u>
<b>Total expenditures</b>	<u>2,280,700</u>	<u>608,366</u>	<u>1,672,334</u>	<u>111,398</u>
Excess of revenues over (under) expenditures	(717,640)	(366,689)	350,951	(108,622)
Other financing sources (uses)				
Transfers	<u>717,640</u>	<u>227,166</u>	<u>(490,474)</u>	<u>89,386</u>
Net change in fund balance	-	(139,523)	(139,523)	(19,236)
<b>Fund Balance -</b>				
Beginning	<u>553,171</u>	<u>553,171</u>	<u>-</u>	<u>572,407</u>
Ending	<u>\$ 553,171</u>	<u>\$ 413,648</u>	<u>\$ (139,523)</u>	<u>\$ 553,171</u>

**CITY OF STOCKBRIDGE, GEORGIA  
URBAN REDEVELOPMENT FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<b>2010</b>	<b>2009</b>
Cash	\$ -	\$ -
Receivables -		
Due from contractors	-	-
Interest	-	-
Due from other funds	-	318,405
Due from property owners	-	587,000
Restricted Assets -		
Cash	<u>181,323</u>	<u>1,302,239</u>
<b>Total assets</b>	<u><u>\$ 181,323</u></u>	<u><u>\$ 2,207,644</u></u>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable	\$ 113,354	\$ -
Due to other funds	186	152,092
Deposits	<u>-</u>	<u>-</u>
Total liabilities	<u>113,540</u>	<u>152,092</u>
<b>Fund balance</b>		
Reserved for capital outlay	<u>67,783</u>	<u>2,055,552</u>
Total fund balance	<u>67,783</u>	<u>2,055,552</u>
<b>Total liabilities and fund balance</b>	<u><u>\$ 181,323</u></u>	<u><u>\$ 2,207,644</u></u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**URBAN REDEVELOPMENT FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Interest	\$ 3,980	\$ 3,322
Reimbursements / settlements	<u>64,604</u>	<u>-</u>
<b>Total revenues</b>	<u>68,584</u>	<u>3,322</u>
<b>EXPENDITURES</b>		
Current -		
Urban Redevelopment -		
Professional fees	51,634	19,852
Capital Outlay -		
City Center	430,000	3,556,352
Municipal Court	1,574,719	163,157
Debt Service -		
Principal	455,000	4,870,014
Interest	758,539	883,423
Bond issuance cost	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<u>3,269,892</u>	<u>9,492,798</u>
Excess of revenues over (under) expenditures	(3,201,308)	(9,489,476)
Other financing sources (uses)		
Transfers	1,213,539	5,671,097
Land sales / reductions		-
Issuance of debt	<u>-</u>	<u>3,339,988</u>
Total other financing sources (uses)	<u>1,213,539</u>	<u>9,011,085</u>
Net change in fund balance	(1,987,769)	(478,391)
<b>Fund Balance -</b>		
Beginning	<u>2,055,552</u>	<u>2,533,943</u>
Ending	<u>\$ 67,783</u>	<u>\$ 2,055,552</u>

**CITY OF STOCKBRIDGE, GEORGIA  
URBAN REDEVELOPMENT FUND  
COMPARATIVE SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>Prior Years</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Project Authorization</b>
<b>REVENUES</b>				
Rents	\$ 7,656	\$ -	\$ 7,656	\$ 7,000
Interest	800,839	3,980	804,819	275,500
Reimbursements	<u>25,792</u>	<u>64,604</u>	<u>90,396</u>	<u>-</u>
<b>Total revenues</b>	<u>834,287</u>	<u>68,584</u>	<u>902,871</u>	<u>282,500</u>
<b>EXPENDITURES</b>				
Current -				
Administrative	179,543	51,634	231,177	4,775,949
Capital Outlay -				
Land, buildings and furnishings	20,676,142	2,004,719	22,680,861	28,669,882
Debt Service -				
Principal	4,870,014	455,000	5,325,014	-
Interest	2,906,205	758,539	3,664,744	2,646,669
Bond issuance cost	<u>353,451</u>	<u>-</u>	<u>353,451</u>	<u>-</u>
<b>Total expenditures</b>	<u>28,985,355</u>	<u>3,269,892</u>	<u>32,255,247</u>	<u>36,092,500</u>
Excess of revenues over (under) expenditures	<u>(28,151,068)</u>	<u>(3,201,308)</u>	<u>(31,352,376)</u>	<u>(35,810,000)</u>
Other financing sources (uses)				
Transfers	5,671,106	1,213,539	6,884,645	-
Land sales	1,075,500	-	1,075,500	-
Issuance of debt	<u>23,460,014</u>	<u>-</u>	<u>23,460,014</u>	<u>35,810,000</u>
Total other financing sources (uses)	<u>30,206,620</u>	<u>1,213,539</u>	<u>31,420,159</u>	<u>35,810,000</u>
Net change in fund balance	<u>\$ 2,055,552</u>	<u>(1,987,769)</u>	<u>\$ 67,783</u>	<u>\$ -</u>
<b>Fund Balance -</b>				
Beginning		<u>2,055,552</u>		
Ending		<u>\$ 67,783</u>		

## **PERMANENT FUND**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**Perpetual Care Permanent Fund** is used to account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain the community cemetery.

**CITY OF STOCKBRIDGE, GEORGIA  
CEMETERY PERPETUAL CARE PERMANENT FUND  
COMPARATIVE BALANCE SHEET  
DECEMBER 31, 2010 AND 2009**

<b>ASSETS</b>	<b>2010</b>	<b>2009</b>
Investment	\$ 11,023	\$ 10,741
Accrued interest receivable	<u>48</u>	<u>46</u>
<b>Total assets</b>	<b><u>\$ 11,071</u></b>	<b><u>\$ 10,787</u></b>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities	<u>\$ -</u>	<u>\$ -</u>
Fund balance		
Reserved for perpetual care	<u>11,071</u>	<u>10,787</u>
Total fund balance	<u>11,071</u>	<u>10,787</u>
<b>Total liabilities and fund balance</b>	<b><u>\$ 11,071</u></b>	<b><u>\$ 10,787</u></b>



**CITY OF STOCKBRIDGE, GEORGIA  
CEMETERY PERPETUAL CARE PERMANENT FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>REVENUES</b>		
Investment earnings	\$ <u>284</u>	\$ <u>366</u>
<b>EXPENDITURES</b>		
Other	<u>-</u>	<u>-</u>
Net change in fund balance	284	366
Fund balance, beginning	<u>10,787</u>	<u>10,421</u>
<b>Fund balance, ending</b>	<u>\$ 11,071</u>	<u>\$ 10,787</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL**  
**CEMETERY PERPETUAL CARE PERMANENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**

	BUDGET AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<b>REVENUES</b>				
Interest	\$ 350	\$ 350	\$ 284	\$ (66)
Miscellaneous	-	-	-	-
Total Revenues	350	350	284	(66)
<b>EXPENDITURES</b>				
Current- Cemetery Maintenance	350	350	-	350
Total Expenditures	350	350	-	350
Excess (Deficiency) of Revenues Over Expenditures	-	-	284	284
Other Financing Sources (Uses): Transfers	-	-	-	-
Total	-	-	-	-
Net Change in Fund Balances	-	-	284	284
Fund Balance - Beginning of year	10,787	10,787	10,787	-
Fund Balance - End of year	<u>\$ 10,787</u>	<u>\$ 10,787</u>	<u>\$ 11,071</u>	<u>\$ 284</u>

See accompanying notes to the basic financial statements.

## ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The funds are self-supporting in nature where the costs, including depreciation, of providing goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

**The Water and Sewer Fund** is used to account for activities connected with the development, operation and maintenance of water and sewer in the City of Stockbridge and parts of Henry County.

**The Solid Waste Management Fund** is used to account for activities connected with the collection and disposal of solid waste within the City of Stockbridge. The fund was created in 2003 in order to comply with the State of Georgia Financial Reporting Requirements.

**The Conference Center Fund** is used to account for activities related to the Merle Manders Conference Center. The year ended December 31, 2003 was the first full year of operations.

**The Community Center Fund** is used to account for activities related to the Ted Strickland Community Center. The construction of the Center was completed during 2010 and the Center opened in May 2010.

**The Stormwater Management Fund** is used to account for activities related to solving existing flooding problems and prevent future flood damage, maintaining and improving the system of stormwater management infrastructure and preserving and protecting the beneficial functions of natural drainage systems.

