CITY OF BAINBRIDGE, GEORGIA

FINANCIAL REPORT

For the fiscal year ended
September 30, 2009

Prepared by:

The Department of Finance
A Department of the Division of General Administration

CITY OF BAINBRDGE, GEORGIA
Financial Report for the fiscal year ended
September 30, 2009

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INTRODUCTORY SECTION

City of Bainbridge, Georgia
P. O. Box 158
Bainbridge, GA 39818

December 20, 2009

To the Honorable Mayor, Members of the Board of Alderman, and Citizens
of the City of Bainbridge, Georgia:

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principals (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Basic Financial Statements of the City of Bainbridge, Georgia for the fiscal year ended September 30, 2009.

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

The City of Bainbridge, Georgia's financial statements have been audited by Lanigan & Associates, PC, a licensed certified public accounting firm. The goal of this independent audit was to provide reasonable assurance that the financial statements of the City of Bainbridge, Georgia for the fiscal year ended September 30, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting that amounts and disclosures in the financial statement; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Bainbridge, Georgia's financial statements for the fiscal year ended September 30, 2009, is fairly presented in conformity with GAAP. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Bainbridge, Georgia's MD&A can be found immediately following the report of the independent auditor.

Single Audit section of this report

The independent auditor's report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the City of Bainbridge, Georgia was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

Profile of the Government

The City of Bainbridge, Georgia, incorporated in 1829, is located in the south-western corner of the state, which is considered to be in moderate growth area of the state. The City of Bainbridge, Georgia, currently occupies a land area of six square miles and serves a population greater than 12,000. The City of Bainbridge, Georgia is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend is corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The City of Bainbridge, Georgia has operated under the council-manager form of government since 1965. Policy-making and legislative authority are vested in a governing council consisting of the mayor and six other members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the government's manager, attorney, municipal judge and independent auditor. The government's manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with three council members elected every two years. The Mayor is elected to serve a four-year term. Five of the council members are elected by district. The mayor and remaining council member are elected at large. The mayor pro tem is appointed annually by a vote of the council.

The City of Bainbridge, Georgia provides a full range of services, including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities, cultural events, and utility services. The utility services of the City of Bainbridge, Georgia include water, sewer, sewer treatment, garbage collection and disposal, and natural gas.

The annual budget serves as the foundation for the City of Bainbridge, Georgia's financial planning and control. All departments of the City of Bainbridge, Georgia are required to submit requests for appropriation to the government's manager on or before June 30 of each year. The government's manager uses these requests as the starting point for developing a proposed budget. The government's manager then presents this proposed budget. The government's manager then presents this proposed budget to council for review prior to August 31. The council is required to hold public hearings on this proposed budget and to adopt a final budget no later than September 30, the close of the City of Bainbridge, Georgia's fiscal year. The appropriated budget is prepared by fund, function, and department. The government's manager can make transfers of appropriations within a department, but transfers of appropriations between departments, however, require the special approval of the governing council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

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

Local economy. The City of Bainbridge currently faces many challenges to the overall stability of the local economy. The regions manufacturing, industrial and agricultural sectors have all suffered destabilizing events that have contributed to the current negative trend of the city's unemployment rate. The short term expectation is that this instability will continue and may in fact intensify before any improvement is realized. In the long term; it is expected that the areas rich natural resources and the presence of major industries with headquarters or divisions located within the governments boundaries or in close proximity will result in the restoration of economic stability

Long-term financial planning. The governing council has continued to invest in infrastructure projects that are designed to generate revenue. In recent years the city has constructed a marina on the banks of the Flint River and has completed a state of the art tennis complex. The City is currently involved in the construction of an expansion to the Bill Reynolds Sports Complex. This expansion includes the construction of eight new baseball fields, two football/soccer fields, five basketball courts and concessions/bathroom facilities. The city has also been recently selected to receive funding as part of the states Go Fish Georgia initiative These funds will be combined with city funds to construct a new mega ramp facility within the Earle May Boat Basin. The city also intends to continue to persue funding from transportation enhancement grants to continue the improvement of multi modal transportation infrastructure within the city's central business district. All of the projects mentioned are in close proximity to the city's greatest asset, the Flint River and were conceived to generate new revenue for the city.

