CITY OF ADEL, GEORGIA
Annual Financial Report
For The Fiscal Year Ended
September 30, 2010

CITY OF ADEL, GEORGIA
Annual Financial Report
For The Fiscal Year Ended September 30, 2010

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March 07, 2011

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Council
City of Adel, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Adel, Georgia, as of and for the year ended September 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Adel, Georgia'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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Adel, Georgia, as of September 30, 2010, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

City of Adel, Georgia, has not presented the Management's Discussion and Analysis that accounting principles, generally accepted in the United States of America, has determined is necessary to supplement, although not required to be part of the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Adel, Georgia's basic financial statements as a whole. The Required Supplementary Information is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The Combining and Individual Fund Schedules, and Supplemental Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The Required Supplementary Information, Combining and Individual Fund Schedules, and Supplemental Schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Meeks, Roberts, Ashley, Sumner & Sirmans, LLP

MEEKS, ROBERTS, ASHLEY, SUMNER & SIRMANS, LLP
Certified Public Accountants

BASIC FINANCIAL STATEMENTS

CITY OF ADEL, GEORGIA
Statement Of Net Assets
September 30, 2010

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Primary Government	Economic Development Commission	Industrial Development Authority	Downtown Development Authority
ASSETS						
Cash & Cash Equivalents	$ 8,561,149	$ 3,388,095	$ 11,949,244	$ 801,855	$ 513,140	$ 12,148
Investments	--	3,083,124	3,083,124	--	--	--
Receivables (Net Of Allowance For Uncollectibles)	985,191	1,340,372	2,325,563	372,206	--	--
Due From Component Units	397,600	--	397,600	--	--	--
Inventories	--	987,923	987,923	--	--	--
Property Held For Resale	--	--	--	--	5,194,116	461,844
Prepaid Items	57,800	19,498	77,298	--	--	--
Restricted Assets						
Cash & Cash Equivalents	101,593	1,240,399	1,341,992	--	--	--
Capital Assets Not Being Depreciated	312,908	896,191	1,209,099	--	--	--
Capital Assets Net Of Accumulated Depreciation	4,348,448	8,831,955	13,180,403	--	--	--
Total Assets	14,764,689	19,787,557	34,552,246	1,174,061	5,707,256	473,992
LIABILITIES						
Accounts Payable	116,371	891,158	1,007,529	--	--	--
Accrued Wages & Benefits	62,464	27,442	89,906	--	--	--
Intergovernmental Payable	556	61,114	61,670	--	315,000	--
Internal Balances	3,427,226	(3,427,226)	--	--	--	--
Due To Primary Government	--	--	--	--	--	397,600
Short-Term Notes Payable	18,148	97,186	115,334	--	--	--
Customer Deposits	--	398,308	398,308	--	--	--
Noncurrent Liabilities						
Due Within One Year	141,803	474,921	616,724	--	--	--
Due In More Than One Year	582,047	681,797	1,263,844	--	1,315,000	--
Total Liabilities	4,348,615	(795,300)	3,553,315	--	1,630,000	397,600
NET ASSETS						
Invested In Capital Assets, Net Of Related Debt	4,122,760	8,559,099	12,681,859	--	--	--
Restricted						
Public Safety	101,593	--	101,593	--	--	--
Debt Service	--	842,091	842,091	--	--	--
Economic Development	397,600	--	397,600	--	--	--
Unrestricted	5,794,121	11,181,667	16,975,788	1,174,061	4,077,256	76,392
Total Net Assets	$ 10,416,074	$ 20,582,857	$ 30,998,931	$ 1,174,061	$ 4,077,256	$ 76,392

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA

Statement Of Activities

For The Year Ended September 30, 2010

FUNCTIONS/PROGRAMS	Expenses	PROGRAM REVENUES: Charges For Services	PROGRAM REVENUES: Operating Grants & Contributions	PROGRAM REVENUES: Capital Grants & Contributions	NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Economic Development Commission	Component Units: Industrial Development Authority	Component Units: Downtown Development Authority
Primary Government										
Governmental Activities										
General Government	$ 485,906	$ 37,540	$ --	$ --	$ (448,366)	$ --	$ (448,366)			
Judicial	22,404	--	--	--	(22,404)	--	(22,404)			
Public Safety	2,968,528	664,088	40,299	22,041	(2,242,100)	--	(2,242,100)			
Public Works	1,831,654	972,694	--	243,724	(615,236)	--	(615,236)			
Culture & Recreation	483,410	76,763	421,678	--	15,031	--	15,031			
Housing & Development	92,823	--	--	9,000	(83,823)	--	(83,823)			
Interest On Long-Term Debt	24,579	--	--	--	(24,579)	--	(24,579)			
Total Governmental Activities	5,909,304	1,751,085	461,977	274,765	(3,421,477)	--	(3,421,477)			
Business-Type Activities										
Electric	9,219,932	11,495,041	--	--	--	2,275,109	2,275,109			
Gas	1,540,943	1,695,799	--	--	--	154,856	154,856			
Water	578,870	833,244	--	--	--	254,374	254,374			
Sewer	1,011,832	1,164,584	--	--	--	152,752	152,752			
Telecommunication	132,172	53,899	--	--	--	(78,273)	(78,273)			
Total Business-Type Activities	12,483,749	15,242,567	--	--	--	2,758,818	2,758,818			
Total Primary Government	$ 18,393,053	$ 16,993,652	$ 461,977	$ 274,765	(3,421,477)	2,758,818	(662,659)			
Component Units										
Economic Development Commission	$ 578,058	$ --	$ 255,632	$ 400,000				$ 77,574	$ --	$ --
Industrial Development Authority	224,711	192,385	--	478,500				--	446,174	--
Downtown Development Authority	1,039	--	--	--				--	--	(1,039)
Total Component Units	$ 803,808	$ 192,385	$ 255,632	$ 878,500				77,574	446,174	(1,039)
General Revenues										
Taxes										
Real Property					657,988	--	657,988	--	--	--
Personal Property					75,691	--	75,691	--	--	--
Real Estate Transfer (Intangible)					1,447	--	1,447	--	--	--
Franchise					149,052	--	149,052	--	--	--
General Sales & Use					214,673	--	214,673	--	--	--
Selective Sales & Use					138,439	--	138,439	--	--	--
Business					385,394	--	385,394	--	--	--
Penalties & Interest On Delinquent Taxes					7,734	--	7,734	--	--	--
Federal Government Payments In Lieu Of Taxes					3,363	--	3,363	--	35,000	--
Investment Income					53,383	35,170	88,553	9,977	7,347	362
Miscellaneous					19,931	--	19,931	--	--	--
Gain On Disposition Of Capital Assets					5,421	--	5,421	--	--	--
Special Item - Impairment Loss On Telecommunication System & Equipment					--	(184,533)	(184,533)	--	--	--
Transfers					1,414,975	(1,414,975)	--	--	--	--
Total General Revenues, Special Items & Transfers					3,127,491	(1,564,338)	1,563,153	9,977	42,347	362
Change In Net Assets					(293,986)	1,194,480	900,494	87,551	488,521	(677)
Net Assets - Beginning					10,710,060	19,388,377	30,098,437	1,086,510	3,588,735	77,069
NET ASSETS - ENDING					$ 10,416,074	$ 20,582,857	$ 30,998,931	$ 1,174,061	$ 4,077,256	$ 76,392

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Balance Sheet
Governmental Funds
September 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash & Cash Equivalents	$ 7,337,822	$ 1,223,327	$ 8,561,149
Restricted Assets			
Cash & Cash Equivalents	101,593	--	101,593
Receivables (Net Of Allowance For Uncollectibles)	856,968	128,223	985,191
Due From Other Funds	62,650	--	62,650
Due From Component Units	397,600	--	397,600
Total Assets	$ 8,756,633	$ 1,351,550	$ 10,108,183
LIABILITIES & FUND EQUITY			
Liabilities			
Accounts Payable	110,529	5,842	116,371
Accrued Wages & Benefits	62,464	--	62,464
Intergovernmental Payable	556	--	556
Due To Other Funds	3,427,226	62,650	3,489,876
Deferred Revenue	637,151	58,333	695,484
Short-Term Notes Payable	18,148	--	18,148
Total Liabilities	4,256,074	126,825	4,382,899
Fund Balances			
Reserved			
Public Safety	101,593	--	101,593
Due From Component Units	397,600	--	397,600
Unreserved, Reported In			
General Fund	4,001,366	--	4,001,366
Special Revenue Funds	--	580,080	580,080
Capital Projects Funds	--	644,645	644,645
Total Fund Balances	4,500,559	1,224,725	5,725,284
Total Liabilities & Fund Balances	$ 8,756,633	$ 1,351,550	
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			4,661,356
Prepaid costs are recorded as expenditures when paid in the funds.			57,800
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.			695,484
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.			
Capital Leases Payable		$ (520,448)	
Compensated Absences		(203,402)	
			(723,850)
Net Assets Of Governmental Activities			$ 10,416,074

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement Of Revenues, Expenditures, & Changes In Fund Balances
Governmental Funds
For The Year Ended September 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ 1,655,758	$ --	$ 1,655,758
Licenses & Permits	19,250	--	19,250
Intergovernmental	65,562	656,009	721,571
Charges For Services	991,905	76,763	1,068,668
Fines & Forfeitures	663,167	--	663,167
Interest Revenue	51,005	2,378	53,383
Contributions & Donations	141	--	141
Miscellaneous	19,931	--	19,931
Total Revenues	3,466,719	735,150	4,201,869
EXPENDITURES			
Current			
General Government	461,393	--	461,393
Judicial	22,404	--	22,404
Public Safety	2,718,583	--	2,718,583
Public Works	1,491,215	--	1,491,215
Culture & Recreation	40,787	397,661	438,448
Housing & Development	92,823	--	92,823
Capital Outlay	--	78,737	78,737
Debt Service	200,789	--	200,789
Total Expenditures	5,027,994	476,398	5,504,392
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,561,275)	258,752	(1,302,523)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,414,975	--	1,414,975
Transfers Out	--	--	--
Proceeds Of Capital Asset Dispositions	5,421	--	5,421
Capital Leases	38,938	--	38,938
Total Other Financing Sources (Uses)	1,459,334	--	1,459,334
Net Change In Fund Balances	(101,941)	258,752	156,811
Fund Balances - Beginning	4,602,500	965,973	5,568,473
FUND BALANCES - ENDING	$ 4,500,559	$ 1,224,725	$ 5,725,284

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA

Reconciliation Of The Statement Of Revenues, Expenditures, & Changes In Fund Balances
Of Governmental Funds To The Statement Of Activities
For The Year Ended September 30, 2010

Amounts reported for governmental activities in the *Statement Of Activities* are different because:

Net change in fund balances - total governmental funds reported in the *Statement Of Revenues, Expenditures, And Changes In Fund Balances - Governmental Funds*		$ 156,811
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.		
Capital Outlay	$ 101,217	
Depreciation Expense	(601,721)	
		(500,504)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations).		
Cost Of Capital Assets Sold/Disposed	(83,125)	
Accumulated Depreciation	83,125	
		--
Revenues in the *Statement Of Activities* that do not provide current financial resources are not reported as revenues in the funds while revenues reported in the *Statement Of Revenues, Expenditures, And Changes In Fund Balances* are recognized as revenue of the previous period in the *Statement Of Activities* and included in beginning net assets.		
Taxes	(25,340)	
Intergovernmental	18,393	
		(6,947)
The issuance of long-term debt (e.g., bonds, leases, notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the *Statement Of Activities* .		
Debt Issued Or Incurred		
Capital Lease Financing	(38,938)	
Principal Repayments		
Capital Leases	173,664	
		134,726
Expenses reported in the *Statement Of Activities* that do not require the use of current financial resources are not reported as expenditures in governmental funds while expenditures reported in the *Statement Of Revenues, Expenditures, And Changes In Fund Balances* are recognized as expenses of the previous period in the *Statement Of Activities* and included in beginning net assets.		
Insurance	4,436	
Compensated Absences	(82,508)	
		(78,072)
Change in net assets of governmental activities reported in the *Statement Of Activities*		$ (293,986)

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement Of Net Assets
Proprietary Funds
September 30, 2010

	Business-type Activities - Enterprise Funds	
	Combined Public Utility System	Totals Current Year
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 3,388,095	$ 3,388,095
Investments	3,083,124	3,083,124
Restricted Assets		
Cash & Cash Equivalents	808,308	808,308
Receivables (Net Of Allowance For Uncollectibles)	1,340,372	1,340,372
Due From Other Funds	3,427,226	3,427,226
Inventories	987,923	987,923
Prepaid Items	19,498	19,498
Total Current Assets	13,054,546	13,054,546
Noncurrent Assets		
Restricted Assets		
Cash & Cash Equivalents	432,091	432,091
Capital Assets		
Land	896,191	896,191
Improvements Other Than Buildings	77,726	77,726
Buildings & System	20,883,846	20,883,846
Machinery & Equipment	2,174,415	2,174,415
Less Accumulated Depreciation	(14,304,032)	(14,304,032)
Capital Assets (Net Of Accumulated Depreciation)	9,728,146	9,728,146
Total Noncurrent Assets	10,160,237	10,160,237
TOTAL ASSETS	23,214,783	23,214,783

CITY OF ADEL, GEORGIA
Statement Of Net Assets
Proprietary Funds
September 30, 2010
(Continued)

	Business-type Activities - Enterprise Funds	
	Combined Public Utility System	**Totals Current Year**
LIABILITIES		
Current Liabilities		
Accounts Payable	891,158	891,158
Accrued Wages & Benefits	27,442	27,442
Intergovernmental Payable	61,114	61,114
Short-Term Notes Payable	97,186	97,186
Customer Deposits	398,308	398,308
Notes Payable	21,525	21,525
Capital Leases Payable	43,396	43,396
Revenue Bonds Payable	410,000	410,000
Total Current Liabilities	1,950,129	1,950,129
Noncurrent Liabilities		
Employer's Share Of Employee Benefits	84,857	84,857
Notes Payable	222,775	222,775
Revenue Bonds Payable	374,165	374,165
Total Noncurrent Liabilities	681,797	681,797
TOTAL LIABILITIES	2,631,926	2,631,926
NET ASSETS		
Invested In Capital Assets, Net Of Related Debt	8,559,099	8,559,099
Restricted		
Debt Service	842,091	842,091
Unrestricted	11,181,667	11,181,667
TOTAL NET ASSETS	$ 20,582,857	$ 20,582,857

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement Of Revenues, Expenses, & Changes In Fund Net Assets
Proprietary Funds
For The Year Ended September 30, 2010

	Business-type Activities - Enterprise Funds	
	Combined Public Utility System	Totals Current Year
OPERATING REVENUES		
Charges For Sales & Services		
Electric Charges	$ 11,152,216	$ 11,152,216
Gas Charges	1,694,525	1,694,525
Sewer Charges	1,151,450	1,151,450
Water Charges	821,478	821,478
Telecommunication Charges	41,257	41,257
Other	381,641	381,641
Total Operating Revenues	15,242,567	15,242,567
OPERATING EXPENSES		
Purchases For Resale	8,855,726	8,855,726
Personal Services & Employee Benefits	1,676,628	1,676,628
Purchased/Contracted Services	718,297	718,297
Depreciation	650,616	650,616
Utilities	252,718	252,718
Supplies	244,786	244,786
Total Operating Expenses	12,398,771	12,398,771
Operating Income (Loss)	2,843,796	2,843,796
NONOPERATING REVENUES (EXPENSES)		
Interest Revenues	31,563	31,563
Investment Earnings	3,607	3,607
Interest on Long-term Debt	(46,982)	(46,982)
Bond Issuance Costs	(25,417)	(25,417)
Gain (Loss) on Disposition of Capital Assets	(12,579)	(12,579)
Total Nonoperating Revenues (Expenses)	(49,808)	(49,808)
Income (Loss) Before Contributions & Transfers	2,793,988	2,793,988
Special Item - Impairment Loss On Telecommunication System & Equipment	(184,533)	(184,533)
Transfers In	--	--
Transfers Out	(1,414,975)	(1,414,975)
Changes In Net Assets	1,194,480	1,194,480
Net Assets - Beginning Of Year	19,388,377	19,388,377
NET ASSETS - END OF YEAR	$ 20,582,857	$ 20,582,857

The notes to the financial statements are an integral part of this statement.

CITY OF ADEL, GEORGIA
Statement Of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2010

	Business-type Activities - Enterprise Funds	
	Combined Public Utility System	Totals Current Year
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers & Users	$ 15,155,767	$ 15,155,767
Payments To Suppliers	(10,137,742)	(10,137,742)
Payments To Employees	(1,716,611)	(1,716,611)
Net Cash Provided (Used) By Operating Activities	3,301,414	3,301,414
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out	(1,414,975)	(1,414,975)
Due From Other Funds	(1,129,823)	(1,129,823)
Net Cash Provided (Used) By Noncapital Financing Activities	(2,544,798)	(2,544,798)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITES		
Acquisition & Construction Of Capital Assets	(41,737)	(41,737)
Principal Paid On Capital Debt	(461,115)	(461,115)
Interest Paid On Capital Debt	(46,982)	(46,982)
Proceeds From Sales Of Capital Assets	1,687	1,687
Net Cash Provided (Used) By Capital & Related Financing Activites	(548,147)	(548,147)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase Of Investments	(307,805)	(307,805)
Interest & Dividends Received	34,929	34,929
Net Cash Provided (Used) By Investing Activities	(272,876)	(272,876)
Net Increase (Decrease) In Cash & Cash Equivalents	(64,407)	(64,407)
Cash & Cash Equivalents - Beginning Of Year	4,692,901	4,692,901
CASH & CASH EQUIVALENTS - END OF YEAR	$ 4,628,494	$ 4,628,494

CITY OF ADEL, GEORGIA
Statement Of Cash Flows
Proprietary Funds
For The Year Ended September 30, 2010
(Continued)

	Business-type Activities - Enterprise Funds	
	Combined Public Utility System	**Totals Current Year**
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED		
Operating Income (Loss)	$ 2,843,796	$ 2,843,796
Adjustments To Reconcile Operating Income To Net Cash Provided		
Depreciation Expense	650,616	650,616
(Increase) Decrease In Accounts Receivable	(160,366)	(160,366)
Increase (Decrease) In Allowances For Uncollectible Accounts	53,500	53,500
(Increase) Decrease In Inventories	(42,609)	(42,609)
(Increase) Decrease In Prepaid Items	(2,927)	(2,927)
Increase (Decrease) In Accounts Payable	(24,892)	(24,892)
Increase (Decrease) In Accrued Wages & Benefits	(33,217)	(33,217)
Increase (Decrease) In Compensated Absences Payable	(6,766)	(6,766)
Increase (Decrease) In Intergovernmental Payables	4,213	4,213
Increase (Decrease) In Customer Deposits	20,066	20,066
Net Cash Provided (Used) By Operating Activities	$ 3,301,414	$ 3,301,414
NONCASH INVESTING, CAPITAL, & FINANCING ACTIVITIES		
Net Increase (Decrease) In Fair Value Of Investments	$ (277)	$ (277)

The notes to the financial statements are an integral part of this statement.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Adel, Georgia was incorporated in 1889 by an act of the General Assembly of Georgia. The City operates under the Mayor and Council-City Manager form of government. The City provides the following services: general administrative, public safety (police, fire, and inspections), public works (streets and sanitation), and utilities (electric, gas, water, sewer, and internet). The accompanying financial statements present the government and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities, are in substance, part of the City's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the City.

Discretely Presented Component Units.
The Cook County Economic Development Commission was established to provide economic development services for the benefit of the citizens of Cook County. Separate financial statements of the Economic Development Commission are not issued.

The Adel Industrial Development Authority was established to promote industrial development through the purchase and sale of land. Separate financial statements of the Industrial Development Authority are not issued.

The Downtown Development Authority of the City of Adel was established to revitalize and redevelop the downtown area of the City. Separate financial statements of the Downtown Development Authority are not issued.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary fund:

The *Combined Public Utility System Fund* accounts for the electricity, gas, water, sewer and telecommunication services provided by the City.

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

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then, unrestricted resources as they are needed.

D. Assets, Liabilities and Equity

1. *Deposits and Investments*

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, certificates of deposit and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the State of Georgia or other states, obligations issued by the U.S. Government, obligations fully insured or guaranteed by the U.S. Government or by a government agency of the United States, obligations of any corporation of the U.S. Government, prime bankers' acceptances, the local government investment pool, repurchase agreements, and obligations of other political subdivisions of Georgia.

Investments for the City, as well as for its component units, are reported at fair value.

2. *Receivables and Payables*

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding material balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Advances between funds, if any, are offset by a fund balance reserve account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

All trade and property tax receivables are shown net of an allowance for uncollectibles.

Property taxes were levied on September 20, 2010, payable December 20, 2009, and attached as an enforceable lien on property as of January 1, 2010.

3. *Inventories and Prepaid Items*

Inventories are valued at cost using the first-in/first-out (FIFO) method in the proprietary fund. Inventories of governmental funds are recorded as expenditures when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the proprietary fund and as expenditures when paid in the governmental funds.

4. *Capital Assets*

Capital assets include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost which exceeds certain capitalization thresholds and has an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the City chose to include all such items regardless of their acquisition date or amount. As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical costs. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Assets	Capitalization Thresholds	Estimated Service Life
Buildings	$ 10,000	30-40
Machinery and Equipment	5,000	5-20
Improvements	5,000	10-20
Roads	25,000	15-40
Bridges	25,000	15-40
Sidewalks	25,000	15-40
Electric System	5,000	15-50
Gas System	5,000	30
Water System	5,000	30-40
Sewer System	5,000	30-40
Telecommunications System	5,000	15-20

5. *Compensated Absences*

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

6. *Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

7. *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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year end.