**CITY OF STOCKBRIDGE, GEORGIA**  
**WATER AND SEWER ENTERPRISE FUND**  
**COMPARATIVE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 231,481	\$ 398,276
Investments	58,000	58,000
Receivables-		
Accounts (net)	266,829	213,434
Unbilled sales	95,449	99,546
Due from other funds	590,191	-
Inventory	139,870	117,684
Restricted assets -		
Cash	412,499	-
Investments	-	-
Total current assets	<u>1,794,319</u>	<u>886,940</u>
<b>Noncurrent assets:</b>		
Capital assets		
Land	416,962	416,962
Improvements other than buildings	14,801,065	14,732,065
Vehicles	345,295	345,295
Furniture and equipment	20,646	20,646
Machinery and equipment	879,896	800,461
Construction in progress	3,700,933	1,116,557
Accumulated depreciation	<u>(5,506,192)</u>	<u>(5,076,736)</u>
Capital assets (net of depreciation)	<u>14,658,605</u>	<u>12,355,250</u>
Other assets		
Deferred loan cost, net of amortization of \$-0-	<u>58,730</u>	<u>-</u>
Total deferred charges	<u>58,730</u>	<u>-</u>
Total noncurrent assets	<u>14,717,335</u>	<u>12,355,250</u>
<b>Total assets</b>	<u>16,511,654</u>	<u>13,242,190</u>

**CITY OF STOCKBRIDGE, GEORGIA  
WATER AND SEWER ENTERPRISE FUND  
COMPARATIVE STATEMENT OF NET ASSETS  
DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable		
Trade	\$ 40,584	\$ 161,018
Construction	241,180	-
Customer deposits	86,726	81,008
Accrued compensated absences	5,000	5,000
Accrued salaries	12,743	9,987
Accrued interest	15,315	-
Total current liabilities	<u>401,548</u>	<u>257,013</u>
<b>Noncurrent liabilities</b>		
Notes payable	1,507,350	-
Accrued compensated absences	36,213	31,270
Total noncurrent liabilities	<u>1,543,563</u>	<u>31,270</u>
 Total liabilities	 <u>1,945,111</u>	 <u>288,283</u>
<b>Net Assets</b>		
Investments in capital assets, net of related debt	13,151,255	12,355,250
Restricted for capital outlay	412,499	-
Unrestricted	<u>1,002,789</u>	<u>598,657</u>
 Total Net Assets	 <u>\$ 14,566,543</u>	 <u>\$ 12,953,907</u>

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**CITY OF STOCKBRIDGE, GEORGIA**  
**WATER AND SEWER FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN FUND NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>OPERATING REVENUES</b>		
Charges for services -		
Water sales	\$ 1,405,545	\$ 1,339,083
Sewer charges	1,257,862	1,181,483
Penalties and reconnect fees	71,531	106,385
Miscellaneous	21,061	12,800
Total operating revenues	<u>2,755,999</u>	<u>2,639,751</u>
<b>OPERATING EXPENSES</b>		
Water Department-		
Purchase of product	502,958	547,706
Salaries and related cost	354,520	347,930
Professional services	25,192	24,366
Supplies and materials	47,738	70,893
Repairs and maintenance	89,283	65,555
Utilities	33,728	29,909
Depreciation and amortization	127,264	131,026
Other	46,368	39,531
Sewer Department-		
Salaries and related cost	585,437	549,194
Professional services	50,074	23,730
Supplies and materials	158,797	106,301
Repairs and maintenance	87,029	77,028
Utilities	170,268	154,951
Depreciation and amortization	302,192	299,721
Other	84,129	83,783
Total operating expenses	<u>2,664,977</u>	<u>2,551,624</u>
Operating income (loss)	<u>91,022</u>	<u>88,127</u>
Non-operating revenues and (expenses)		
Interest earned	2,727	9,107
Gain/(Loss) on disposal of capital assets	-	-
Interest expense	-	(151,170)
Total non-operating revenues (expenses)	<u>2,727</u>	<u>(142,063)</u>
Income before transfers and capital contributions	93,749	(53,936)
Capital contributions -		
Water - Developers	2,165	21,524
Water - Federal grant	1,174,600	-
Sewer - Developers	1,848	29,568
Sewer - SPLOST	97,827	598,483
Transfers	<u>242,447</u>	<u>2,793,318</u>
Change in net assets	1,612,636	3,388,957
NET ASSETS - BEGINNING	<u>12,953,907</u>	<u>9,564,950</u>
<b>NET ASSETS - ENDING</b>	<u><u>\$ 14,566,543</u></u>	<u><u>\$ 12,953,907</u></u>

**CITY OF STOCKBRIDGE, GEORGIA  
WATER AND SEWER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 2,712,419	\$ 2,646,284
Cash paid to suppliers for goods	(1,732,711)	(1,390,490)
Cash paid to employees	(637,731)	(616,512)
Net cash provided from operating activities	<u>341,977</u>	<u>639,282</u>
<b>Cash flows from investing activities:</b>		
Interest received	2,727	9,107
Purchase of investments	-	-
Redemption of investments	-	230,155
Net cash from investing activities	<u>2,727</u>	<u>239,262</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers	242,447	2,793,318
Change in due to/from other funds	(590,191)	-
Net cash flows from non-capital financing activities	<u>(347,744)</u>	<u>2,793,318</u>
<b>Cash flows from capital financing activities:</b>		
Proceeds from long term debt	-	(3,017,648)
Loan costs	(58,730)	(177,065)
Capital contributions	1,178,613	51,092
Purchase / construction of capital assets	(2,378,489)	(368,983)
Proceeds from long term debt	1,507,350	-
Net cash flows from capital financing activities	<u>248,744</u>	<u>(3,512,604)</u>
Net cash flows	245,704	159,258
Cash and cash equivalents - beginning	<u>398,276</u>	<u>239,018</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 643,980</u></u>	<u><u>\$ 398,276</u></u>



**CITY OF STOCKBRIDGE, GEORGIA  
WATER AND SEWER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES**

	<u>2010</u>	<u>2009</u>
<b>Operating income (loss)</b>	\$ 91,022	\$ 88,127
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	429,456	430,747
(Increase) decrease in receivables	(49,298)	1,869
(Increase) decrease in inventory	(22,186)	(4,794)
Increase (decrease) in accounts payable	(120,434)	115,421
Increase (decrease) in customer deposits	5,718	4,664
Increase (decrease) in accrued liabilities	7,699	3,248
Total adjustments	<u>250,955</u>	<u>551,155</u>
<b>Net cash from operating activities</b>	<u>\$ 341,977</u>	<u>\$ 639,282</u>
<b>Non-cash transactions -</b>		
Increase (decrease) in fair value of investments	<u>\$ -</u>	<u>\$ -</u>
Construction of water and sewer system improvements paid for by the SPLOST Capital Projects Fund and considered capital contributions by the Water and Sewer Fund	<u>\$ 97,827</u>	<u>\$ 598,483</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**SOLID WASTE MANAGEMENT FUND**  
**COMPARATIVE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Receivables, net -		
Accounts	\$ 69,115	\$ 68,374
Rents	6,869	8,082
Due from other funds	<u>948,457</u>	<u>931,786</u>
Total current assets	<u>1,024,441</u>	<u>1,008,242</u>
<b>Noncurrent assets</b>		
Capital assets		
Improvements other than buildings	36,116	36,116
Vehicles	950,060	950,060
Machinery and equipment	13,536	13,536
Accumulated depreciation	<u>(813,895)</u>	<u>(737,502)</u>
Capital assets (net of depreciation)	<u>185,817</u>	<u>262,210</u>
Total noncurrent assets	<u>185,817</u>	<u>262,210</u>
<b>Total assets</b>	<u>1,210,258</u>	<u>1,270,452</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	3,418	6,367
Accrued compensated absences	2,000	2,000
Accrued salaries and wages	5,280	5,063
Deferred revenues	<u>1,006,416</u>	<u>931,786</u>
Total current liabilities	<u>1,017,114</u>	<u>945,216</u>
<b>Noncurrent liabilities</b>		
Accrued compensated absences	<u>11,570</u>	<u>16,445</u>
<b>Total liabilities</b>	<u>1,028,684</u>	<u>961,661</u>
<b>NET ASSETS</b>		
Investment in capital assets - net of related debt	185,817	262,210
Unrestricted	<u>(4,243)</u>	<u>46,581</u>
<b>Total Net Assets</b>	<u>\$ 181,574</u>	<u>\$ 308,791</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**SOLID WASTE MANAGEMENT FUND**  
**COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET ASSETS**  
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,076,149	\$ 879,831
Total operating revenues	<u>1,076,149</u>	<u>879,831</u>
<b>OPERATING EXPENSES</b>		
Solid waste collection -		
Personnel services and benefits	585,728	627,936
Supplies	88,798	106,841
Repairs and maintenance	54,567	49,939
Depreciation	76,393	88,452
Other	12,859	64,183
Solid waste disposal -		
Landfill fees	<u>148,144</u>	<u>151,355</u>
Total operating expenses	<u>966,489</u>	<u>1,088,706</u>
Operating income (loss)	<u>109,660</u>	<u>(208,875)</u>
Non-operating revenues and (expenses)		
Rental income	<u>76,022</u>	<u>87,564</u>
Total non-operating revenues (expenses)	<u>76,022</u>	<u>87,564</u>
Income before transfers	185,682	(121,311)
Transfers	<u>(312,899)</u>	<u>(11,233)</u>
Change in net assets	(127,217)	(132,544)
NET ASSETS - BEGINNING	<u>308,791</u>	<u>441,335</u>
NET ASSETS - ENDING	<u>\$ 181,574</u>	<u>\$ 308,791</u>