Several sanitary sewer projects are slated for the future in accordance with the City of Bainbridge, Georgia's Sanitary Sewer Master Plan. Many of these projects will be funded from a combination of sewer assessments, Special Purpose Local Option Sales Tax proceeds, and Community Development Block Grants. In order to expedite construction of these projects the city has been successful in securing low interest financing from the Georgia Environmental Facilities Authority.

Cash management policies and practices. Cash temporarily idle during the year was invested in certificates of deposits and money market accounts. The maturities of the investments range from 90 days to 13 months. With an average maturity of 12 months. The average yield on investments range from 2.5 to 3.67 percent.

Pension and other post employment benefits. The City of Bainbridge, Georgia sponsors a single-employer defined benefit plan for its employees. Each year, an independent actuary engaged by the pension plan calculates the amount of annual required contribution that the City of Bainbridge, Georgia makes to the pension plan to ensure the a the plan will be able to fully meet its obligations to retired employees on a timely basis. As a matter of policy, the City of Bainbridge, Georgia funds each year's annual required contribution to the pension plan as determined by the actuary. As a result of the City of Bainbridge, Georgia, as of September 30, 2009, funded 76.99 percent of the present value of the projected benefits earned by employees.

The City of Bainbridge, Georgia also provides postretirement health care benefits for certain retirees and their dependents. As of the end of the fiscal year, there were two employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP does not require

governments to report a liability in the financial statements in connection with an employer's obligation to provide these benefits.

Acknowledgements

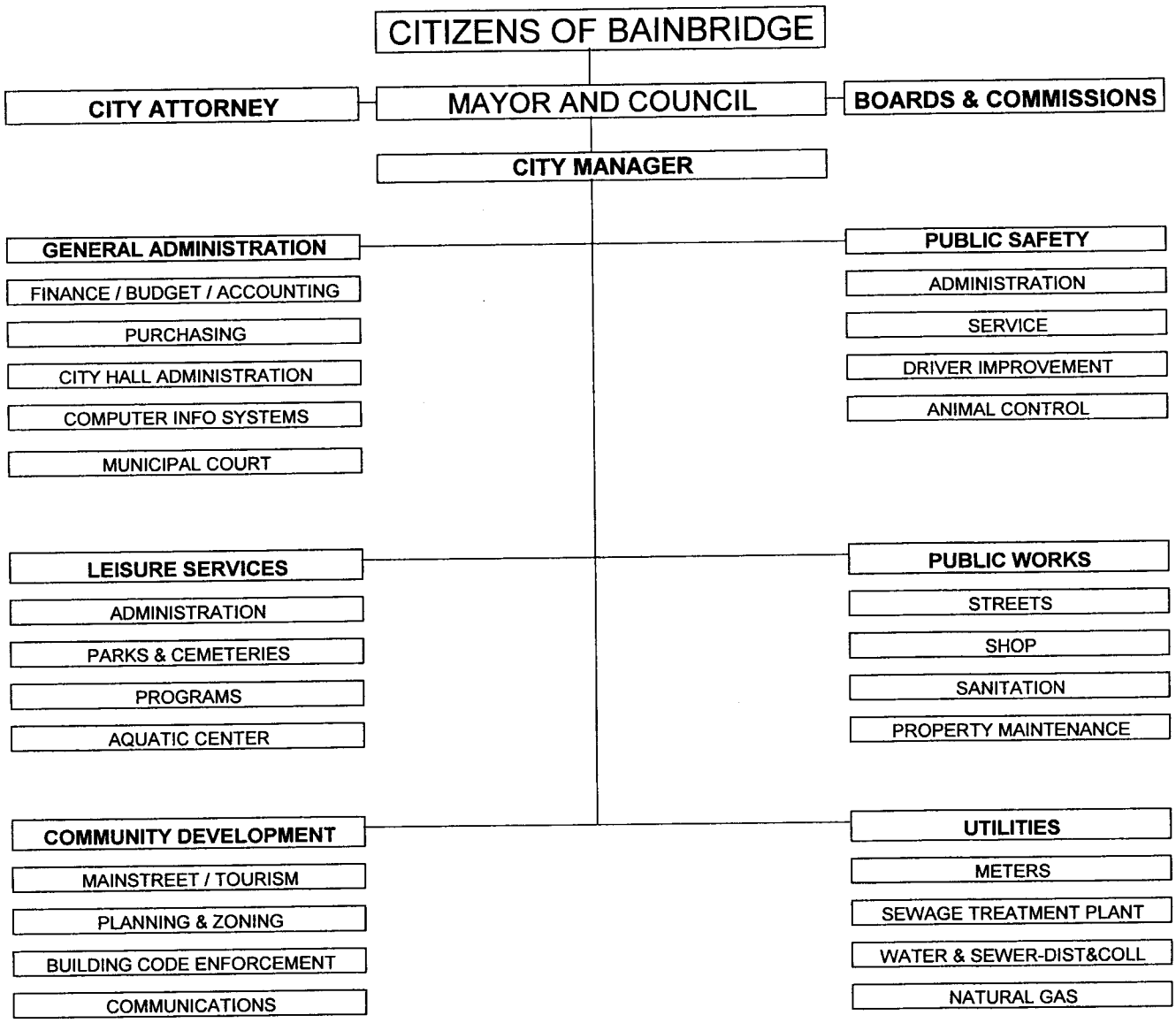
The preparation of this report would not have been possible without the efficient and dedicated staff of the Department of Finance. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also goes to the Mayor and Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bainbridge, Georgia's finances.