All departments of the City submit requests for appropriations to the City Manager so that a budget may be prepared. The City Manager and Finance Director prepare and submit a proposed budget to the Mayor and Council for review. The Council holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund, department and expenditure category. The City's Finance Director may make transfers of appropriations within any fund. The adopted budget may be amended by formal action of the Mayor and Council when unexpected modifications are required in estimated revenues and appropriations. The legal level of budgetary control is the department level. Supplemental budgetary appropriations in funds were not considered material.

B. Deficit Fund Equity

The CDBG Drainage Project Fund had a deficit fund balance of $31,918 as of September 30, 2010.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

According to the City's Investment and Cash Management policy, the City shall seek to maximize safety through the following strategies:

1. All City investments shall be federally-insured or fully collateralized to protect investment principal and accrued interest. Emphasis shall be given to Category 1 collateralization (collateral securities held by the City or its agent in the City's name), which is preferable, or Category 2 (collateral securities held by the counter party's trust department or agent in the City's name). Category 3 (collateral not in the City's name) shall be avoided due to higher degree of risk.

2. Market risk shall be avoided by limiting investments to a maximum one year of maturity, except for special circumstances where an interest rate differential and certainty of ability to hold the investment to maturity would justify a longer maturity. The City Manager shall approve any exceptions to the one-year maturity limit, and such exceptions will be disclosed to the City Council.

3. Undue credit risk shall be avoided by monitoring the financial condition of financial institutions participating in the City's investment program. Financial institutions shall provide a consolidated report of condition annually and the City shall review credit-worthiness at least annually.

The City is a beneficiary of the Municipal Competitive Trust created in 1999 by the Municipal Electric Authority of Georgia (MEAG) and its member municipalities. The trust provides a means for beneficiaries to deposit funds to be invested at the best prudent rates of return. Wachovia Bank, a national bank having trust powers and organized under the laws of the United States, serves as trustee with complete authority for management, investment and disbursement of the trust estate. The trustee may invest in all types of investments, which, under the laws of the State of Georgia, is legal for trust beneficiaries or MEAG to invest funds. The Trust reports its portfolio at market value, using net asset value (unit price per share) to determine the account balance per beneficiary. It is the City's policy to report its investments at fair value based on the net asset value determined by the trustee. At September 30, 2010 the City owned 30,772.769 shares of the Municipal Competitive Trust Flexible Operating Account for a value of $3,083,124. The Flexible Operating Account is not rated and the maximum maturity of investments permitted in the account is 18 months. The City's position in the account is the same as the value of the account shares.

As of September 30, 2010, the City's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. As of September 30, 2010, the Cook County Economic Development Commission's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Commission's name. As of September 30, 2010, the Adel Industrial Development Authority's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name. As of September 30, 2010, the Downtown Development Authority's entire bank balance was insured or collateralized with securities held by the pledging financial institution's trust department or agent in the Authority's name.

B. Receivables

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

	General	Other Governmental Funds	Combined Public Utility System	Total
Receivables:				
Interest Receivable	$ 8,402	$ --	$ 4,427	$ 12,829
Taxes	743,263	--	--	743,263
Accounts	180,184	--	1,844,545	2,024,729
Intergovernmental	18,444	128,223	--	146,667
Gross Receivables	950,293	128,223	1,848,972	2,927,488
Provision For Losses	(93,325)	--	(508,600)	(601,925)
	$ 856,968	$ 128,223	$ 1,340,372	$ 2,325,563

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable
Property Taxes (General Fund)	$637,151
Intergovernmental (Adel-Cook County Recreation Special Revenue Fund)	58,333
Total Deferred/Unearned Revenue For Governmental Funds	$695,484

The Economic Development Commission has made loans to local businesses to provide incentives to create employment. The loans are for one year and no interest is charged if the employer hires one person for every $10,000 borrowed. If the employer does not create the required number of jobs, interest accrues at 8.5% per annum on the difference between the required number of jobs and the actual number of jobs created times $10,000. The total amount of loans receivable at September 30, 2010 was $31,275.

C. Capital Assets

Capital asset activity for the year ended September 30, 2010, was as follows:

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 211,141	$ --	$ --	$ 211,141
Construction in progress	46,968	54,799	--	101,767
Total capital assets, not being depreciated	258,109	54,799	--	312,908
Capital assets, being depreciated:				
Buildings	2,425,033	--	--	2,425,033
Improvements other than buildings	887,980	--	--	887,980
Machinery and equipment	3,637,633	46,418	(83,125)	3,600,926
Infrastructure	10,328,545	--	--	10,328,545
Total capital assets, being depreciated	17,279,191	46,418	(83,125)	17,242,484
Less accumulated depreciation for:				
Buildings	(1,429,921)	(49,276)	--	(1,479,197)
Improvements other than buildings	(824,126)	(4,932)	--	(829,058)
Machinery and equipment	(2,390,802)	(289,703)	83,125	(2,597,380)
Infrastructure	(7,730,591)	(257,810)	--	(7,988,401)
Total accumulated depreciation	(12,375,440)	(601,721)	83,125	(12,894,036)
Total capital assets, being depreciated, net	4,903,751	(555,303)	--	4,348,448
Governmental activities capital assets, net	$ 5,161,860	$(500,504)	$ --	$ 4,661,356

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 896,191	$ --	$ --	$ 896,191
Construction in progress	--	--	--	--
Idle assets	--	100,000	--	100,000
Total capital assets, not being depreciated	896,191	100,000	--	996,191
Capital assets, being depreciated:				
Buildings and system	21,278,456	--	(509,702)	20,768,754
Improvements other than buildings	77,726	--	--	77,726
Machinery and equipment	2,449,493	41,737	(301,725)	2,189,505
Total capital assets, being depreciated	23,805,675	41,737	(811,427)	23,035,985
Less accumulated depreciation for:				
Buildings and system	(12,400,928)	(532,896)	242,686	(12,691,138)
Improvements other than buildings	(68,748)	(1,682)	--	(70,430)
Machinery and equipment	(1,696,366)	(116,038)	269,942	(1,542,462)
Total accumulated depreciation	(14,166,042)	(650,616)	512,628	(14,304,030)
Total capital assets, being depreciated, net	9,639,633	(608,879)	(298,799)	8,731,955
Business-type activities capital assets, net	$ 10,535,824	$(508,879)	$ (298,799)	$ 9,728,146

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

Governmental activities:	
General Government	$ 24,164
Public Safety	204,298
Public Works	341,974
Culture and Recreation	31,285
Total depreciation expense - governmental activities	$ 601,721
Business-type activities:	
Electric	$ 174,161
Gas	23,319
Water	144,986
Sewer	263,027
Telecommunication	45,123
Total depreciation expense - business-type activities	$ 650,616

On September 30, 2010, the City discontinued providing internet service to customers and began the process of dismantling and selling the system and equipment. Idle capital assets with a historical cost of $610,142 and accumulated depreciation of $284,533 have been reported at their estimated fair value of $100,000, resulting in an impairment loss of $184,533.

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2010, is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	$ 62,650
Combined Public Utility System Fund	General Fund	3,427,226
		$ 3,489,876

The General Fund receivable of $62,650 from Nonmajor Governmental funds consists of un-reimbursed expenditures accounted for in the other funds. The Combined Public Utility System Fund receivable of $3,427,226 from the General Fund consists of un-reimbursed collections of payments on utility customer accounts.

Balances due from/to primary government and component units as of September 30, 2010 are as follows:

Receivable Entity	Payable Entity	Amount
Primary Government - General Fund	Component Unit - Industrial Development Authority	$ 397,600

The City received a Community Development Block Grant to purchase and renovate the Phillips Building in the downtown area to further economic development and job creation. The Downtown Development Authority purchased the building for resale and issued a note to the City for $410,385 to be repaid over 20 years at 0% interest in the monthly amount of $1,710 commencing January 15, 2009. The amounts repaid on this loan must be used by the City to make similar loans for economic development projects. All amounts due from component units are not scheduled to be collected in the subsequent year.

Transfers to/from other funds for the year ending September 30, 2010 are as follows:

Transfer In	Transfer Out	Amount
General Fund	Combined Public Utility System Enterprise Fund	$ 1,414,975

The Combined Public Utility System Fund made annually budgeted transfers of income of $1,414,975 to the General Fund.

E. Short-Term Debt

The City entered into note agreements to finance the construction of an animal control facility and to purchase equipment for the internet system. The Industrial Development Authority entered into a note payable to finance the purchase of property to be used for future economic development.

Short-term liability activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities:				
Notes Payable	$ 48,102	$ --	$ (29,954)	$ 18,148
	$ 48,102	$ --	$ (29,954)	$ 18,148
Business-type activities:				
Notes Payable	$ 119,236	$ --	$ (22,050)	$ 97,186
	$ 119,236	$ --	$ (22,050)	$ 97,186

F. Leases

Capital Leases. The City has entered into lease agreements as lessee for financing the acquisition of capital assets. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

Capital assets subject to lease obligations at September 30, 2010 are as follows:

	Governmental Activities	Business-type Activities
Machinery and Equipment	$ 961,966	$ 107,678
Less Accumulated Depreciation	(349,248)	(34,696)
Carrying Value	$ 612,718	$ 72,982

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2010, are as follows:

Year Ending September 30	Governmental Activities	Business-type Activities
2011	$ 161,549	$ 46,245
2012	97,870	--
2013	81,422	--
2014	72,791	--
2015	57,164	--
2016 - 2020	114,327	--
Total Minimum Lease Payments	585,123	46,245
Less: Amounts Representing Interest	(64,675)	(2,849)
Present Value Of Minimum Lease Payments	$ 520,448	$ 43,396

G. Long-Term Debt

Notes Payable

On April 15, 2004, the City executed a promissory note with the Georgia Environmental Facilities Authority for $387,218 with interest at 3.82% for the Wastewater Disinfection Upgrade. The note is being repaid in sixty quarterly payments of $8,508. At September 30, 2010, the balance outstanding was $244,300.

Debt service requirements to maturity for the notes payable as of September 30, 2010 are as follows:

Year Ending	Business-type Activities		
September 30	Principal	Interest	Total
2011	$ 21,525	$ 8,958	$ 30,483
2012	22,362	8,121	30,483
2013	23,231	7,252	30,483
2014	24,134	6,349	30,483
2015	25,072	5,410	30,482
2016 - 2020	127,976	11,733	139,709
Total	$244,300	$47,823	$292,123

Two private companies conveyed 350 acres of land to the Industrial Development Authority for an industrial park site in exchange for an agreement to repay the companies $5,000 per acre for each acre of the park sold by the Authority at 6.5% interest. The agreement also requires the Authority to re-convey to the companies any of the land not sold within 15 years. The Authority recorded an asset and a corresponding note payable for the land based upon the agreed upon price of $5,000 per acre. In 2010, the Authority re-negotiated the terms of the agreement and paid off the amount owed to one of the companies for 76.7 acres of the land which resulted in a reduction $142,385 of principal and interest. The balance outstanding on the remaining property as of September 30, 2010 was $1,315,000.