**CITY OF STOCKBRIDGE, GEORGIA  
SOLID WASTE MANAGEMENT FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 1,227,273	\$ 1,935,897
Cash paid to suppliers for goods	(560,240)	(643,912)
Cash paid to employees	(337,463)	(348,966)
Net cash provided from operating activities	<u>329,570</u>	<u>943,019</u>
<b>Cash flows from investing activities:</b>		
Other	<u>-</u>	<u>-</u>
Net cash from investing activities	<u>-</u>	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers	(312,899)	(11,233)
Increase in due from other funds	(16,671)	(931,786)
Net cash flows from non-capital financing activities	<u>(329,570)</u>	<u>(943,019)</u>
<b>Cash flows from capital financing activities:</b>		
Purchase of capital assets	<u>-</u>	<u>-</u>
Net cash flows from capital financing activities	<u>-</u>	<u>-</u>
Net cash flows	-	-
Cash and cash equivalents - beginning	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**CITY OF STOCKBRIDGE, GEORGIA  
SOLID WASTE MANAGEMENT FUND  
COMPARATIVE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES**

	<u>2010</u>	<u>2009</u>
<b>Operating income (loss)</b>	\$ 109,660	\$ (208,875)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	76,393	88,452
(Increase) decrease in receivables	472	36,716
Increase (decrease) in accounts payable	(2,949)	5,476
Increase (decrease) in accrued liabilities	(4,658)	1,900
Increase (decrease) in deferred revenue	74,630	931,786
Rental income	76,022	87,564
Total adjustments	<u>219,910</u>	<u>1,151,894</u>
<b>Net cash from operating activities</b>	<u>\$ 329,570</u>	<u>\$ 943,019</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**CONFERENCE CENTER FUND**  
**COMPARATIVE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Rent receivable	\$ 5,871	\$ 2,000
Due from General Fund	<u>-</u>	<u>-</u>
Total Current assets	<u>5,871</u>	<u>2,000</u>
<b>Noncurrent assets</b>		
Capital assets		
Land	28,641	28,641
Buildings and improvements	3,293,119	3,293,119
Improvements other than buildings	21,000	21,000
Furniture and equipment	408,835	408,835
Machinery and equipment	179,026	174,336
Accumulated depreciation	<u>(877,012)</u>	<u>(765,389)</u>
Capital assets (net of depreciation)	<u>3,053,609</u>	<u>3,160,542</u>
Total noncurrent assets	<u>3,053,609</u>	<u>3,160,542</u>
<b>Total assets</b>	<u>3,059,480</u>	<u>3,162,542</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable		
Trade	3,338	462
Customer deposits	14,021	26,610
Accrued compensated absences	1,000	1,000
Accrued salaries	<u>3,281</u>	<u>2,916</u>
Total current liabilities	<u>21,640</u>	<u>30,988</u>
<b>Noncurrent liabilities</b>		
Accrued compensated absences	<u>10,691</u>	<u>10,295</u>
<b>Total liabilities</b>	<u>32,331</u>	<u>41,283</u>
<b>NET ASSETS</b>		
Investment in capital assets - net of related debt	3,053,609	3,160,542
Unrestricted	<u>(26,460)</u>	<u>(39,283)</u>
<b>Total Net Assets</b>	<u>\$ 3,027,149</u>	<u>\$ 3,121,259</u>

**CITY OF STOCKBRIDGE, GEORGIA  
CONFERENCE CENTER FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 174,984	\$ 121,784
Total operating revenues	<u>174,984</u>	<u>121,784</u>
<b>OPERATING EXPENSES</b>		
Personnel services and benefits	237,741	271,397
Supplies	17,111	17,394
Repairs and maintenance	94,223	93,033
Utilities	27,384	24,818
Depreciation and amortization	111,623	109,022
Other	<u>30,135</u>	<u>33,681</u>
Total operating expenses	<u>518,217</u>	<u>549,345</u>
Operating income (loss)	(343,233)	(427,561)
Non-operating revenues and (expenses)		
Interest income	<u>-</u>	<u>-</u>
Income before transfers and capital contributions	(343,233)	(427,561)
Transfers	<u>249,123</u>	<u>324,093</u>
Change in net assets	(94,110)	(103,468)
NET ASSETS - BEGINNING	<u>3,121,259</u>	<u>3,224,727</u>
<b>NET ASSETS - ENDING</b>	<u>\$ 3,027,149</u>	<u>\$ 3,121,259</u>

**CITY OF STOCKBRIDGE, GEORGIA  
CONFERENCE CENTER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 158,524	\$ 137,252
Cash paid to suppliers for goods and services	(224,925)	(236,624)
Cash paid to employees	(178,032)	(197,930)
Net cash from operating activities	<u>(244,433)</u>	<u>(297,302)</u>
<b>Cash flows from investing activities:</b>	<u>-</u>	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>		
Transfers	249,123	324,093
Change in due to/from other funds	-	-
Net cash flows from non-capital financing activities	<u>249,123</u>	<u>324,093</u>
<b>Cash flows from capital financing activities:</b>		
Purchase / construction of capital assets	<u>(4,690)</u>	<u>(26,791)</u>
Net cash flows from capital financing activities	<u>(4,690)</u>	<u>(26,791)</u>
Net cash flows	-	-
Cash and cash equivalents - beginning	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>



**CITY OF STOCKBRIDGE, GEORGIA  
CONFERENCE CENTER FUND  
COMPARATIVE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES**

	<u>2010</u>	<u>2009</u>
<b>Operating income (loss)</b>	<u>\$ (343,233)</u>	<u>\$ (427,561)</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	111,623	109,022
(Increase) decrease in accounts receivable	(3,871)	-
Increase (decrease) in accounts payable	2,876	-
Increase (decrease) in customer deposits	(12,589)	15,468
Increase (decrease) in accrued liabilities	<u>761</u>	<u>5,769</u>
Total adjustments	<u>98,800</u>	<u>130,259</u>
<b>Net cash from operating activities</b>	<u><u>\$ (244,433)</u></u>	<u><u>\$ (297,302)</u></u>
 <b>Non-cash transactions -</b>	 <u><u>\$ -</u></u>	 <u><u>\$ -</u></u>

**CITY OF STOCKBRIDGE, GEORGIA  
COMMUNITY CENTER FUND  
STATEMENT OF NET ASSETS  
DECEMBER 31, 2010**

	<u>2010</u>
<b>ASSETS</b>	
<b>Current assets</b>	
Cash	\$ 10,933
Rents receivable	-
Due from other funds	-
Total current assets	<u>10,933</u>
<b>Noncurrent assets</b>	
Capital assets	
Buildings	739,617
Furniture and fixtures	3,563
Machinery and equipment	4,500
Accumulated depreciation	<u>(13,149)</u>
Capital assets (net of depreciation)	<u>734,531</u>
Total noncurrent assets	<u>734,531</u>
<b>Total assets</b>	<u>745,464</u>
<b>LIABILITIES</b>	
<b>Current liabilities</b>	
Accounts payable	186
Accrued compensated absences	3,446
Accrued salaries and wages	-
Customer deposits	<u>3,350</u>
Total current liabilities	<u>6,982</u>
<b>Noncurrent liabilities</b>	
Accrued compensated absences	<u>-</u>
<b>Total liabilities</b>	<u>6,982</u>
<b>NET ASSETS</b>	
Investment in capital assets - net of related debt	734,531
Unrestricted	<u>3,951</u>
Total Net Assets	<u>\$ 738,482</u>

**CITY OF STOCKBRIDGE, GEORGIA  
COMMUNITY CENTER FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<b>2010</b>
<b>OPERATING REVENUES</b>	
Rentals	\$ 24,281
Total operating revenues	<u>24,281</u>
<b>OPERATING EXPENSES</b>	
Personnel services and benefits	34,915
Supplies	10,313
Repairs and maintenance	9,769
Depreciation	13,149
Other	2,707
Total operating expenses	<u>70,853</u>
Operating income (loss)	<u>(46,572)</u>
Non-operating revenues and (expenses)	
Miscellaneous	<u>-</u>
Total non-operating revenues (expenses)	<u>-</u>
Income before transfers	(46,572)
Capital contributions - SPLOST	739,617
Transfers	<u>45,437</u>
Change in net assets	738,482
NET ASSETS - BEGINNING	<u>-</u>
NET ASSETS - ENDING	<u>\$ 738,482</u>

**CITY OF STOCKBRIDGE, GEORGIA  
COMMUNITY CENTER FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	<u>2010</u>
<b>Cash flows from operating activities:</b>	
Cash received from customers and users	\$ 27,631
Cash paid to suppliers for goods	(33,762)
Cash paid to employees	<u>(20,310)</u>
Net cash provided from operating activities	<u>(26,441)</u>
<b>Cash flows from investing activities:</b>	
Other	<u>-</u>
Net cash from investing activities	<u>-</u>
<b>Cash flows from non-capital financing activities:</b>	
Transfers	45,437
Increase in due from other funds	<u>-</u>
Net cash flows from non-capital financing activities	<u>45,437</u>
<b>Cash flows from capital financing activities:</b>	
Purchase of capital assets	<u>(8,063)</u>
Net cash flows from capital financing activities	<u>(8,063)</u>
Net cash flows	10,933
Cash and cash equivalents - beginning	<u>-</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 10,933</u></u>