Respectfully submitted,

Chris M. Hobby, City Manager

Lisa H. Taylor, Director of General Administration

CITY OF BAINBRIDGE, GEORGIA
ORGANIZATIONAL CHART



City of Bainbridge, Georgia
List of Elected and Appointed Officials
September 30, 2009

Elected Officials

Mark Harrell, Mayor

Board of Aldermen

Roslyn Palmer	Edward Reynolds
Joe Sweet	Luther Conyers, Jr.
Greg Waddell	Dean Burke

Appointed Officials

City Manager	Chris M. Hobby
Attorney	Tom Conger
City Auditor	Lanigan & Associates, P.C.
Director of General Administration	Lisa H. Taylor
Director of Leisure Services	Al Kelley
Director of Community Development	Amanda Glover
Director of Public Safety	Larry Funderburke
Director of Public Works	Tommy King
Director of Utilities	Ronnie Parish

FINANCIAL SECTION

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

314 Gordon Avenue
Thomasville, GA 31792
(229) 226-8320
Facsimile: (229) 226-0038
E-Mail: lanigan@laniganpa.com

2630 Centennial Place
Tallahassee, FL 32308
(850) 893-8418
Facsimile: (850) 893-9745
E-Mail: tallahassee@laniganpa.com

3108 Piedmont Road, Suite 105
Atlanta, GA 30305
(404) 240-0348
E-Mail: lanigan@laniganpa.com

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Board of Aldermen
City of Bainbridge, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bainbridge, Georgia, as of and for the year ended September 30, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Bainbridge, 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 basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bainbridge, Georgia, as of September 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

MEMBERS OF: THE AMERICAN INSTITUTE OF CPA'S PRIVATE COMPANIES PRACTICE SECTION
THE GEORGIA SOCIETY OF CPA'S, THE FLORIDA INSTITUTE OF CPA'S, PKF NORTH AMERICAN NETWORK

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2010 on our consideration of the City of Bainbridge, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered is assessing the results of our audit.

The management's discussion and analysis (Pages 11-20), schedule of funding progress and other pension information (Page 59), governmental fund budgetary comparisons (Page 60-63), and non-major fund budgetary comparisons (Pages 68-73) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bainbridge, Georgia's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements, other schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Lanigan & Associates, P.C.

Bainbridge, Georgia
February 2, 2010

Management's Discussion and Analysis

As management of the City of Bainbridge, Georgia (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-5 of this report.

Financial Highlights

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by $43,970,947 (net assets). Of this amount, $4,741,648 may be used to meet the government's ongoing obligation to citizens and to creditors.

- The government's total net assets increased by $666,521. This increase is mostly attributable to the investments in capital assets of the government activities.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $6,028,724 representing a decrease of $420,683 in comparison with prior years. Of this balance, $5,216,746 is available for spending at the government's discretion (unrestricted fund balance), subject to certain designations.

- At the end of the current fiscal year, unreserved fund balance for the general fund was $5,216,746, or 59% of total general fund expenditures.