Revenue Bonds

The City issued bonds where the City pledges income from the Combined Public Utility System enterprise fund to pay debt service.

On March 30, 2004, the City of Adel issued $3,070,000 in Revenue Bonds with an interest rate of 2.79 per cent per annum to refund their 1993 Series Bonds. The difference between the reacquisition price and the net carrying amount of the old debt is reported in the accompanying financial statements as a deduction from bonds payable and is being charged to operations through the year 2012. Revenue bonds outstanding, net of unamortized

costs, of $50,835, at September 30, 2010, were $784,165.

Revenue bond debt service requirements to maturity are as follows:

	Business-type Activities		
Year Ending September 30	Principal	Interest	Total
2011	$ 410,000	$ 17,577	$ 427,577
2012	425,000	5,929	430,929
Total	835,000	$ 23,506	$ 858,506
Unamortized Costs	(50,835)		
	$ 784,165		

Changes In Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2010, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 120,894	$ 82,508	$ --	$ 203,402	$ --
Capital Leases	655,174	38,938	(173,664)	520,448	141,803
	$ 776,068	$ 121,446	$ (173,664)	$ 723,850	$ 141,803
Business-type activities:					
Compensated Absences	$ 91,623	$ --	$ (6,766)	$ 84,857	$ --
Capital Leases	61,742	--	(18,346)	43,396	43,396
Notes Payable	265,019	--	(20,719)	244,300	21,525
Revenue Bonds	1,235,000	--	(400,000)	835,000	410,000
Less Deferred Amounts	(76,252)	--	25,417	(50,835)	--
Total Revenue Bonds	1,158,748	--	(374,583)	784,165	410,000
	$ 1,577,132	$ --	$ (420,414)	$ 1,156,718	$ 474,921
Industrial Development Authority:					
Notes Payable	$ 1,749,493	$ --	$ (434,493)	$ 1,315,000	$ --
	$ 1,749,493	$ --	$ (434,493)	$ 1,315,000	$ --

For governmental activities, compensated absences are generally liquidated by the General Fund.

H. Restricted Assets

The balances of the restricted asset accounts in the enterprise fund are as follows:

	Governmental Activities	Business-type Activities
Technology Account	$ 32,027	$ --
Confiscated Funds	69,566	--
Customer Deposits	--	398,308
Bond & Interest Sinking Fund Accounts	--	842,091
	$ 101,593	$ 1,240,399

I. Telecommunications Project

In 1996, the City entered into an agreement as a participant in a Telecommunications Project with the Municipal Electric Authority of Georgia (MEAG) to construct a telecommunications system. MEAG owns, operates and maintains the Telecommunications Project. The Telecommunications Project consists of telecommunications facilities, fibers and other equipment acquired, constructed and installed by MEAG for the purpose of providing telecommunications capabilities to participants, and to Project One for the operation of the transmission facilities, and to others in order to achieve economies of scale and improve the economics of the Telecommunications Project. As a participant, the City's obligation share in the project is 3.6167%. Under the agreement, as amended, the City elected to prepay the amount it owed in respect to the Debt Service attributable to its interest in the Telecommunications Project.

IV. OTHER INFORMATION

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. For workers compensation, the City carries commercial insurance. On October 27, 2009, the City's former workers compensation insurance provider, Southeastern U.S. Insurance, Inc. (SEUS), was declared insolvent and ordered liquidated pursuant to an order entered in the Superior Court of Fulton County, Georgia, in Civil Action File No. 2009CV174979. Unpaid claims pending at the time of SEUS's liquidation were paid by the City. For other risks, the City is a member of the Georgia Interlocal Risk Management Agency. The agency operates under the authority of O.C.G.A. 36-85-1 et Seq. and administers group self-insurance funds which receive contributions from its members in order to pool the risks of general liability, motor vehicle liability and property damage. Through participation in the agency, members jointly purchase insurance with other municipalities participating in and belonging to the agency and are coinsured under master policies with the total premium apportioned among the participants. The City is jointly and severally liable for all legal obligations of the funds which arise out of an event that occurs while the City is a member of the fund. The City's deductibles for insurance coverage start at $1,000 with various limits of liability up to $5,000,000 for liability and $17,012,228 for property.

B. Commitments and Contingencies

Amounts received or receivable from grantor agencies, federal and state, are subject to audit and adjustment by those agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. In the opinion of City management, such disallowances, if any, will not be significant to the City's financial statements.

The City received a Community Development Block Grant totaling $431,385 to purchase and renovate the Phillips Building in the downtown area to further economic development and job creation. The building has subsequently been sold for $225,000.

Municipal Competitive Trust - On May 3, 1999, the City adopted Resolution 99-7 approving its execution of a trust agreement with MEAG and other member cities creating the Municipal Competitive Trust. This trust was created in anticipation of future deregulation of the electric industry to provide a means for MEAG and its wholesale customers to deposit funds to be invested at the best prudent rates of return and be applied when needed to mitigate the change to full competition as a result of the anticipated deregulation. The trust creates separate accounts within the trust fund estate for each member beneficiary. No beneficiary shall have any interest in the account of any other beneficiary. Since the funds in this account represent a current unrestricted asset of the Combined Public Utility System fund, the balance is reported as a current asset in the balance sheet of the fund. The Trust also administers other sub-accounts with the City as beneficiary, but the restrictive requirements for use negate the recognition of these sub-accounts until such time as the funds are disbursed for the direct benefit of the City to mitigate above market costs of electricity that may result from the deregulation of the electric industry in Georgia.

MEAG Power Sales Contract - In March 1976, the City of Adel and the Municipal Electric Authority of Georgia (MEAG) entered into a contract under which MEAG is to provide bulk electrical power to the City. In return, the City agreed to pay its participant share of MEAG's cost of generating and transmitting power. The term of the contract will continue in full force until such time, not exceeding 50 years, as all of MEAG's bonds have been paid or until such time as MEAG is retired from service, whichever is later. Each member participant is responsible for their pro-rata share of MEAG's bonds until paid. MEAG is obligated to periodically review the rates it charges member cities for power purchases. MEAG Power is also required to determine at the end of each power supply year, the sufficiency of the amounts paid by participants to recover MEAG Power's applicable costs for the year. Recent year-end settlements have resulted in net billings to participants exceeding actual costs, reserve requirements, and other assessments.

Distribution & Marketing Business Unit Contract - In November 1998, the City agreed to enter into a contract with MEAG in furtherance of its power sales contract. Continuing changes in the electric industry such as deregulation

of wholesale electric supply and changes in retail structure created a need for a business unit to function as a division of MEAG to facilitate the delivery of distribution, marketing, and related services to member cities needing such services. The specific services contract with MEAG was effective as of January 1, 1999, and extends for a period of three years. The City will receive services related to electrical distribution such as training and safety, technical support, meter testing, and services related to marketing such as pricing and sales support, energy services, major account support, and local economic development. In January 2009, the City entered into an agreement with Electric Cities of Georgia, Inc. to provide such services until June 30, 2012 and automatically extending for additional twelve month periods on each successive anniversary date of the contract.

Municipal Gas Authority of Georgia Contract - According to the terms of a contract, as amended, with Municipal Gas Authority of Georgia (MGAG), the City is committed to purchase gas supplies from MGAG through December 31, 2040. Pursuant to the agreement in order to finance project costs, MGAG is authorized to issue bonds in series through the close of business on December 31, 2014, with a maximum principal amount outstanding at any one time $1,500,000,000 and a final maturity not in excess of 15 years from the date of issuance of each series. In the event that at any time all project costs payable by MGAG are in excess of the revenues of the Authority available for the purpose of paying the same or reserve funds, the City is obligated to pay its share of such excess. The obligation of the City to make payments to the Authority under these contracts constitutes a general obligation of the City.

Internet Services – On September 30, 2010, the City discontinued providing internet service to customers and began the process of dismantling and selling the system and equipment.

C. Pensions

Effective January 1, 1983, the City voluntarily dropped coverage under the Social Security program. In lieu of that coverage, the City provided pension benefits for all of its employees through the City of Adel Defined Contribution Retirement Plan administered by Nationwide Retirement Solutions. In a defined contribution plan, benefits are paid solely on amounts contributed to the plan plus invested earnings. Employees are eligible to participate immediately upon becoming employed. An employee may elect to become a participant by executing a participation agreement and consenting to defer a portion of compensation by a reduction of salary of the annual deferral amount specified in the participation agreement. The administrator may establish a minimum deferral amount, currently 5% of compensation, and change such minimum deferral amounts from time to time. All other contribution and other requirements are established by City ordinance. The City contributed $10,295 to the plan and employee deferrals were $93,736 for the year ended September 30, 2010.

Effective May 1, 2009, the City began participation in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer defined benefit plan. The City's participation in the plan, benefit provisions, and other requirements are established by City ordinance. GMEBS issues a financial report that may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street SW, Atlanta, Georgia 30303.

Funding Policy
City employees are required to contribute 6.2% of their covered pay. The Board of Trustees of GMEBS has adopted an actuarial funding policy for determination of annual required contributions to minimize fluctuations in annual contribution amounts and to accumulate sufficient funds to secure benefits under the plan. The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Annual contributions made in accordance with the funding policy, which requires a different funding level, will meet the minimum funding standards. The City’s current required contribution rate is 5.92% of annual covered payroll. The contribution requirements of employees and the City are established by City ordinance.

Annual Pension Cost
For 2010, the City's contribution exceeded the City's required contribution and annual pension cost of $198,384.

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/2009	$ 80,931	106 %	$ (3,827)
9/30/2010	198,384	110	(23,000)

The required contribution was determined as part of the January 1, 2010, actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return, (b) projected salary increases of 3.5% plus age and service based merit increases, and (c) 2% inflation rate. The actuarial value of Plan assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments. The unfunded actuarial accrued liability is being amortized on closed level dollar basis for the remaining unfunded liability. The net effective remaining amortization period at January 1, 2010, was 29 years.

Funded Status and Funding Progress
As of January 1, 2010, the most recent actuarial valuation date, the plan was 79.3% funded. The actuarial accrued liability for benefits was $5,278,210, and the actuarial value of assets was $4,187,623, resulting in an unfunded actuarial accrued liability (UAAL) of $1,090,587. The covered payroll (annual payroll of active employees covered by the plan) was $3,430,703, and the ratio of the UAAL to the covered payroll was $31.8%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

D. Related Organizations

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Related organizations are described as follows:

Housing Authority of the City of Adel - The Authority administers Federal funding and/or other financing for improvement of housing conditions in the City. The five members of the governing board are appointed by the Mayor and Council. The City has no significant influence over management, budget, or policies of the Authority. The Authority reports independently.

E. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the South Georgia area, is a member of the Southern Georgia Regional Commission (RDC) and is required to pay annual dues thereto. During the year ended September 30, 2010, the City paid $10,435 in such dues. Membership in a RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the RDC. Separate financial statements may be obtained from:

Southern Georgia Regional Commission
327 West Savannah Avenue
Valdosta, Georgia 31601

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF ADEL, GEORGIA
General Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
For The Year Ended September 30, 2010

	Budgeted Amounts		Actual Amounts	Variance With Final Budget - Over (Under)
	Original	Final		
REVENUES				
Taxes	$ 1,646,050	$ 1,646,050	$ 1,655,758	$ 9,708
Licenses & Permits	16,000	16,000	19,250	3,250
Intergovernmental	38,100	128,850	65,562	(63,288)
Charges For Services	1,000,575	1,000,575	991,905	(8,670)
Fines & Forfeitures	528,000	566,275	663,167	96,892
Interest Revenue	75,000	75,000	51,005	(23,995)
Contributions & Donations	--	--	141	141
Miscellaneous	12,500	17,875	19,931	2,056
Total Revenues	3,316,225	3,450,625	3,466,719	16,094
EXPENDITURES				
General Government	580,775	562,900	562,294	606
Judicial	29,900	22,425	22,404	21
Public Safety	2,782,750	2,848,975	2,816,676	32,299
Public Works	1,587,200	1,663,175	1,589,710	73,465
Culture & Recreation	16,600	12,650	12,587	63
Housing & Development	29,300	24,400	24,323	77
Total Expenditures	5,026,525	5,134,525	5,027,994	106,531
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,710,300)	(1,683,900)	(1,561,275)	122,625
OTHER FINANCING SOURCES (USES)				
Transfers In	1,414,975	1,414,975	1,414,975	--
Transfers Out	--	--	--	--
Proceeds Of Capital Asset Dispositions	1,000	1,000	5,421	4,421
Capital Leases	51,950	51,950	38,938	(13,012)
Total Other Financing Sources (Uses)	1,467,925	1,467,925	1,459,334	(8,591)
Net Change In Fund Balances	(242,375)	(215,975)	(101,941)	114,034
Fund Balances - Beginning	4,602,500	4,602,500	4,602,500	--
FUND BALANCES - ENDING	$ 4,360,125	$ 4,386,525	$ 4,500,559	$ 114,034

The notes to the required supplementary information are an integral part of this schedule.

CITY OF ADEL, GEORGIA
Pension Plan
Schedule Of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
10/1/2009	$4,113,578	$ 5,243,531	$1,129,953	78.5 %	$ 3,430,703	32.9 %
1/1/2010	4,187,623	5,278,210	1,090,587	79.3	3,430,703	31.8

A. Budgetary Information

The annual budget of the General Fund was adopted on a basis consistent with generally accepted accounting principles. The presentation of expenditure amounts reported in the General Fund *Schedule Of Revenues, Expenditures, & Changes In Fund Balances – Budget & Actual* differs from the *Statement Of Revenues, Expenditures, & Changes In Fund Balance – Governmental Funds* due to the functional classification of certain current and debt service expenditures. The following schedule presents a reconciliation of those amounts.

	Budget Schedule	Reconciliation	Fund Statement
Current			
General Government			
Mayor & Council	$ 104,634	$ --	$ 104,634
Administration	451,090	(100,901)	350,189
Attorney	6,570	--	6,570
	562,294	(100,901)	461,393
Judicial			
Judge	22,404	--	22,404
	22,404	--	22,404
Public Safety			
Police	1,740,307	(38,383)	1,701,924
Fire	964,040	(57,164)	906,876
Volunteer Fire	39,247	--	39,247
Animal Control	73,082	(2,546)	70,536
	2,816,676	(98,093)	2,718,583
Public Works			
Street	535,656	(45,177)	490,479
Sanitation	907,097	(47,793)	859,304
Maintenance	146,957	(9,725)	137,232
Other	--	4,200	4,200
	1,589,710	(98,495)	1,491,215
Culture & Recreation			
Parks	12,587	--	12,587
Other	--	28,200	28,200
	12,587	28,200	40,787
Housing & Development			
Inspection	24,323	--	24,323
Other	--	68,500	68,500
	24,323	68,500	92,823
Debt Service	--	200,789	200,789
Total Expenditures	$ 5,027,994	$ --	$ 5,027,994

COMBINING & INDIVIDUAL FUND SCHEDULES

Major Governmental Funds

General Fund

The General Fund is the City's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF ADEL, GEORGIA
General Fund
Schedule Of Assets, Liabilities, & Fund Balances
September 30, 2010 & 2009

	2010	2009
ASSETS		
Cash & Cash Equivalents	$ 7,337,822	$ 6,331,499
Restricted Assets		
Cash & Cash Equivalents	101,593	90,752
Receivables (Net Of Allowance For Uncollectibles)		
Interest Receivable	8,402	10,514
Taxes	715,263	737,156
Accounts	114,859	171,170
Intergovernmental	18,444	18,318
Due From Other Funds		
Adel-Cook County Recreation Special Revenue Fund	21,846	54,659
SPLOST Capital Projects Fund	12,910	12,910
CDBG Drainage Project Capital Projects Fund	27,894	11,633
Due From Component Units	397,600	398,298
TOTAL ASSETS	$ 8,756,633	$ 7,836,909
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts Payable	$ 110,529	$ 159,266
Accrued Wages & Benefits	62,464	66,566
Intergovernmental Payable	556	581
Due To Other Funds		
Combined Public Utility System Enterprise Fund	3,427,226	2,297,403
Deferred Revenue		
Property Taxes	637,151	662,491
Short-Term Notes Payable	18,148	48,102
Customer Deposits	--	--
Total Liabilities	4,256,074	3,234,409
Fund Balances		
Reserved		
Public Safety	101,593	90,752
Due From Component Units	397,600	398,298
Unreserved	4,001,366	4,113,450
Total Fund Balances	4,500,559	4,602,500
TOTAL LIABILITIES & FUND BALANCES	$ 8,756,633	$ 7,836,909

CITY OF ADEL, GEORGIA
General Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended September 30, 2010 & 2009

	2010	2009
REVENUES		
Taxes	$ 1,655,758	$ 1,627,640
Licenses & Permits	19,250	17,250
Intergovernmental	65,562	94,404
Charges For Services	991,905	1,034,187
Fines & Forfeitures	663,167	629,753
Interest Revenue	51,005	89,697
Contributions & Donations	141	145
Miscellaneous	19,931	37,135
Total Revenues	3,466,719	3,530,211
EXPENDITURES		
Current		
General Government	461,393	486,269
Judicial	22,404	14,400
Public Safety	2,718,583	2,619,474
Public Works	1,491,215	1,567,395
Culture & Recreation	40,787	39,915
Housing & Development	92,823	109,440
Debt Service	200,789	209,417
Total Expenditures	5,027,994	5,046,310
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(1,561,275)	(1,516,099)
OTHER FINANCING SOURCES (USES)		
Transfers In		
Combined Public Utility System Enterprise Fund	1,414,975	1,590,650
Transfers Out	--	--
Proceeds Of Capital Asset Dispositions	5,421	9,726
Capital Leases	38,938	95,894
Total Other Financing Sources (Uses)	1,459,334	1,696,270
Net Change In Fund Balances	(101,941)	180,171
Fund Balances - Beginning	4,602,500	4,422,329
FUND BALANCES - ENDING	$ 4,500,559	$ 4,602,500

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Adel-Cook County Recreation Fund - This fund is used to account for the funds used to provide the parks and recreation program of the Cook County Countywide Recreation Board.

Capital Projects Funds

The capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

1% Special Purpose Local Option Sales Tax (SPLOST) Fund - This fund is used to account for proceeds of the 1% special purpose local option sales tax used to finance capital projects.

CDBG Drainage Project - This fund is used to account for the proceeds of a community development block grant used to finance a storm-water drainage project.

CITY OF ADEL, GEORGIA
Nonmajor Governmental Funds
Combining Schedule Of Assets, Liabilities, & Fund Balances
September 30, 2010

	Special Revenue Funds		Capital Projects Funds			
	Adel-Cook County Recreation	Total	SPLOST	CDBG Drainage Project	Total	Total Nonmajor Governmental Funds
ASSETS						
Cash & Cash Equivalents	$ 575,216	$ 575,216	$ 648,111	$ --	$ 648,111	$ 1,223,327
Receivables (Net Of Allowance For Uncollectibles)						
Intergovernmental	86,861	86,861	41,362	--	41,362	128,223
Total Assets	$ 662,077	$ 662,077	$ 689,473	$ --	$ 689,473	$ 1,351,550
LIABILITIES & FUND EQUITY						
Liabilities						
Accounts Payable	$ 1,818	$ 1,818	$ --	$ 4,024	$ 4,024	$ 5,842
Due To Other Funds	21,846	21,846	12,910	27,894	40,804	62,650
Deferred Revenue	58,333	58,333	--	--	--	58,333
Total Liabilities	81,997	81,997	12,910	31,918	44,828	126,825
Fund Balances						
Unreserved	580,080	580,080	676,563	(31,918)	644,645	1,224,725
Total Fund Balances	580,080	580,080	676,563	(31,918)	644,645	1,224,725
Total Liabilities & Fund Balances	$ 662,077	$ 662,077	$ 689,473	$ --	$ 689,473	$ 1,351,550

CITY OF ADEL, GEORGIA

Nonmajor Governmental Funds

Combining Schedule Of Revenues, Expenditures, & Changes In Fund Balances

For The Year Ended September 30, 2010

	Special Revenue Funds		Capital Projects Funds			
	Adel-Cook County Recreation	Total	SPLOST	CDBG Drainage Project	Total	Total Nonmajor Governmental Funds
REVENUES						
Intergovernmental	$ 403,285	$ 403,285	$ 243,724	$ 9,000	$ 252,724	$ 656,009
Charges For Services	76,763	76,763	--	--	--	76,763
Interest Revenue	2,378	2,378	--	--	--	2,378
Total Revenues	482,426	482,426	243,724	9,000	252,724	735,150
EXPENDITURES						
Current						
Culture & Recreation	397,661	397,661	--	--	--	397,661
Capital Outlay	--	--	49,452	29,285	78,737	78,737
Total Expenditures	397,661	397,661	49,452	29,285	78,737	476,398
Excess (Deficiency) Of Revenues Over (Under) Expenditures	84,765	84,765	194,272	(20,285)	173,987	258,752
OTHER FINANCING SOURCES (USES)						
Transfers In	--	--	--	--	--	--
Transfers Out	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--
Net Change In Fund Balances	84,765	84,765	194,272	(20,285)	173,987	258,752
Fund Balances - Beginning	495,315	495,315	482,291	(11,633)	470,658	965,973
FUND BALANCES - ENDING	$ 580,080	$ 580,080	$ 676,563	$ (31,918)	$ 644,645	$ 1,224,725