**CITY OF STOCKBRIDGE, GEORGIA  
COMMUNITY CENTER FUND  
STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES**

	<u>2010</u>
<b>Operating income (loss)</b>	<b>\$ (46,572)</b>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	13,149
(Increase) decrease in receivables	-
Increase (decrease) in accounts payable	186
Increase (decrease) in accrued liabilities	3,446
Increase (decrease) in customer deposits	<u>3,350</u>
Total adjustments	<u>20,131</u>
<b>Net cash from operating activities</b>	<b>\$ (26,441)</b>
 <b>Non-cash transactions -</b>	
Construction of building improvements paid for by the SPLOST Capital Projects Fund and considered capital contributions by the Community Center Fund	    <u>\$ 739,617</u>

**CITY OF STOCKBRIDGE, GEORGIA**  
**STORMWATER MANAGEMENT FUND**  
**COMPARATIVE STATEMENT OF NET ASSETS**  
**DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 537,138	\$ 409,887
Receivables, net -		
Accounts	97,798	93,234
Due from other funds	-	37,064
Total current assets	<u>634,936</u>	<u>540,185</u>
 <b>Capital Assets</b>		
Infrastructure	164,437	164,437
Machinery and equipment	31,914	22,453
Automotive equipment	168,747	168,747
Accumulated depreciation	<u>(170,007)</u>	<u>(137,849)</u>
Total capital assets (net of depreciation)	<u>195,091</u>	<u>217,788</u>
Total noncurrent assets	<u>195,091</u>	<u>217,788</u>
 <b>Total assets</b>	 <u>830,027</u>	 <u>757,973</u>
 <b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	27,207	-
Due to other funds	22,407	-
Accrued expenses -		
Accrued compensated absences	2,000	2,000
Salaries and wages	<u>2,146</u>	<u>2,016</u>
Total current liabilities	<u>53,760</u>	<u>4,016</u>
 <b>Noncurrent liabilities</b>		
Accrued compensated absences	<u>16,231</u>	<u>18,231</u>
 <b>Total liabilities</b>	 <u>69,991</u>	 <u>22,247</u>
 <b>NET ASSETS</b>		
Investment in capital assets - net of related debt	195,091	217,788
Unrestricted	<u>564,945</u>	<u>517,938</u>
 Total Net Assets	 <u>\$ 760,036</u>	 <u>\$ 735,726</u>

**CITY OF STOCKBRIDGE, GEORGIA  
STORMWATER MANAGEMENT FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 491,631	\$ 487,815
Total operating revenues	<u>491,631</u>	<u>487,815</u>
<b>OPERATING EXPENSES</b>		
Salaries and benefits	181,365	188,665
Professional fees	185,631	178,670
Supplies	22,627	22,355
Repairs and maintenance	50,191	52,438
Depreciation	32,158	32,199
Refunds	<u>-</u>	<u>-</u>
Total operating expenses	<u>471,972</u>	<u>474,327</u>
Operating income (loss)	19,659	13,488
<b>Non-operating revenues and (expenses)</b>		
Interest income	<u>4,651</u>	<u>9,683</u>
Income before transfers	24,310	23,171
Transfers	<u>-</u>	<u>-</u>
Change in net assets	24,310	23,171
NET ASSETS - BEGINNING	<u>735,726</u>	<u>712,555</u>
NET ASSETS - ENDING	<u>\$ 760,036</u>	<u>\$ 735,726</u>

**CITY OF STOCKBRIDGE, GEORGIA  
STORMWATER MANAGEMENT FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
<b>Cash flows from operating activities:</b>		
Cash received from customers and users	\$ 487,067	\$ 460,463
Cash paid to suppliers for goods	(289,605)	(309,000)
Cash paid to employees	(124,872)	(130,570)
Net cash provided from operating activities	<u>72,590</u>	<u>20,893</u>
<b>Cash flows from investing activities:</b>		
Interest income	<u>4,651</u>	<u>9,684</u>
Net cash from investing activities	<u>4,651</u>	<u>9,684</u>
<b>Cash flows from non-capital financing activities:</b>		
Increase in due from other funds	<u>59,471</u>	<u>379,310</u>
Net cash flows from non-capital financing activities	<u>59,471</u>	<u>379,310</u>
<b>Cash flows from capital financing activities:</b>		
Purchase of capital assets	<u>(9,461)</u>	<u>-</u>
Net cash flows from capital financing activities	<u>(9,461)</u>	<u>-</u>
Net cash flows	127,251	409,887
Cash and cash equivalents - beginning	<u>409,887</u>	<u>-</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 537,138</u></u>	<u><u>\$ 409,887</u></u>



**CITY OF STOCKBRIDGE, GEORGIA  
STORMWATER MANAGEMENT FUND  
COMPARATIVE STATEMENT OF CASH FLOWS**

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED  
BY OPERATING ACTIVITIES**

	<u>2010</u>	<u>2009</u>
<b>Operating income (loss)</b>	\$ 19,659	\$ 13,488
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	32,158	32,199
(Increase) decrease in receivables	(4,564)	(27,352)
Increase (decrease) in accounts payable	27,207	-
Increase (decrease) in accrued liabilities	(1,870)	2,558
Total adjustments	<u>52,931</u>	<u>7,405</u>
<b>Net cash from operating activities</b>	<u>\$ 72,590</u>	<u>\$ 20,893</u>

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## Statistical Section Tab



## STATISTICAL SECTION

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

### **Contents**

### **Page**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

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#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

100-106

#### **Debt Capacity**

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.

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#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

110-111

#### **Operating Information**

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 City provides and the activities it performs.

112-114

Except where noted, the information in these schedules is derived from the City of Stockbridge's comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning that year.

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Governmental activities</b>							
Invested in capital assets, net of related debt	\$5,385,323	\$5,753,132	\$6,659,485	\$8,643,742	\$10,989,673	\$17,811,919	\$19,619,619
Restricted	1,083,755	1,866,722	3,730,555	2,129,998	6,211,996	4,039,095	\$3,375,196
Unrestricted	6,661,632	8,051,954	9,953,638	11,855,065	15,071,355	8,380,668	8,980,105
Total governmental activities net assets	<u>\$13,130,710</u>	<u>\$15,671,808</u>	<u>\$20,343,678</u>	<u>\$22,628,805</u>	<u>\$32,273,024</u>	<u>\$30,231,682</u>	<u>\$31,974,920</u>
<b>Business-type activities</b>							
Invested in capital assets, net of related debt	\$8,732,259	\$10,328,796	\$11,026,691	\$11,369,495	\$12,627,711	\$15,995,790	\$17,320,303
Restricted	93,359	150,381	87,178	84,437	78,650	-	412,499
Unrestricted	539,483	604,626	868,163	1,154,023	1,237,206	1,123,893	1,540,982
Total business-type activities net assets	<u>\$9,365,101</u>	<u>\$11,083,803</u>	<u>\$11,982,032</u>	<u>\$12,607,955</u>	<u>\$13,943,567</u>	<u>\$17,119,683</u>	<u>\$19,273,784</u>
<b>Primary government</b>							
Invested in capital assets, net of related debt	\$14,117,582	\$16,081,928	\$17,686,176	\$20,013,237	\$23,617,384	\$33,807,709	\$36,939,922
Restricted	1,177,114	2,017,103	3,817,733	2,214,435	6,290,646	4,039,095	3,787,695
Unrestricted	7,201,115	8,656,580	10,821,801	13,009,088	16,308,561	9,504,561	10,521,087
Total primary government net assets	<u>\$22,495,811</u>	<u>\$26,755,611</u>	<u>\$32,325,710</u>	<u>\$35,236,760</u>	<u>\$46,216,591</u>	<u>\$47,351,365</u>	<u>\$51,248,704</u>