- The City's total debt increased by $2,928,696 or 229% during the current fiscal year. This net increase was due to the fact that the aggregate amount of new borrowings exceeded the reductions of principal amounts outstanding, during the current fiscal year. Specifically, during the year the Company entered into a loan agreement with the Georgia Environmental Authority (GEFA). The proceeds from this loan will be used for certain utility infrastructure projects.

  As of September 30, 2009, the City owes $4,211,225 of debt government wide.

Overview of the Financial Statements

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

Government wide financial statements.

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues *(governmental activities)* from other functions that are intended to recover all or a significant portion of their costs through user fees and charges *(business-type activities).* The governmental activities of the City include general government, public safety, public works, community development, and leisure services. The business-type activities of the City include water and sewer, sewage treatment, sanitation, natural gas, revolving loan pool, and marina.

The government-wide financial statements can be found on pages 22-23 of this report.

Fund financial statements.
A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like the state and other local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: 1) governmental funds, 2) proprietary funds, and 3) fiduciary funds.

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

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

The City maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund

statement of revenues, expenditures, and changes in fund balance for the General Fund, Special Purpose Local Option Sales Tax #4, Special Purpose Local Option Sales Tax #5, and Capital Project (Telecommunications), which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 24-27 of this report.

Proprietary funds. The City maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water and Sewer Fund, Gas Fund, Sanitation Fund, Marina and its Revolving Loan Fund. *Internal Service funds* are an accounting devise used to accumulate and allocate costs internally among the City's various functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the five individual proprietary funds, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 28-32 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-57 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the City's progress in funding its obligation to provide pension benefits to its employees and certain other supplementary information.

Required supplemental information can be found on pages 59-63 of this report.

Other supplemental information can be found on pages 65-78 of this report.

Capital Assets Used in the Operation of Governmental Funds. Information pertaining to governmental funds capital assets can be found on pages 80-82 of this report.

Other reports. Other reports required by other governments can be found on pages 84-88 of this report.

Financial Analysis of the City as a Whole

City of Bainbridge -- Net Assets

	2009			2008		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current assets	$ 6,168,609	$ 1,728,269	$ 7,896,878	$ 7,870,224	$ 2,574,244	$ 10,444,468
Non-current assets	342,039	135,995	478,034	357,209	138,767	495,976
Capital assets	17,547,790	24,220,595	41,768,385	18,463,200	18,340,533	36,803,733
Total assets	24,058,438	26,084,859	50,143,297	26,690,633	21,053,544	47,744,177
Current liabilities	808,077	351,530	1,159,607	1,911,291	466,214	2,377,505
Non-current liabilities	4,848,585	164,158	5,012,743	973,629	1,088,617	2,062,246
Total liabilities	5,656,662	515,688	6,172,350	2,884,920	1,554,831	4,439,751
Net assets:						
Invested in capital assets Net of related debt	13,423,737	24,133,423	37,557,160	18,198,517	17,322,687	35,521,204
Restricted	1,672,139	-	1,672,139	518,401	1,017,846	1,536,247
Unrestricted	3,305,900	1,435,748	4,741,648	5,088,795	1,158,180	6,246,975
Total net assets	$ 18,401,776	$ 25,569,171	$ 43,970,947	$ 23,805,713	$ 19,498,713	$ 43,304,426

The City's assets exceed liabilities by $43,970,947 at the close of the most recent fiscal year. Of this amount $18,401,776 came from governmental activities, and $25,569,171 came from business-type activities.

By far the largest portion of the City's net assets was comprised of Investment In Capital Assets, less any related debt used to acquire those assets with a balance of $37,557,160 or 86% of total net assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets totaled $1,672,139 or 4%. The vast majority of this amount represents resources that are designated for construction projects.