CITY OF ADEL, GEORGIA
Adel-Cook County Recreation Special Revenue Fund
Schedule Of Assets, Liabilities, & Fund Balances
September 30, 2010 & 2009

	2010	2009
ASSETS		
Cash & Cash Equivalents	$ 575,216	$ 501,688
Receivables (Net Of Allowance For Uncollectibles)		
Intergovernmental	86,861	88,226
TOTAL ASSETS	$ 662,077	$ 589,914
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts Payable	$ 1,818	$ --
Due To Other Funds		
General Fund	21,846	54,659
Deferred Revenue		
Intergovernmental	58,333	39,940
Total Liabilities	81,997	94,599
Fund Balances		
Unreserved	580,080	495,315
Total Fund Balances	580,080	495,315
TOTAL LIABILITIES & FUND BALANCES	$ 662,077	$ 589,914

CITY OF ADEL, GEORGIA
Adel-Cook County Recreation Special Revenue Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended September 30, 2010 & 2009

	2010	2009
REVENUES		
Intergovernmental	$ 403,285	$ 395,603
Charges For Services	76,763	77,810
Interest Revenue	2,378	3,226
Total Revenues	482,426	476,639
EXPENDITURES		
Current		
Culture & Recreation	397,661	357,935
Capital Outlay	--	6,577
Total Expenditures	397,661	364,512
Excess (Deficiency) Of Revenues Over (Under) Expenditures	84,765	112,127
OTHER FINANCING SOURCES (USES)		
Transfers In	--	--
Transfers Out	--	--
Total Other Financing Sources (Uses)	--	--
Net Change In Fund Balances	84,765	112,127
Fund Balances - Beginning	495,315	383,188
FUND BALANCES - ENDING	$ 580,080	$ 495,315

CITY OF ADEL, GEORGIA
SPLOST Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
September 30, 2010 & 2009

	2010	2009
ASSETS		
Cash & Cash Equivalents	$ 648,111	$ 474,402
Receivables (Net Of Allowance For Uncollectibles)		
Intergovernmental	41,362	20,799
TOTAL ASSETS	$ 689,473	$ 495,201
LIABILITIES & FUND BALANCES		
Liabilities		
Due To Other Funds		
General Fund	$ 12,910	$ 12,910
Total Liabilities	12,910	12,910
Fund Balances		
Unreserved	676,563	482,291
Total Fund Balances	676,563	482,291
TOTAL LIABILITIES & FUND BALANCES	$ 689,473	$ 495,201

CITY OF ADEL, GEORGIA
SPLOST Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended September 30, 2010 & 2009

	2010	2009
REVENUES		
Intergovernmental		
Special Purpose Local Option Sales & Use Taxes	$ 243,724	$ 252,652
Total Revenues	243,724	252,652
EXPENDITURES		
Capital Outlay	49,452	45,117
Total Expenditures	49,452	45,117
Excess (Deficiency) Of Revenues Over (Under) Expenditures	194,272	207,535
OTHER FINANCING SOURCES (USES)		
Transfers In	--	--
Transfers Out	--	--
Total Other Financing Sources (Uses)	--	--
Net Change In Fund Balances	194,272	207,535
Fund Balances - Beginning	482,291	274,756
FUND BALANCES - ENDING	$ 676,563	$ 482,291

CITY OF ADEL, GEORGIA
CDBG Drainage Project Capital Projects Fund
Schedule Of Assets, Liabilities, & Fund Balances
September 30, 2010 & 2009

	2010	2009
ASSETS		
	$ --	$ --
TOTAL ASSETS	$ --	$ --
LIABILITIES & FUND BALANCES		
Liabilities		
Accounts Payable	$ 4,024	$ --
Due To Other Funds		
General Fund	27,894	11,633
Total Liabilities	31,918	11,633
Fund Balances		
Unreserved	(31,918)	(11,633)
Total Fund Balances	(31,918)	(11,633)
TOTAL LIABILITIES & FUND BALANCES	$ --	$ --

CITY OF ADEL, GEORGIA
CDBG Drainage Project Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances
For The Years Ended September 30, 2010 & 2009

	2010	2009
REVENUES		
Intergovernmental	$ 9,000	$ 35,335
Total Revenues	9,000	35,335
EXPENDITURES		
Capital Outlay		
Engineering	29,285	41,968
Administration	--	5,000
Total Expenditures	29,285	46,968
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(20,285)	(11,633)
OTHER FINANCING SOURCES (USES)		
Transfers In	--	--
Transfers Out	--	--
Total Other Financing Sources (Uses)	--	--
Net Change In Fund Balances	(20,285)	(11,633)
Fund Balances - Beginning	(11,633)	--
FUND BALANCES - ENDING	$ (31,918)	$ (11,633)

CITY OF ADEL, GEORGIA
CDBG Drainage Project Capital Projects Fund
Schedule Of Revenues, Expenditures, & Changes In Fund Balances - Budget & Actual
From Inception & For The Year Ended September 30, 2010

	Project Authorization	Prior Years	Current Year	Total To Date
REVENUES				
Intergovernmental	$ 448,310	$ 35,335	$ 9,000	$ 44,335
Total Revenues	448,310	35,335	9,000	44,335
EXPENDITURES				
Capital Outlay				
Engineering	45,000	41,968	29,285	71,253
Flood & Drainage	379,810	--	--	--
Administration	28,000	5,000	--	5,000
Contingencies	37,500	--	--	--
Total Expenditures	490,310	46,968	29,285	76,253
Excess (Deficiency) Of Revenues Over (Under) Expenditures	(42,000)	(11,633)	(20,285)	(31,918)
OTHER FINANCING SOURCES (USES)				
Transfers In				
General Fund	42,000	--	--	--
Transfers Out	--	--	--	--
Total Other Financing Sources (Uses)	42,000	--	--	--
Net Change In Fund Balances	$ --	$ (11,633)	(20,285)	$ (31,918)
Fund Balances - Beginning			(11,633)	
FUND BALANCES - ENDING			$ (31,918)	

Major Proprietary Funds

Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City's Council is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the City's Council has decided that periodic determination of net income is appropriate for accountability purposes.

Combined Public Utility System Authority Fund - This fund is used to account for electricity, natural gas, water, sewer and internet services provided to City’s residents and businesses. All activities necessary to provide such services, including financing and related debt service, are included in this fund.

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Schedule Of Net Assets
September 30, 2010 & 2009

	2010	2009
ASSETS		
Current Assets		
Cash & Cash Equivalents	$ 3,388,095	$ 3,476,988
Investments	3,083,124	2,775,596
Restricted Assets		
Cash & Cash Equivalents	808,308	778,242
Receivables (Net Of Allowance For Uncollectibles)	1,340,372	1,232,988
Due From Other Funds		
General Fund	3,427,226	2,297,403
SPLOST Capital Projects Fund	--	--
Inventories	987,923	945,314
Prepaid Items	19,498	16,571
Total Current Assets	13,054,546	11,523,102
Noncurrent Assets		
Restricted Assets		
Cash & Cash Equivalents	432,091	437,671
Capital Assets		
Land	896,191	896,191
Improvements Other Than Buildings	77,726	77,726
Buildings & System	20,883,846	21,278,457
Machinery & Equipment	2,174,415	2,449,494
Construction In Progress	--	--
Less Accumulated Depreciation	(14,304,032)	(14,166,044)
Capital Assets (Net Of Accumulated Depreciation)	9,728,146	10,535,824
Total Noncurrent Assets	10,160,237	10,973,495
TOTAL ASSETS	23,214,783	22,496,597

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Schedule Of Net Assets
September 30, 2010 & 2009
(Continued)

	2010	2009
LIABILITIES		
Current Liabilities		
Accounts Payable	891,158	916,050
Accrued Wages & Benefits	27,442	60,659
Intergovernmental Payable	61,114	56,901
Short-Term Notes Payable	97,186	119,236
Customer Deposits	398,308	378,242
Notes Payable	21,525	20,719
Capital Leases Payable	43,396	17,756
Revenue Bonds Payable	410,000	400,000
Total Current Liabilities	1,950,129	1,969,563
Noncurrent Liabilities		
Employer's Share Of Employee Benefits	84,857	91,623
Notes Payable	222,775	244,300
Capital Leases Payable	--	43,986
Revenue Bonds Payable	374,165	758,748
Total Noncurrent Liabilities	681,797	1,138,657
TOTAL LIABILITIES	2,631,926	3,108,220
NET ASSETS		
Invested In Capital Assets, Net Of Related Debt	8,559,099	8,931,079
Restricted		
Debt Service	842,091	837,671
Unrestricted	11,181,667	9,619,627
TOTAL NET ASSETS	$ 20,582,857	$ 19,388,377

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Schedule Of Revenues, Expenses, & Changes In Fund Net Assets
Budget & Actual
For The Year Ended September 30, 2010
With Comparative Total Amounts For The Year Ended September 30, 2009

	2010			2009
	Budget	Actual	Variance Over (Under)	Actual
OPERATING REVENUES				
Charges For Sales & Services				
Water Charges	$ 823,000	$ 821,478	$ (1,522)	$ 780,251
Sewer Charges	1,126,725	1,151,450	24,725	1,090,583
Electric Charges	11,646,000	11,152,216	(493,784)	10,447,909
Gas Charges	1,900,550	1,694,525	(206,025)	1,908,470
Telecommunication Charges	104,100	41,257	(62,843)	102,263
Other	341,150	381,641	40,491	315,426
Total Operating Revenues	15,941,525	15,242,567	(698,958)	14,644,902
OPERATING EXPENSES				
Purchases For Resale	10,350,850	8,855,726	1,495,124	9,657,694
Personal Services & Employee Benefits	1,736,675	1,676,628	60,047	1,757,354
Communications	88,850	84,830	4,020	845,104
Depreciation	668,000	650,616	17,384	657,686
Supplies	328,125	244,786	83,339	281,790
Utilities	232,600	252,718	(20,118)	207,534
Repairs & Maintenance	343,175	248,541	94,634	189,583
Purchased Professional & Technical Services	323,250	329,316	(6,066)	136,374
Insurance	27,775	27,807	(32)	26,050
Other	24,900	17,169	7,731	19,948
Travel, Education & Training	18,100	10,634	7,466	5,449
Total Operating Expenses	14,142,300	12,398,771	1,743,529	13,784,566
Operating Income (Loss)	1,799,225	2,843,796	1,044,571	860,336
NONOPERATING REVENUES (EXPENSES)				
Intergovernmental	119,075	--	(119,075)	--
Interest Revenues	30,500	31,563	1,063	79,567
Investment Earnings	6,000	3,607	(2,393)	16,683
Miscellaneous Income	--	--	--	69,818
Gain (Loss) on Disposition of Capital Assets	1,200	(12,579)	(13,779)	7,125
Interest on Long-term Debt	(57,200)	(46,982)	10,218	(59,812)
Bond Issuance Costs	--	(25,417)	(25,417)	(25,417)
Total Nonoperating Revenues (Expenses)	99,575	(49,808)	(149,383)	87,964
Income (Loss) Before Contributions & Transfers	1,898,800	2,793,988	895,188	948,300
Special Item - Impairment Loss On Telecommunication System & Equipment	--	(184,533)	(184,533)	--
Transfers In	--	--	--	--
Transfers Out				
General Fund	(1,414,975)	(1,414,975)	--	(1,590,650)
Net Income (Loss)	483,825	1,194,480	710,655	(642,350)
Net Assets - Beginning Of Year	19,388,377	19,388,377	--	20,030,727
NET ASSETS - END OF YEAR	$ 19,872,202	$ 20,582,857	$ 710,655	$ 19,388,377