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Expenses</b>							
Governmental activities:							
General government	\$ 1,767,309	\$ 1,620,284	\$ 1,818,444	\$ 1,969,314	\$ 1,795,176	\$ 2,400,464	\$ 2,515,610
Public safety and courts	406,642	488,221	544,199	549,859	649,280	677,665	1,080,261
Highways and streets	1,479,079	1,632,601	1,610,320	1,566,574	2,986,934	2,083,352	1,971,459
Parks and recreation	185,064	217,348	212,397	184,161	207,166	245,170	228,944
Library	8,377	6,059	-	-	-	-	-
Urban redevelopment	-	54,053	33,055	83,875	41,770	153,129	58,662
Code enforcement	2,574	3,083	62,100	82,884	89,974	68,283	74,782
Interest on long-term debt	-	39,600	471,670	937,439	922,844	855,074	749,810
Total governmental activities expenses	3,849,045	4,041,249	4,752,185	5,374,106	6,693,144	6,483,137	6,679,528
Business-type activities:							
Water	1,221,696	1,263,814	1,336,519	1,301,074	1,361,011	1,332,501	1,227,051
Sewer	1,008,985	1,180,615	1,197,883	1,285,046	1,324,729	1,370,293	1,437,926
Solid waste	693,792	877,949	927,196	1,068,758	1,137,109	1,088,706	966,489
Conference center	430,103	484,733	542,216	563,529	553,651	549,345	518,217
Community center	-	-	-	-	-	-	70,853
Stormwater management	164,894	145,471	316,993	381,243	414,145	474,327	471,972
Total business-type activities expenses	3,519,470	3,952,582	4,320,807	4,599,650	4,790,645	4,815,172	4,692,508
Total primary government expenses	<u>\$ 7,368,515</u>	<u>\$ 7,993,831</u>	<u>\$ 9,072,992</u>	<u>\$ 9,973,756</u>	<u>\$ 11,483,789</u>	<u>\$ 11,298,309</u>	<u>\$ 11,372,036</u>
<b>Program Revenues</b>							
Governmental activities:							
Charges for services:							
General government	\$ 156,470	\$ 159,830	\$ 183,029	\$ 207,286	\$ 216,033	\$ 211,047	\$ 282,785
Public safety and courts	546,176	557,903	815,546	787,608	884,277	728,773	779,488
Highways and streets	-	-	-	-	42,180	450	7,029
Parks and recreation	-	5,006	6,725	6,424	9,017	9,893	10,006
Urban redevelopment	-	3,706	-	-	-	-	64,604
Code enforcement	-	-	-	-	143,177	28,374	2,845
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	2,073,518	2,241,794	2,891,143	223,398	10,195,013	1,010,556	1,985,246
Total governmental activities program revenues	<u>2,776,164</u>	<u>2,968,239</u>	<u>3,896,443</u>	<u>1,224,716</u>	<u>11,489,697</u>	<u>1,989,093</u>	<u>3,112,003</u>
Business-type activities:							
Charges for services:							
Water	990,276	1,019,089	1,137,742	1,251,404	1,369,860	1,398,675	1,462,371
Sewer	795,989	892,375	1,000,558	1,117,409	1,145,384	1,241,076	1,293,628
Solid waste	682,778	755,736	793,254	815,537	850,328	967,395	1,152,171
Conference center	217,497	215,055	238,195	265,673	192,616	121,784	174,984
Community center	-	-	-	-	-	-	24,281
Stormwater management	402,704	381,604	399,432	488,213	456,348	487,815	491,631
Operating grants and contributions	-	-	-	-	-	-	-
Capital grants and contributions	246,903	377,376	157,390	59,614	81,600	51,092	1,178,613
Total business-type activities program revenues	<u>3,336,147</u>	<u>3,641,235</u>	<u>3,726,571</u>	<u>3,997,850</u>	<u>4,096,136</u>	<u>4,267,837</u>	<u>5,777,679</u>
Total primary government program revenues	<u>\$ 6,112,311</u>	<u>\$ 6,609,474</u>	<u>\$ 7,623,014</u>	<u>\$ 5,222,566</u>	<u>\$ 15,585,833</u>	<u>\$ 6,256,930</u>	<u>\$ 8,889,682</u>



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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Net (expense)/revenue</b>							
Governmental activities	\$ (1,072,881)	\$ (1,073,010)	\$ (855,742)	\$ (4,149,390)	\$ 4,796,553	\$ (4,494,044)	\$ (3,567,525)
Business-type activities	(183,323)	(311,347)	(594,236)	(601,800)	(694,509)	(547,335)	1,085,171
<b>Total primary government net expense</b>	<b>\$ (1,256,204)</b>	<b>\$ (1,384,357)</b>	<b>\$ (1,449,978)</b>	<b>\$ (4,751,190)</b>	<b>\$ 4,102,044</b>	<b>\$ (5,041,379)</b>	<b>\$ (2,482,354)</b>

**General Revenues and Other Changes in Net Assets**

Governmental activities:

<b>Taxes</b>							
Intangible	\$ 100,417	\$ 104,866	\$ 99,490	\$ 76,465	\$ 47,451	\$ 33,566	\$ 25,396
Franchise	1,015,628	911,921	1,156,428	1,225,563	1,255,583	1,243,106	1,334,679
Local option sales	2,574,928	2,864,845	3,390,585	3,339,100	3,130,349	2,759,279	3,130,180
Occupational	347,827	401,892	459,053	571,842	566,309	504,022	490,959
Insurance premium taxes	458,674	493,473	516,296	538,554	551,455	546,281	530,405
Alcoholic beverage taxes	537,320	523,198	559,081	598,847	604,223	588,149	589,448
Hotel/Motel taxes	129,301	107,779	119,139	127,035	105,667	96,394	95,008
Other taxes	33,187	35,795	30,495	26,065	14,099	8,802	5,373
Gain (loss) on disposition of capital assets	-	-	8,084	67,000	50,061	-	-
Investment earnings	88,453	175,421	590,919	1,082,089	526,337	360,899	155,468
Miscellaneous	29,530	2,297	77,085	2,751	2,883	16,865	15,399
Transfers	(692,400)	(2,007,379)	(1,479,043)	(1,211,794)	(2,015,751)	(3,704,661)	(1,061,552)
<b>Total governmental activities</b>	<b>4,622,865</b>	<b>3,614,108</b>	<b>5,527,612</b>	<b>6,443,517</b>	<b>4,838,666</b>	<b>2,452,702</b>	<b>5,310,763</b>
<b>Business-type activities</b>							
Investment earnings	5,851	7,981	12,819	15,929	14,370	18,790	7,378
Gain (loss) on disposition of capital assets	-	14,689	603	-	-	-	-
Transfers	692,400	2,007,379	1,479,043	1,211,794	2,015,751	3,704,661	1,061,552
<b>Total business-type activities</b>	<b>698,251</b>	<b>2,030,049</b>	<b>1,492,465</b>	<b>1,227,723</b>	<b>2,030,121</b>	<b>3,723,451</b>	<b>1,068,930</b>
<b>Total primary government</b>	<b>\$ 5,321,116</b>	<b>\$ 5,644,157</b>	<b>\$ 7,020,077</b>	<b>\$ 7,671,240</b>	<b>\$ 6,868,787</b>	<b>\$ 6,176,153</b>	<b>\$ 6,379,693</b>

**Changes in Net Assets**

Governmental activities	3,549,984	2,541,098	4,671,870	2,294,127	9,635,219	(2,041,342)	1,743,238
Business-type activities	514,928	1,718,702	898,229	625,923	1,335,612	3,176,116	2,154,101
<b>Total primary government</b>	<b>\$ 4,064,912</b>	<b>\$ 4,259,800</b>	<b>\$ 5,570,099</b>	<b>\$ 2,920,050</b>	<b>\$ 10,970,831</b>	<b>\$ 1,134,774</b>	<b>\$ 3,897,339</b>

**City of Stockbridge, Georgia**  
**Governmental Activities Tax Revenues by Source**  
**Last Seven Fiscal Years**  
**(accrual basis of accounting)**

Fiscal Year	Intangible Tax	Franchise Tax	Sales Tax	Occupational Tax	Insurance Premium Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Other Tax	Total
2004	\$ 100,417	\$ 1,015,628	\$2,574,928	\$ 347,827	\$ 458,674	\$ 537,320	\$ 129,301	\$ 33,187	\$ 5,197,282
2005	104,866	911,921	2,864,845	401,892	493,473	523,198	107,779	35,795	5,443,769
2006	99,490	1,156,428	3,390,585	459,053	516,296	559,081	119,139	30,495	6,330,567
2007	76,465	1,225,563	3,339,100	571,842	538,554	598,847	127,035	26,065	6,503,471
2008	47,451	1,255,583	3,130,349	566,309	551,455	604,223	105,667	14,099	6,275,136
2009	33,566	1,243,106	2,759,279	504,022	546,281	588,149	96,394	8,802	5,779,599
2010	25,396	1,334,679	3,130,180	490,959	530,405	589,448	95,008	5,373	6,201,448