The remaining balance of $4,741,648 or 10% represents unrestricted net assets. This may be used to meet the City's obligations to citizens and creditors in accordance with the finance-related legal requirements. At the end of the current fiscal year, the City reports positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

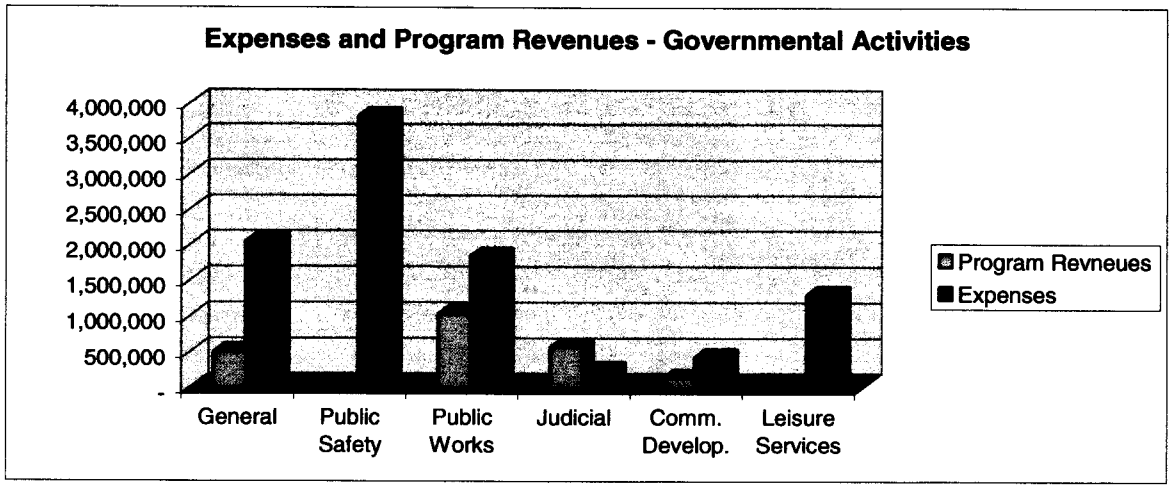
City of Bainbridge – Statement of Activities

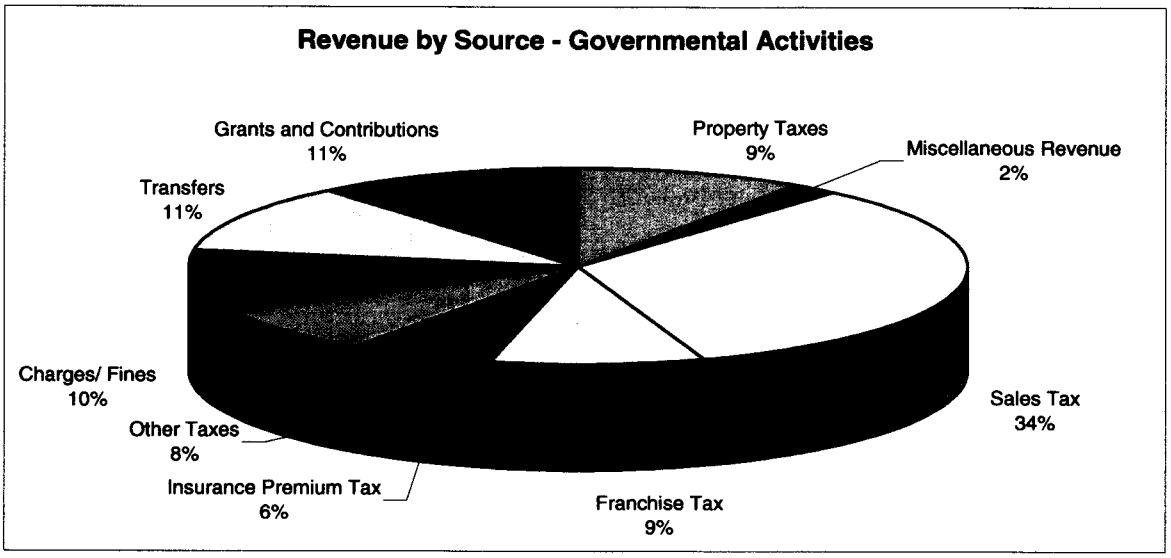
	2009			2008		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues:						
Program revenues:						
Charges for services	$ 1,071,437	$ 7,283,795	$ 8,355,232	$ 912,544	$ 7,378,191	$ 8,290,735
Operating grants and contributions	132,541	-	132,541	383,516	-	383,516
Capital grants and contributions	1,032,920	-	1,032,920	924,886	-	924,886
General revenues:						
Property taxes	986,879	-	986,879	958,638	-	958,638
Other taxes	5,897,042	-	5,897,042	6,475,991	-	6,475,991
Other	197,723	-	197,723	315,682	-	315,682
Total revenues	9,318,542	7,283,795	16,602,337	9,971,257	7,378,191	17,349,448
Expenses:						
General government	2,056,894	-	2,056,894	2,080,251	-	2,080,251
Public safety	3,810,214	-	3,810,214	3,814,460	-	3,814,460
Public works	1,841,913	-	1,841,913	1,719,069	-	1,719,069
Judicial	247,529	-	247,529	204,184	-	204,184
Community development	430,258	-	430,258	413,679	-	413,679
Leisure services	1,305,732	-	1,305,732	1,229,107	-	1,229,107
Water & sewer	-	2,531,592	2,531,592	-	2,462,173	2,462,173
Natural gas	-	2,114,842	2,114,842	-	2,849,335	2,849,335
Sanitation	-	1,538,960	1,538,960	-	1,698,771	1,698,771
Marina	-	261	261	-	91,271	91,271
Revolving loan	-	57,621	57,621	-	335,837	335,837
D.D.A.	-	-	-	-	-	-
Total expenses	9,692,540	6,243,276	15,935,816	9,460,750	7,437,387	16,898,137
Increase in net assets before transfers	(373,998)	1,040,519	666,521	510,507	(59,196)	451,311
Ordinary transfers	1,198,563	(1,198,563)	-	123,201	(123,201)	-
Capital asset transfers	(6,228,502)	6,228,502	-	-	-	-
Change in net assets	(5,403,937)	6,070,458	666,521	633,708	(182,397)	451,311
Nets assets, beginning of year	23,805,713	19,498,713	43,304,426	23,172,005	19,681,110	42,853,115
Nets assets, end of year	$ 18,401,776	$ 25,569,171	$ 43,970,947	$ 23,805,713	$ 19,498,713	$ 43,304,426