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Schedule Of Cash Flows
For The Year Ended September 30, 2010

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts From Customers & Users	$ 15,155,767	$ 14,895,420
Payments To Suppliers	(10,137,742)	(10,815,768)
Payments To Employees	(1,716,611)	(1,729,631)
Net Cash Provided (Used) By Operating Activities	3,301,414	2,350,021
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers Out	(1,414,975)	(1,590,650)
Due From Other Funds	(1,129,823)	145,164
Net Cash Provided (Used) By Noncapital Financing Activities	(2,544,798)	(1,445,486)
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITES		
Acquisition & Construction Of Capital Assets	(41,737)	(264,349)
Principal Paid On Capital Debt	(461,115)	(476,053)
Interest Paid On Capital Debt	(46,982)	(59,812)
Insurance Proceeds	--	69,818
Proceeds From Sales Of Capital Assets	1,687	7,125
Net Cash Provided (Used) By Capital & Related Financing Activites	(548,147)	(723,271)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds From Sales & Maturities Of Investments	--	742,988
Purchase Of Investments	(307,805)	(1,101,319)
Interest & Dividends Received	34,929	103,438
Notes Receivable	--	55,680
Net Cash Provided (Used) By Investing Activities	(272,876)	(199,213)
Net Increase (Decrease) In Cash & Cash Equivalents	(64,407)	(17,949)
Cash & Cash Equivalents - Beginning Of Year	4,692,901	4,710,850
CASH & CASH EQUIVALENTS - END OF YEAR	$ 4,628,494	$ 4,692,901

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Schedule Of Cash Flows
For The Year Ended September 30, 2010
(Continued)

	2010	2009
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 2,843,796	$ 860,336
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities		
Depreciation Expense	650,616	657,686
(Increase) Decrease In Accounts Receivable	(160,366)	165,334
Increase (Decrease) In Allowances For Uncollectible Accounts	53,500	--
(Increase) Decrease In Inventories	(42,609)	6,860
(Increase) Decrease In Prepaid Items	(2,927)	11,870
(Increase) Decrease In Deferred Charges	--	758,403
Increase (Decrease) In Accounts Payable	(24,892)	(138,898)
Increase (Decrease) In Accrued Wages & Benefits	(33,217)	19,026
Increase (Decrease) In Compensated Absences Payable	(6,766)	8,697
Increase (Decrease) In Intergovernmental Payables	4,213	(9,782)
Increase (Decrease) In Customer Deposits	20,066	10,489
Net Cash Provided (Used) By Operating Activities	$ 3,301,414	$ 2,350,021
NONCASH INVESTING, CAPITAL, & FINANCING ACTIVITIES		
Net Increase (Decrease) In Fair Value Of Investments	$ (277)	$ (344)

SUPPLEMENTAL SCHEDULES

CITY OF ADEL, GEORGIA
General Fund
Schedule Of Expenditures
For The Year Ended September 30, 2010

	2010	2009
EXPENDITURES		
Current		
General Government		
Mayor & Council		
Personal Services & Employee Benefits	$ 35,701	$ 61,936
Purchased/Contracted Services	66,620	48,312
Supplies	2,313	4,853
Capital Outlay	--	--
Other Costs	--	--
	104,634	115,101
Elections		
Personal Services & Employee Benefits	--	5,363
Purchased/Contracted Services	--	289
Supplies	--	--
Capital Outlay	--	--
Other Costs	--	--
	--	5,652
Administration		
Personal Services & Employee Benefits	201,106	185,057
Purchased/Contracted Services	102,608	125,839
Supplies	41,365	37,530
Capital Outlay	--	7,619
Other Costs	5,110	2,971
	350,189	359,016
Attorney		
Personal Services & Employee Benefits	--	--
Purchased/Contracted Services	6,570	6,500
Supplies	--	--
Capital Outlay	--	--
Other Costs	--	--
	6,570	6,500
	461,393	486,269
Judicial		
Judge		
Personal Services & Employee Benefits	--	--
Purchased/Contracted Services	22,404	14,400
Supplies	--	--
Capital Outlay	--	--
Other Costs	--	--
	22,404	14,400
	22,404	14,400

CITY OF ADEL, GEORGIA
General Fund
Schedule Of Expenditures
For The Year Ended September 30, 2010
(Continued)

	2010	2009
Public Safety		
Police		
Personal Services & Employee Benefits	1,121,975	1,115,070
Purchased/Contracted Services	143,057	173,456
Supplies	121,080	98,509
Capital Outlay	25,670	12,099
Other Costs	290,142	259,358
	1,701,924	1,658,492
Fire		
Personal Services & Employee Benefits	815,483	779,402
Purchased/Contracted Services	43,911	38,680
Supplies	41,856	32,212
Capital Outlay	5,626	9,970
Other Costs	--	--
	906,876	860,264
Volunteer Fire		
Personal Services & Employee Benefits	36,978	37,606
Purchased/Contracted Services	913	876
Supplies	1,356	649
Capital Outlay	--	--
Other Costs	--	--
	39,247	39,131
Animal Control		
Personal Services & Employee Benefits	42,456	37,085
Purchased/Contracted Services	11,358	12,348
Supplies	13,652	12,154
Capital Outlay	3,070	--
Other Costs	--	--
	70,536	61,587
	2,718,583	2,619,474
Public Works		
Street		
Personal Services & Employee Benefits	277,823	270,421
Purchased/Contracted Services	67,496	104,609
Supplies	137,680	120,942
Capital Outlay	7,480	17,566
Other Costs	--	--
	490,479	513,538
Sanitation		
Personal Services & Employee Benefits	420,230	449,212
Purchased/Contracted Services	331,430	317,158
Supplies	58,706	56,226
Capital Outlay	38,938	104,624
Other Costs	10,000	--
	859,304	927,220

CITY OF ADEL, GEORGIA
General Fund
Schedule Of Expenditures
For The Year Ended September 30, 2010
(Continued)

	2010	2009
Maintenance		
Personal Services & Employee Benefits	116,228	110,264
Purchased/Contracted Services	7,694	4,118
Supplies	13,310	8,405
Capital Outlay	--	--
Other Costs	--	--
	137,232	122,787
Other		
Personal Services & Employee Benefits	--	--
Purchased/Contracted Services	--	--
Supplies	--	--
Capital Outlay	--	--
Other Costs	4,200	3,850
	4,200	3,850
	1,491,215	1,567,395
Culture & Recreation		
Parks		
Personal Services & Employee Benefits	--	--
Purchased/Contracted Services	2,721	5,569
Supplies	6,871	6,146
Capital Outlay	2,995	--
Other Costs	--	--
	12,587	11,715
Other		
Personal Services & Employee Benefits	--	--
Purchased/Contracted Services	--	--
Supplies	--	--
Capital Outlay	--	--
Other Costs	28,200	28,200
	28,200	28,200
	40,787	39,915
Housing & Development		
Inspection		
Personal Services & Employee Benefits	--	--
Purchased/Contracted Services	1,567	6,365
Supplies	56	875
Capital Outlay	--	--
Other Costs	22,700	35,700
	24,323	42,940

CITY OF ADEL, GEORGIA
General Fund
Schedule Of Expenditures
For The Year Ended September 30, 2010
(Continued)

	2010	2009
Other		
Personal Services & Employee Benefits	--	--
Purchased/Contracted Services	--	--
Capital Outlay	--	--
Supplies	--	--
Other Costs	68,500	66,500
	68,500	66,500
	92,823	109,440
Debt Service	200,789	209,417
Total Expenditures	$ 5,027,994	$ 5,046,310

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Combining Schedule Of Revenues & Expenses
For The Year Ended September 30, 2010

	Combined Revenue Division	Electric Division	Gas Division	Water Division	Sewer Division	Telecommunication Division	Totals
OPERATING REVENUES							
Charges For Sales & Services							
Electric Charges	$ --	$ 11,152,216	$ --	$ --	$ --	$ --	$ 11,152,216
Gas Charges	--	--	1,694,525	--	--	--	1,694,525
Water Charges	--	--	--	821,478	--	--	821,478
Sewer Charges	--	--	--	--	1,151,450	--	1,151,450
Telecommunication Charges	--	--	--	--	--	41,257	41,257
Other	--	342,825	1,274	11,766	13,134	12,642	381,641
Total Operating Revenues	--	11,495,041	1,695,799	833,244	1,164,584	53,899	15,242,567
OPERATING EXPENSES							
Purchases For Resale	--	7,701,540	1,154,186	--	--	--	8,855,726
Personal Services & Employee Benefits	--	790,696	284,218	209,080	392,634	--	1,676,628
Communications	--	14,907	9,711	10,146	9,082	40,984	84,830
Depreciation	--	174,161	23,319	144,986	263,027	45,123	650,616
Supplies	--	164,914	14,591	32,413	31,426	1,442	244,786
Utilities	--	13,666	5,213	94,827	136,297	2,715	252,718
Repairs & Maintenance	--	53,418	16,191	59,176	113,075	6,681	248,541
Purchased Professional & Technical Services	--	225,799	26,160	20,393	42,630	14,334	329,316
Insurance	--	12,165	3,174	3,995	8,275	198	27,807
Other	--	7,628	2,876	4,180	2,485	--	17,169
Travel, Education & Training	--	6,806	1,304	279	1,917	328	10,634
Total Operating Expenses	--	9,165,700	1,540,943	579,475	1,000,848	111,805	12,398,771
Operating Income (Loss)	--	2,329,341	154,856	253,769	163,736	(57,906)	2,843,796

CITY OF ADEL, GEORGIA
Combined Public Utility System Enterprise Fund
Combining Schedule Of Revenues & Expenses
For The Year Ended September 30, 2010
(Continued)