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

	Fiscal Years									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund										
Reserved	\$ 52,800	\$ 72,730	\$ 96,008	\$ 113,400	\$ 124,973	\$ 136,270	\$ 159,363	\$ 96,467	\$ 92,510	\$ 87,869
Unreserved	4,667,845	3,901,703	4,240,674	6,285,723	7,650,480	9,863,864	11,729,572	14,249,562	7,800,835	8,318,250
Total general fund	<u>\$ 4,720,645</u>	<u>\$ 3,974,433</u>	<u>\$ 4,336,682</u>	<u>\$ 6,399,123</u>	<u>\$ 7,775,453</u>	<u>\$ 10,000,134</u>	<u>\$ 11,888,935</u>	<u>\$ 14,346,029</u>	<u>\$ 7,893,345</u>	<u>\$ 8,406,119</u>
All other governmental funds										
Reserved	\$ 7,666	\$ 8,097	\$ 648,192	\$ 961,679	\$ 7,117,595	\$ 16,375,410	\$ 11,831,965	\$ 8,745,939	\$ 5,341,334	\$ 3,375,196
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	5,100	4,894	8,631	4,420	987
Capital project funds	50,709	166,897	436,620	378,807	238,928	(33,321)	131,595	572,407	553,171	413,648
Total all other governmental funds	<u>\$ 58,375</u>	<u>\$ 174,994</u>	<u>\$ 1,084,812</u>	<u>\$ 1,340,486</u>	<u>\$ 7,356,523</u>	<u>\$ 16,347,189</u>	<u>\$ 11,968,454</u>	<u>\$ 9,326,977</u>	<u>\$ 5,898,925</u>	<u>\$ 3,789,831</u>
	<u>\$ 4,779,020</u>	<u>\$ 4,149,427</u>	<u>\$ 5,421,494</u>	<u>\$ 7,739,609</u>	<u>\$ 15,131,976</u>	<u>\$ 26,347,323</u>	<u>\$ 23,857,389</u>	<u>\$ 23,673,006</u>	<u>\$ 13,792,270</u>	<u>\$ 12,195,950</u>

Note:  
The substantial increase in reserved fund balance in 2005 and 2006 is the result of the revenue bond issues in the Urban Redevelopment Fund.

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

	Fiscal Years									
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b>Revenues</b>										
Taxes	\$ 3,743,539	\$ 4,119,994	\$ 4,339,381	\$ 5,197,281	\$ 5,443,769	\$ 6,330,567	\$ 6,497,656	\$ 6,269,947	\$ 5,763,622	\$ 6,212,600
Licenses and permits	120,272	133,359	149,180	154,070	133,251	154,083	154,027	165,236	155,059	173,644
Intergovernmental	17,265	121,085	1,847,257	2,073,518	2,143,790	2,866,553	213,261	3,568,873	1,010,556	1,800,512
Charges for services	2,642	3,847	4,857	2,889	5,736	4,349	5,589	3,919	4,404	1,417
Fines and forfeitures	553,302	618,517	478,429	531,821	569,781	802,111	748,577	984,515	746,086	775,496
Investment earnings	208,327	97,989	73,515	92,417	175,420	590,917	1,082,088	526,337	360,901	164,888
Miscellaneous	25,883	20,830	41,418	29,531	32,609	34,361	63,150	337,823	81,726	178,575
Total revenues	4,671,230	5,115,621	6,934,037	8,081,527	8,504,356	10,782,941	8,764,348	11,856,650	8,122,354	9,307,132
<b>Expenditures</b>										
General government	974,619	1,148,096	1,194,178	1,352,736	1,564,103	1,527,233	1,727,941	1,641,182	1,875,398	1,936,207
Municipal court	267,230	364,262	317,473	345,061	341,999	411,928	376,908	212,979	467,591	585,113
Public safety	75,970	141,243	111,865	61,122	118,605	130,022	174,465	426,940	207,439	472,637
Highways and streets	911,747	982,044	1,134,947	1,301,029	1,525,028	1,535,674	1,466,120	1,649,583	1,733,470	1,723,970
Sanitation	-	-	-	-	-	-	-	-	-	-
Parks and recreation	109,421	88,917	136,552	147,901	166,718	165,137	146,682	157,087	211,883	189,200
Library	109,421	-	-	8,377	6,059	-	-	-	-	-
Urban redevelopment	-	-	-	-	54,053	36,592	52,991	16,055	19,852	71,855
Code enforcement	-	-	-	2,574	3,083	58,974	80,742	88,011	66,172	51,634
Tourism and promotion	-	-	-	-	-	47,905	65,439	60,323	55,247	62,105
Capital outlay	402,468	721,572	2,031,931	2,186,828	5,889,705	4,337,098	5,895,355	13,556,384	5,946,411	4,373,084
Debt service	-	-	-	-	-	-	-	-	-	-
Original issue discount	-	-	-	-	134,555	218,896	-	-	-	-
Principal	-	-	-	-	-	-	-	-	6,770,014	455,000
Interest	-	-	-	-	-	338,526	757,119	927,137	883,423	758,539
Total expenditures	2,850,876	3,446,134	4,926,946	5,405,628	9,803,908	8,807,985	10,743,762	18,735,681	18,236,900	10,679,344
Excess of revenues over (under) expenditures	1,820,354	1,669,487	2,007,091	2,675,899	(1,299,552)	1,974,956	(1,979,414)	(6,879,031)	(10,114,546)	(1,372,212)
<b>Other financing sources (uses)</b>										
Settlement proceeds	-	-	-	-	-	75,000	-	-	-	-
Proceeds from debt issues	-	-	-	-	9,650,000	9,795,000	204,273	7,097,253	3,339,988	-
Transfers	(2,850,266)	(2,299,511)	(735,478)	(357,784)	(958,081)	(1,059,193)	(1,211,793)	(617,237)	(3,106,178)	(224,108)
Sale of capital assets	-	-	-	-	-	8,084	497,000	214,632	-	-
Reimbursements	-	-	-	-	-	421,500	-	-	-	-
Total other financing sources (uses)	(2,850,266)	(2,299,511)	(735,478)	(357,784)	8,691,919	9,240,391	(510,520)	6,694,648	233,810	(224,108)
Net change in fund balances	\$ (1,029,912)	\$ (630,024)	\$ 1,271,613	\$ 2,318,115	\$ 7,392,367	\$ 11,215,347	\$ (2,489,934)	\$ (184,383)	\$ (9,880,736)	\$ (1,596,320)
Debt service as a percent of non-capital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	6.7%	15.6%	11.7%	61.9%	19.2%

Note:

- (1) The significant transfers in 2001 and 2002 were transfers to the Merle Manders Conference Center Fund to help finance the construction of the Center.

**City of Stockbridge, Georgia**  
**General Governmental Tax Revenues By Source**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

Fiscal Year	Real and Personal	Alcohol Beverage		Sales Taxes	Franchise	Business Occupation		Insurance Premium	Other Tax	Total
2001	332	433,745		1,983,065	612,532	234,731		357,901	121,233	3,743,539
2002	409	513,828		2,173,713	638,433	265,641		392,699	135,271	4,119,994
2003	39	514,388		2,268,112	677,072	295,940		423,237	160,593	4,339,381
2004	39	537,320		2,574,928	1,015,628	347,827		458,674	262,865	5,197,281
2005	30	523,198		2,864,845	911,921	401,892		493,473	248,410	5,443,769
2006	52	569,081		3,390,585	1,156,428	459,053		516,296	249,072	6,330,567
2007	144	598,847		3,339,100	1,225,563	571,843		538,554	223,605	6,497,656
2008	-	605,290		3,130,349	1,255,583	560,053		551,455	167,217	6,269,947
2009	-	574,702		2,759,279	1,243,106	504,022		546,281	136,232	5,763,622
2010	31	602,896		3,130,180	1,334,679	488,662		530,405	125,747	6,212,600

**Note:**

Sales and Use Tax revenues along with most other tax revenue source have increased due to the significant growth in both population and commercial businesses.

**City of Stockbridge, Georgia**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**  
(Unaudited)

Tax Year	Real and Personal Property	Mobile	Home	Motor Vehicle	Exemptions	Total Assessed Value (1)	Total Direct Tax Rate
2001	375,859,810	1,987,640		11,627,446	(9,051,443)	380,423,453	0.00
2002	427,007,393	1,966,600		15,281,300	(40,311,443)	403,943,850	0.00
2003	540,920,839	1,850,600		18,651,540	(7,876,025)	553,546,954	0.00
2004	615,256,500	1,617,280		20,043,440	(7,636,251)	629,280,969	0.00
2005	686,526,191	2,063,040		20,831,570	(8,664,632)	700,756,169	0.00
2006	741,214,534	1,865,560		24,364,690	(8,939,952)	758,504,832	0.00
2007	828,288,609	1,936,040		27,677,100	(27,232,438)	830,669,311	0.00
2008	916,701,036	1,748,760		25,491,490	(38,141,425)	905,799,861	0.00
2009	892,754,645	2,221,673		26,748,980	(31,084,976)	890,640,322	0.00
2010	786,965,210	2,087,040		21,619,380	(31,226,126)	779,445,504	0.00

Notes:  
(1)