Governmental activities.

The above statement shows the revenues and expenses by activities. Total revenue from governmental activities was $9,318,542 while expenses were $9,692,540. Net transfers from business-type activities amounted to $1,198,563 or 12% of total governmental funding.

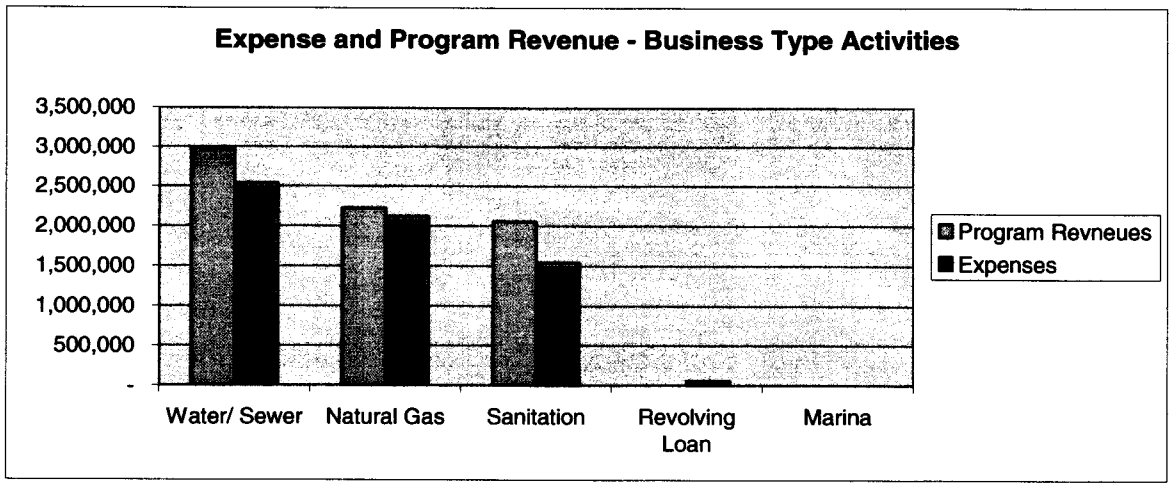
	2009	2008
Program Revenues:		
General Government	$ 503,096	$ 371,305
Public Safety	-	-
Public Works	1,032,920	521,506
Judicial	568,341	541,239
Community Development	132,541	786,896
Leisure Services	-	-
Total	$ 2,236,898	$ 2,220,946