	Combined Revenue Division	Electric Division	Gas Division	Water Division	Sewer Division	Telecommunication Division	Totals
NONOPERATING REVENUES (EXPENSES)							
Interest Revenues	31,180	383	--	--	--	--	31,563
Investment Earnings	--	3,607	--	--	--	--	3,607
Gain (Loss) on Disposition of Capital Assets	--	--	--	1,688	--	(14,267)	(12,579)
Interest on Long-term Debt	(28,815)	--	--	(1,083)	(10,984)	(6,100)	(46,982)
Bond Issuance Costs	(25,417)	--	--	--	--	--	(25,417)
Total Nonoperating Revenues (Expenses)	(23,052)	3,990	--	605	(10,984)	(20,367)	(49,808)
Income (Loss) Before Contributions & Transfers	(23,052)	2,333,331	154,856	254,374	152,752	(78,273)	2,793,988
Special Item - Impairment Loss On Telecommunication System & Equipment	--	--	--	--	--	(184,533)	(184,533)
Internal Transfers	--	(74,700)	25,725	(45,050)	27,900	66,125	--
External Transfers							
Transfers In	--	--	--	--	--	--	--
Transfers Out							
General Fund	--	(1,104,000)	(153,000)	(66,425)	(91,550)	--	(1,414,975)
Net Income (Loss)	$ (23,052)	$ 1,154,631	$ 27,581	$ 142,899	$ 89,102	$ (196,681)	$ 1,194,480

CITY OF ADEL, GEORGIA
Electric Division
Combined Public Utility System Enterprise Fund
Schedules Of Operating Revenues & Expenses - Budget & Actual
For The Year Ended September 30, 2010
With Comparative Total Amounts For The Year Ended September 30, 2009

	2010			2009
	Budget	Actual	Variance Over (Under)	Actual
OPERATING REVENUES				
Charges For Sales & Services				
Electric Charges	$ 11,646,000	$ 11,152,216	$ (493,784)	$ 10,447,909
Other	241,000	342,825	101,825	257,654
Total Operating Revenues	11,887,000	11,495,041	(391,959)	10,705,563
OPERATING EXPENSES				
Purchases For Resale	8,937,000	7,701,540	1,235,460	8,342,055
Personal Services & Employee Benefits	818,650	790,696	27,954	834,729
Purchased Professional & Technical Services	206,125	225,799	(19,674)	53,506
Depreciation	181,000	174,161	6,839	177,442
Supplies	220,000	164,914	55,086	195,179
Repairs & Maintenance	56,000	53,418	2,582	25,766
Communications	16,000	14,907	1,093	13,313
Utilities	10,000	13,666	(3,666)	9,036
Insurance	12,500	12,165	335	11,254
Other	11,500	7,628	3,872	9,277
Travel, Education & Training	9,000	6,806	2,194	3,699
Total Operating Expenses	10,477,775	9,165,700	1,312,075	9,675,256
Operating Income (Loss)	$ 1,409,225	$ 2,329,341	$ 920,116	$ 1,030,307

CITY OF ADEL, GEORGIA
Gas Division
Combined Public Utility System Enterprise Fund
Schedules Of Operating Revenues & Expenses - Budget & Actual
For The Year Ended September 30, 2010
With Comparative Total Amounts For The Year Ended September 30, 2009

	2010			2009
	Budget	Actual	Variance Over (Under)	Actual
OPERATING REVENUES				
Charges For Sales & Services				
Gas Charges	$ 1,900,550	$ 1,694,525	$ (206,025)	$ 1,908,470
Other	68,925	1,274	(67,651)	1,241
Total Operating Revenues	1,969,475	1,695,799	(273,676)	1,909,711
OPERATING EXPENSES				
Purchases For Resale	1,413,850	1,154,186	259,664	1,315,639
Personal Services & Employee Benefits	275,775	284,218	(8,443)	267,566
Purchased Professional & Technical Services	30,925	26,160	4,765	24,523
Depreciation	28,000	23,319	4,681	24,085
Repairs & Maintenance	21,000	16,191	4,809	10,030
Supplies	19,850	14,591	5,259	12,597
Communications	10,500	9,711	789	9,569
Utilities	4,400	5,213	(813)	3,817
Insurance	3,250	3,174	76	2,926
Other	4,350	2,876	1,474	3,012
Travel, Education & Training	1,600	1,304	296	408
Total Operating Expenses	1,813,500	1,540,943	272,557	1,674,172
Operating Income (Loss)	$ 155,975	$ 154,856	$ (1,119)	$ 235,539

CITY OF ADEL, GEORGIA
Water Division
Combined Public Utility System Enterprise Fund
Schedules Of Operating Revenues & Expenses - Budget & Actual
For The Year Ended September 30, 2010
With Comparative Total Amounts For The Year Ended September 30, 2009

	2010			2009
	Budget	Actual	Variance Over (Under)	Actual
OPERATING REVENUES				
Charges For Sales & Services				
Water Charges	$ 823,000	$ 821,478	$ (1,522)	$ 780,251
Other	14,500	11,766	(2,734)	18,647
Total Operating Revenues	837,500	833,244	(4,256)	798,898
OPERATING EXPENSES				
Personal Services & Employee Benefits	239,375	209,080	30,295	244,585
Depreciation	142,000	144,986	(2,986)	144,129
Utilities	85,000	94,827	(9,827)	77,068
Repairs & Maintenance	103,600	59,176	44,424	85,062
Supplies	42,900	32,413	10,487	8,292
Purchased Professional & Technical Services	24,400	20,393	4,007	11,917
Communications	10,000	10,146	(146)	10,384
Other	5,200	4,180	1,020	4,412
Insurance	4,250	3,995	255	4,207
Travel, Education & Training	3,000	279	2,721	1,230
Total Operating Expenses	659,725	579,475	80,250	591,286
Operating Income (Loss)	$ 177,775	$ 253,769	$ 75,994	$ 207,612

CITY OF ADEL, GEORGIA
Sewer Division
Combined Public Utility System Enterprise Fund
Schedules Of Operating Revenues & Expenses - Budget & Actual
For The Year Ended September 30, 2010
With Comparative Total Amounts For The Year Ended September 30, 2009

	2010			2009
	Budget	Actual	Variance Over (Under)	Actual
OPERATING REVENUES				
Charges For Sales & Services				
Sewer Charges	$ 1,126,725	$ 1,151,450	$ 24,725	$ 1,090,583
Other	15,725	13,134	(2,591)	15,824
Total Operating Revenues	1,142,450	1,164,584	22,134	1,106,407
OPERATING EXPENSES				
Personal Services & Employee Benefits	402,875	392,634	10,241	410,474
Depreciation	259,000	263,027	(4,027)	256,724
Utilities	131,000	136,297	(5,297)	115,475
Repairs & Maintenance	148,625	113,075	35,550	58,785
Purchased Professional & Technical Services	46,600	42,630	3,970	29,203
Supplies	39,375	31,426	7,949	29,301
Communications	10,350	9,082	1,268	8,675
Insurance	7,550	8,275	(725)	7,471
Other	3,600	2,485	1,115	3,247
Travel, Education & Training	4,250	1,917	2,333	112
Total Operating Expenses	1,053,225	1,000,848	52,377	919,467
Operating Income (Loss)	$ 89,225	$ 163,736	$ 74,511	$ 186,940

CITY OF ADEL, GEORGIA
Telecommunication Division
Combined Public Utility System Enterprise Fund
Schedules Of Operating Revenues & Expenses - Budget & Actual
For The Year Ended September 30, 2010
With Comparative Total Amounts For The Year Ended September 30, 2009

	2010			2009
	Budget	Actual	Variance Over (Under)	Actual
OPERATING REVENUES				
Charges For Sales & Services				
Telecommunication Charges	$ 104,100	$ 41,257	$ (62,843)	$ 102,263
Other	1,000	12,642	11,642	22,060
Total Operating Revenues	105,100	53,899	(51,201)	124,323
OPERATING EXPENSES				
Depreciation	58,000	45,123	12,877	55,306
Communications	42,000	40,984	1,016	803,163
Purchased Professional & Technical Services	15,200	14,334	866	17,225
Repairs & Maintenance	13,950	6,681	7,269	9,940
Utilities	2,200	2,715	(515)	2,138
Supplies	6,000	1,442	4,558	36,421
Travel, Education & Training	250	328	(78)	--
Insurance	225	198	27	192
Other	250	--	250	--
Total Operating Expenses	138,075	111,805	26,270	924,385
Operating Income (Loss)	$ (32,975)	$ (57,906)	$ (24,931)	$ (800,062)

CITY OF ADEL, GEORGIA
Schedule Of Projects Constructed With Special Sales Tax Proceeds
For The Year Ended September 30, 2010

Project	Original Estimated Cost	Expenditures			Estimated Percentage of Completion
		Prior Years	Current Year	Total	
1999 Referendum					
(1) Bear Creek Sewer Project	$ 600,000	$ 606,090	$ --	$ 606,090	101%
(2) Water Well Improvements	625,000	98,579	--	98,579	16%
(3) Sewer Infiltration Correction	104,700	49,947	--	49,947	48%
(4) Paving	69,800	69,800	--	69,800	100%
	$ 1,399,500	$ 824,416	$ --	$ 824,416	
2005 Referendum	$ 1,431,823				
(1) Water, Sewer & Natural Gas		$ 404,956	$ --	$ 404,956	
(2) Road, Streets & Bridges		155,761	49,452	205,213	
(3) Administrative Facilities		--	--	--	
(4) Public Safety Facilities		--	--	--	
	$ 1,431,823	$ 560,717	$ 49,452	$ 610,169	43%

CITY OF ADEL, GEORGIA
Schedule Of OneGeorgia Grants To Adel Industrial Development Authority
From Inception & For The Year Ended September 30, 2010

	Project Authorization	Prior Years	Current Year	Total To Date
Grant # 07-ge-037-3-4397				
REVENUES				
OneGeorgia Authority Grant	$ 500,000	$ 421,500	$ 78,500	$ 500,000
	500,000	421,500	78,500	500,000
EXPENDITURES				
Assist Local Industry	500,000	421,500	78,500	500,000
	500,000	421,500	78,500	500,000
Excess	$ --	$ --	$ --	$ --

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American Institute of Certified Public Accountants
Georgia Society of Certified Public Accountants

March 07, 2011

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and Council
City of Adel, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Adel, Georgia, as of and for the year ended September 30, 2010, which collectively comprise City of Adel, Georgia's basic financial statements and have issued our report thereon dated March 07, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Adel, Georgia's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Adel, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of City of Adel, Georgia's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Adel, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of City of Adel, Georgia, in a separate letter dated March 07, 2011.

This report is intended solely for the information and use of management, City Council, others within the entity and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Meeks, Roberts, Ashley, Sumner & Sirmans, LLP

MEEKS, ROBERTS, ASHLEY, SUMNER & SIRMANS, LLP
Certified Public Accountants