Assessed Value is Calculated at 40% of Estimated Actual Value

Source: Henry County Tax Commissioner

**City of Stockbridge, Georgia**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years (1)**

<b>Tax/Fiscal Years</b>	<b>City</b>	<b>County</b>	<b>School M&amp;O</b>	<b>School Bond</b>	<b>Water</b>	<b>Hospital</b>	<b>State</b>	<b>Total</b>
2001	-	11.29	17.15	3.06	2.00	1.00	0.25	34.75
2002	-	11.08	17.65	3.06	2.00	1.00	0.25	35.04
2003	-	11.24	18.90	3.06	2.00	1.00	0.25	36.45
2004	-	11.24	18.90	3.06	2.00	1.00	0.25	36.45
2005	-	11.24	19.40	3.06	2.00	1.00	0.25	36.95
2006	-	11.20	20.00	3.06	2.00	1.00	0.25	37.51
2007	-	11.20	20.00	3.06	2.00	1.00	0.25	37.51
2008	-	10.71	20.00	3.06	2.00	1.00	0.25	37.02
2009	-	10.71	20.00	3.06	2.00	1.00	0.25	37.02
2010	-	11.75	20.00	3.63	2.00	1.00	0.25	38.63

**Notes:**

(1) All tax rates are per \$1,000 assessed valuation, less exemptions

Source: Henry County Tax Commissioner

City of Stockbridge, Georgia  
Property Tax Levies and Collections  
Last Ten Fiscal Years

Tax Year	Total Tax Levy (1)(2)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	-	-	N/A	-	-	N/A
2002	-	-	N/A	-	-	N/A
2003	-	-	N/A	-	-	N/A
2004	-	-	N/A	-	-	N/A
2005	-	-	N/A	-	-	N/A
2006	-	-	N/A	-	-	N/A
2007	-	-	N/A	-	-	N/A
2008	-	-	N/A	-	-	N/A
2009	-	-	N/A	-	-	N/A
2010	-	-	N/A	-	-	N/A

Notes:

- (1) No millage rate after sales tax rollback
- (2) Includes only real and personal property. Does not include motor vehicle assessments



**City of Stockbridge, Georgia**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
(amounts expressed in thousands)

Taxpayer	2010			2001		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Wal-Mart Real Est Business	\$ 13,586	1	1.7%	\$ 4,600	6	1.5%
West Henry Land Corp. et al	12,560	2	1.6%	6,294	4	2.0%
Concert PSP Atlanta	9,420	3	1.2%			
St Ives Apartments	8,852	4	1.1%			
CSP Community Owner LLC	8,753	5	1.1%			
Eagles Landing First Baptist	7,388	6	0.9%			
JES at Eagles Landing LLC	7,365	7	0.9%			
CS Stockbridge LKE LLC	6,669	8	0.9%	-		
Waterford Eagles LLC	6,419	9	0.8%			
WR of Stockbridge II LLC	6,103	10	0.8%			
Eastwood Village Apartments				7,689	1	
Killearn Properties				7,279	2	2.4%
SunTrust Services Corp				6,944	3	2.3%
Stockbridge , LLC				4,992	5	1.6%
Vulcan Materials				4,120	7	1.3%
Garga Realty, LLC				3,442	8	1.1%
Ramco - Gershenson Prop				3,138	9	1.0%
Stockbridge Elementary Sch				2,346	10	0.8%
Totals	\$ 87,115		11.2%	\$ 50,844		14.0%

Note:

Source: Henry County Tax Commissioner

**City of Stockbridge, Georgia**  
**Water and Sewer Residential Rates**  
**Last Ten Fiscal Years**

Fiscal Year	WATER & SEWER RATES (1)					
	Monthly Base	3,000 to 12,000 Gallons	12,000 and Above	Monthly Base	0 to 4,000 Gallons	4,001 to 9,000 Gallons
2001	3.48	3.22	3.45			9,001 and Above
2002	3.66	3.39	3.63			
2003	3.84	3.56	3.81			
2004	4.03	3.74	4.00			
2005	4.23	3.93	4.20			
2006	4.44	4.13	4.41			
2007	4.66	4.34	4.63			
2008				\$ 4.00	\$ 3.75	\$ 5.75
2009				\$ 6.00	\$ 3.94	\$ 6.04
2010				\$ 6.00	\$ 4.14	\$ 6.34
						\$ 7.75
						\$ 8.14
						\$ 8.55

Source: City of Stockbridge Water & Sewer Administrative Staff

Note (1) Rates are for each service, i.e. water rate is the same as the sewer rate.

**City of Stockbridge, Georgia**  
**Summary of Water and Sewer Revenues by Customer Category**  
**Last Nine Years**

Year	Water				Sewer			
	Volume		Revenue		Volume		Revenue	
	Residential	Other	Residential	Other	Residential	Other	Residential	Other
2002	168,511,415	58,138,910	\$ 618,957	\$ 206,552	179,590,325	56,781,315	\$ 537,207	\$ 196,302
2003	160,167,415	57,266,210	\$ 620,958	\$ 222,378	152,142,652	52,502,220	\$ 540,219	\$ 198,246
2004	164,971,896	60,917,500	\$ 671,495	\$ 247,880	145,911,261	59,797,999	\$ 584,847	\$ 223,344
2005	170,791,300	57,107,700	\$ 738,865	\$ 244,771	151,925,100	49,400,200	\$ 638,148	\$ 217,839
2006	171,175,800	77,743,000	\$ 777,033	\$ 347,979	139,383,700	66,826,000	\$ 667,361	\$ 258,603
2007	163,632,920	79,601,000	\$ 781,755	\$ 374,077	145,395,060	87,235,000	\$ 674,688	\$ 340,533
2008	161,380,991	56,885,200	\$ 906,255	\$ 428,526	164,635,991	61,313,735	\$ 816,208	\$ 351,664
2009	152,459,000	50,946,200	\$ 934,350	\$ 409,055	151,715,000	53,685,000	\$ 871,488	\$ 331,495
2010	154,185,660	51,112,000	\$ 987,722	\$ 413,235	156,918,660	55,903,000	\$ 917,479	\$ 346,071

Source: City of Stockbridge Water & Sewer Administrative Staff

**City of Stockbridge, Georgia**  
**Sales Tax Rates and Taxable Sales**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Years	(1) (2) Taxable Sales Within the Henry County	Local Option		Special Purpose		State	Total
		(3) City / County	City / County	School System			
2001	\$ 1,764,676,282	1.00%	1.00%	1.00%	4.00%	7.00%	
2002	\$ 1,914,466,208	1.00%	1.00%	1.00%	4.00%	7.00%	
2003	\$ 2,041,600,167	1.00%	1.00%	1.00%	4.00%	7.00%	
2004	\$ 2,259,577,241	1.00%	1.00%	1.00%	4.00%	7.00%	
2005	\$ 2,530,203,880	1.00%	1.00%	1.00%	4.00%	7.00%	
2006	\$ 3,019,124,522	1.00%	1.00%	1.00%	4.00%	7.00%	
2007	\$ 3,027,759,284	1.00%	1.00%	1.00%	4.00%	7.00%	
2008	\$ 2,839,947,660	1.00%	1.00%	1.00%	4.00%	7.00%	
2009	\$ 2,505,588,006	1.00%	1.00%	1.00%	4.00%	7.00%	
2010	\$ 2,799,152,456	1.00%	1.00%	1.00%	4.00%	7.00%	

**Notes:**

- (1) Prescription drugs and services are not taxable.
- (2) Calculated based on sales taxes collected by the City.
- (3) The City receives 11.03% of the Local Option Sales Taxes collected for Henry County.

**City of Stockbridge, Georgia**  
**Ratio of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities (1) Redevelopment Revenue Bonds	Business Type Activities (1)			Total Primary Government	Per Capita (2)	Percentage of Personal Income
		Water/Sewer Revenue Bonds	GEFA Notes				
2001	-	535,000	4,403,914		4,938,914	395.11	1.43%
2002	-	505,000	4,156,612		4,661,612	310.77	1.15%
2003	-	505,000	4,166,658		4,671,658	292.10	1.10%
2004	-	470,000	3,905,725		4,375,725	244.30	0.93%
2005	9,650,000	470,000	3,630,224		13,750,224	715.71	2.73%
2006	19,445,000	395,000	3,339,313		23,179,313	1,059.63	3.79%
2007	19,649,273	355,000	3,032,102		23,036,375	1,047.11	3.66%
2008	20,120,025	310,000	2,707,648		23,137,673	1,051.71	4.45%
2009	16,690,000	-	-		16,690,000	758.64	3.37%
2010	16,235,000	-	1,507,350		17,742,350	692.09	3.24%

**Notes:**

(1) Details regarding the City's outstanding debt can be found in Note 9 of the current financial statements.

(2) See Page 110 for population data for the City.

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

	Fiscal Years									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Approximated Assessed Valuation	\$ 308,423,453	\$ 403,943,850	\$ 563,546,954	\$ 629,280,969	\$ 700,756,169	\$ 758,504,832	\$ 830,669,311	\$ 905,799,861	\$ 890,640,322	\$ 779,445,504
Debt Limit: 10% of Assessed Value	\$ 30,842,345	\$ 40,394,385	\$ 55,354,695	\$ 62,928,097	\$ 70,075,617	\$ 75,850,483	\$ 83,066,931	\$ 90,579,986	\$ 89,064,032	\$ 77,944,550
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 30,842,345	\$ 40,394,385	\$ 55,354,695	\$ 62,928,097	\$ 70,075,617	\$ 75,850,483	\$ 83,066,931	\$ 90,579,986	\$ 89,064,032	\$ 77,944,550

Note:

- (1) The City has no general obligation debt that is subject to the debt limitation.
- (2) By State law, Stockbridge's outstanding general obligation debt should not exceed 10 percent of total assessed property value.