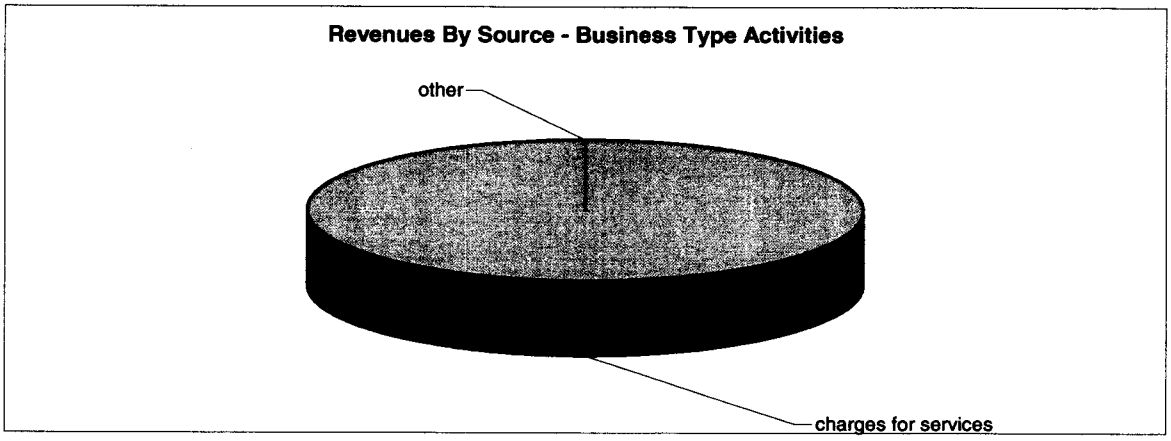




Business-type activities.

Revenues from business-type activities totaled $7,283,795 and expenses totaled $6,243,276. The following graphs display the expenses and program revenues for business-type activities and the revenues by sources for business-type activities:





Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $6,028,724, a decrease of $420,683. Approximately 87% (or $5,216,746) of this total amount constitutes unreserved fund balance, which is available for spending at the City's discretion subject to certain designations. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed for post-closure care of the city landfill and voter designated projects.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unreserved fund balance of the general fund was $5,216,746, while the total fund balance reached $5,513,718. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 59% of total general fund expenditures, while total fund balance represents 62% of that same amount. The fund balance of the City's general fund decreased by $991,798 during the current fiscal year.

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

Unrestricted net assets at the end of the year amounted to:

- $274,657 for the Water & Sewer fund.
- $773,276 for the Natural Gas fund.
- $210,827 for the Solid Waste (Sanitation) fund.
- $176,988 for the Revolving Loan fund.
- $ - for the Marina.

Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor and can be briefly summarized as follows:

- Final annual matching of budget to actual.

These increases were funded by accumulated revenues in excess of expenditures in prior years.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental and business type activities as of September 30, 2009 amounts to $41,768,385 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, and streets. The total increase in the City's investment in capital assets for the current fiscal year was 13% (a 5% decrease for governmental activities and a 32% increase for business-type activities).

Major (over $50,000) capital asset events during the current fiscal year included the following:

- $1,767,233 current year addition for new meter reading system.
- $2,060,840 current year addition for US Hwy 27 sewer extension.
- $122,280 current year addition for new well pump for Water and Sewer.
- $310,188 current year addition for new generator for Water and Sewer.
- $788,061 current year addition for new ladder truck for Fire Department.
- $112,657 current year addition for Street Paving Projects.
- $1,261,057 water and sewer construction for Decatur County Schools.
- $860,160 current year addition for Telecommunications fiber optics.
- $99,500 current year addition for new gas line installation.

Government Wide Capital Assets

	Governmental Activities	Business-type Activities	Total
Land	$ 2,341,139	$ 13,870	$ 2,355,009
Building and systems	7,896,711	31,520,638	39,417,349
Machinery and equipment	5,841,042	4,443,104	10,284,146
Infrastructure	6,054,850	-	6,054,850
Construction in progress	1,322,914	-	1,322,914
Accumulated depreciation	(5,908,866)	(11,757,017)	(17,665,883)
Total	$ 17,547,790	$ 24,220,595	$ 41,768,385

Long-term debt. At the end of the current fiscal year, the City had the following outstanding debt:

The City's total debt increased by $2,928,696 or 229% during the current fiscal year. This net increase was due to the fact that the aggregate amount of new borrowings exceeded the reductions of principal amounts outstanding, during the current fiscal year. Specifically, during the year the Company entered into a loan agreement with the Georgia Environmental Authority (GEFA). The proceeds from this loan will be used for certain utility infrastructure projects.