**City of Stockbridge, Georgia**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>Water and Sewer Revenue Bonds</u>					<u>Redevelopment Revenue Bonds</u>				
	<u>Gross Revenues</u>	<u>(1) Expenses</u>	<u>Net Revenue Available for</u>		<u>Coverage</u>	<u>Gross Revenues</u>	<u>Debt Service</u>		<u>Coverage</u>	
			<u>Debt Service</u>	<u>Interest</u>			<u>Principal</u>	<u>Interest</u>		
1	1,654,543	1,262,616	391,927	29,500	7.19	-	-	-	-	-
2	1,688,142	1,481,851	206,291	28,250	3.54	-	-	-	-	-
3	1,773,723	1,401,835	371,888	26,750	6.55	-	-	-	-	-
4	2,039,019	1,665,128	373,891	25,250	6.21	-	-	-	-	-
5	2,295,605	1,912,852	382,753	23,500	6.54	-	-	-	-	-
2006	2,149,863	1,988,737	161,126	21,750	2.61	180,962	-	330,000	0.5484	
2007	2,382,447	2,010,898	371,549	19,750	6.22	498,780	-	757,119	0.6588	
2008	2,675,944	2,113,744	562,200	17,750	8.96	296,342	-	927,137	0.3196	
2009	2,699,950	2,120,877	579,073	28,750	1.71	3,322	6,770,013	883,423	0.0004	
2010	-	-	-	-	-	68,584	455,000	758,539	0.0565	

Note:

(1) Details regarding the City's outstanding debt can be found in Note 9 to the current financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

(2) The City prepaid various Redevelopment Revenue Bond issues and all of the remaining Water and Sewer Revenue Bond issues during 2009.

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

Fiscal Year	(3) Population	Personal Income	(2) Per Capita Income	(2) Median Age	(1) School Enrollment	(2) Unemployment Rate
2001	12,500	346,300,000	27,704	33.4	4,180	2.9%
2002	15,000	404,370,000	26,958	33.4	4,228	3.9%
2003	15,993	423,302,724	26,468	33.4	4,371	4.3%
2004	17,911	468,623,404	26,164	33.4	4,108	4.0%
2005	19,212	504,103,668	26,239	33.4	4,208	5.1%
2006	21,875	611,012,500	27,932	33.4	4,326	4.5%
2007	21,403	629,847,484	29,428	34.2	3,473	4.7%
2008	21,666	520,265,658	24,013	34.2	2,611	9.1%
2009	22,000	495,638,000	22,529	34.2	2,447	10.3%
2010	*	548,097,680	21,380	32.4	2,371	10.4%

**Sources:**

- (1) Henry County Board of Education
- (2) Sperling's Best Places
- (3) Atlanta Regional Commission
- \* Census



**City of Stockbridge, Georgia**  
**Principal Employers**  
**Current Year and Four Years Ago**

	<u>2010</u>		<u>2006</u>	
<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Employees</u>	<u>Rank</u>
Wal-Mart Supercenter	575	1	773	1
Symcor LLP	427	2	N/A	N/A
Publix Super Markets	208	3	184	5
Henry County Schools within the City	158	4	199	4
BrandsMart USA	168	5	227	3
SunTrust	105	6	675	2
Kohl's Department Store	100	7	120	6
Eagles Landing Country Club	93	8	N/A	N/A
The First State Bank	79	9	107	7
City of Stockbridge	66	10	61	10
Garden Ridge	N/A	N/A	85	8
Wachovia Bank	N/A	N/A	75	9
<b>Total Employees</b>	<u>1,979</u>		<u>2,506</u>	

Note:

- (1) 2006 is the first year available for employment statistics.
- (2) Total employment inside the City is not available.

Source: City of Stockbridge Administrative Staff

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

Function	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General government										
Executive	2	2	2	2	2	2	2	2	2	1
Administration	3	2	4	4	6	7	7	7	7	9
Municipal Court	2	2	2	2	2	2	1	2	4	5
Code Enforcement	-	-	-	-	2	1	1	1	1	1
Conference Center	-	3	3	3	4	4	4	4	4	4
Parks	2	1	1	1	3	3	1	3	3	3
Public Works	5	10	11	12	14	11	11	14	15	15
Sanitation	20	17	15	19	14	13	21	14	10	10
Sewer	5	5	7	7	7	8	9	9	9	9
Stormwater	-	-	-	-	3	4	4	3	3	3
Water	3	3	4	4	5	6	6	6	6	6
Total	42	45	49	54	62	61	67	65	64	66

**Note:**

Elected and appointed officials are not included in the above.

The City of Stockbridge uses personnel services for grass cutting crews, not included above.

Source: Finance Department

**City of Stockbridge, Georgia**  
**Operating Indicators by Function**  
**Last Nine Years**

Function / Program	2002	2003	2004	2005	2006	2007	2008	2009	2010
Code Enforcement									
Complaints	N/A	N/A	N/A	N/A	682	1,335	997	661	737
Tickets	N/A	N/A	N/A	N/A	421	896	647	241	213
Fines	N/A	N/A	N/A	N/A	\$ 54,621	\$ 104,609	\$ 142,985	\$ 28,374	\$ 45,188
Conference Center									
Number of meetings/events	118	275	350	400	600	471	234	139	202
Number of visitors	17,000	25,000	29,000	33,000	55,000	24,180	24,289	19,200	23,470
Cash received from customers	\$ 94,389	\$ 152,067	\$ 176,014	\$ 195,539	\$ 242,379	\$ 245,074	\$ 192,616	\$ 121,784	\$ 174,984
Occupational Tax									
Business licenses issued -									
Original issue	651	713	893	923	1,085	1,204	1,158	1,061	1,108
New	N/A	N/A	329	290	363	257	249	232	246
Highways and Streets (Miles)									
Street resurfacing	-	-	2.00	-	2.41	-	-	1.10	0.85
Crack sealing / seal coating	-	-	-	4.00	2.07	12.00	28.70	-	-
Stormwater									
Potential ponds identified	N/A	N/A	N/A	N/A	138	144	162	162	181
Total number of pipes	N/A	N/A	N/A	N/A	2,805	2,955	3,020	3,020	3,153
Total number of feet of pipes	N/A	N/A	N/A	N/A	406,349	422,025	434,935	434,935	444,257
Inspections	N/A	N/A	N/A	N/A	141	241	226	226	276
Complaints	N/A	N/A	N/A	N/A	35	59	44	40	100

Notes:

Code Enforcement and Stormwater data are not available prior to 2006.

Source:

City of Stockbridge Administrative Staff.

**City of Stockbridge, Georgia**  
**Capital Assets Statistics by Function/Program**  
**Last Ten Years**

Function / Program	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<b>Public works</b>										
City limit area (square miles)	12.86	13.18	13.58	13.58	13.96	14.13	14.13	14.13	14.13	14.13
Paved roads (miles)	68.48	78.57	81.84	81.84	88.95	92.16	95.30	95.30	95.62	95.62
Number of streetlights	1,474	1,474	1,474	1,504	1,504	1,504	1,550	1,553	1,714	1,718
<b>Sanitation</b>										
Transfer stations	1	1	1	1	1	1	1	1	1	1
Collection trucks	3	3	4	5	5	5	5	6	5	5
Small collection vehicles	11	15	23	20	22	24	28	27	25	25
Customers	3,564	4,177	5,420	5,486	5,735	6,190	6,359	6,554	6,809	7,161
<b>Recreation and culture</b>										
Number of parks	4	4	4	4	4	4	4	4	4	4
Community centers	-	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Cemeteries	3	3	3	3	3	3	3	3	3	3
<b>Water</b>										
Water mains (miles)	37.00	37.00	38.00	40.00	43.00	43.87	44.38	44.38	44.46	46.48
Fire hydrants	170	170	170	170	450	452	454	457	457	476
Service connections	2,138	2,130	2,151	2,240	2,420	2,446	2,447	2,430	2,391	2,486
Daily average production in gallons	729,627	808,851	808,851	706,816	838,973	827,383	639,583	748,137	782,640	790,135
Storage capacity in gallons	900,000	900,000	900,000	900,000	900,000	1,900,000	1,900,000	1,900,000	1,900,000	1,900,000
<b>Sewage</b>										
Sanitary sewers (miles)	32.00	32.56	33.27	35.00	37.72	38.44	39.00	39.48	39.54	39.54
Service connections	1,979	1,963	1,968	2,013	2,165	2,165	2,278	2,272	2,254	2,316
Number of treatment plants	1	1	1	1	1	1	1	1	1	1
Daily average treatment in gallons	563MGD	556MGD	618MGD	639MGD	698MGD	697MGD	615 MGD	555MGD	686MGD	759MGD
Treatment capacity	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD

Source:

City of Stockbridge Administrative Staff.