Additional information on the City's long-term debt can be found in note IV.F on page 47 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City is current 12.7%, which increased from a rate of 8% a year ago. This is slightly above the state's average unemployment rate of 10.1% and the national average unemployment rate of 10.2%.
- The occupancy rate of the City's central business district is 89%, slightly less than the prior year.

All of these factors were considered in preparing the City's budget for the 2008-2009 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Division of General Administration, P.O. Box 158, Bainbridge, GA 39818.

BASIC FINANCIAL STATEMENTS

City of Bainbridge, Georgia
Statement of Net Assets
September 30, 2009

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority	Convention and Visitor's Bureau
ASSETS					
Cash and cash equivalents	$ 1,426,374	$ 16,910	$ 1,443,284	$ 6,511	$ 8,728
Investments	1,017,979	737,755	1,755,734	355,077	-
Receivables (net of allowance for uncollectibles)	3,342,034	893,493	4,235,527	-	2,608
Property held for resale	-	-	-	42,683	-
Internal balances	175,141	(175,141)	-	-	-
Inventories	172,671	190,912	363,583	-	-
Prepaid items	34,410	64,340	98,750	-	-
Restricted assets:					
Cash and cash equivalents	45,067	14,004	59,071	-	-
Investments	296,972	121,991	418,963	-	-
Capital assets (net of accumulated depreciation):	13,883,737	24,206,725	38,090,462	-	-
Capital assets, not being depreciated					
Land	2,341,139	13,870	2,355,009	-	-
Construction in progress	1,322,914	-	1,322,914	-	-
Total assets	$ 24,058,438	$ 26,084,859	$ 50,143,297	$ 404,271	$ 11,336
LIABILITIES					
Accounts payable	$ 594,696	$ 146,173	$ 740,869	$ 151	$ 265
Wages and benefits payable	169,764	32,387	202,151	-	-
Deposits payable	-	156,665	156,665	-	-
Unearned revenue	-	12,552	12,552	-	-
Accrued interest payable	-	3,753	3,753	-	-
Landfill closure	-	-	-	-	-
Liabilities payable from restricted assets	43,617	-	43,617	-	-
Noncurrent liabilities:					
Due within one year	238,814	102,569	341,383	-	-
Due in more than one year	4,609,771	61,589	4,671,360	-	-
Total liabilities	5,656,662	515,688	6,172,350	151	265
NET ASSETS					
Invested in capital assets, net of related debt	13,423,737	24,133,423	37,557,160	-	-
Restricted for:					
Landfill closure	296,972	-	296,972	-	-
Public safety	40,013	-	40,013	-	-
Culture and recreation	26,348	-	26,348	-	-
Voter designated projects	1,308,806	-	1,308,806	-	-
Unrestricted	3,305,900	1,435,748	4,741,648	404,120	11,071
Total net assets	$ 18,401,776	$ 25,569,171	$ 43,970,947	$ 404,120	$ 11,071

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

City of Bainbridge, Georgia
Statement of Activities
For the Year Ended September 30, 2009

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Downtown Development Authority	Component Units: Convention and Visitor's Bureau
Primary Government:									
Governmental activities:									
General government	$ 2,049,686	$ 503,096	$ -	$ -	$ (1,546,590)	$ -	$ (1,546,590)	$ 630	$ 43,668
Public safety	3,810,214	-	-	-	(3,810,214)	-	(3,810,214)	-	-
Public works	1,841,913	-	-	1,032,920	(808,993)	-	(808,993)	-	-
Judicial	247,529	568,341	-	-	320,812	-	320,812	-	-
Community development	430,258	-	132,541	-	(297,717)	-	(297,717)	-	-
Leisure services	1,305,732	-	-	-	(1,305,732)	-	(1,305,732)	-	-
Interest on long-term debt	7,208	-	-	-	(7,208)		(7,208)	-	-
Total governmental activities	9,692,540	1,071,437	132,541	1,032,920	(7,455,642)	-	(7,455,642)	630	43,668
Business-type activities:									
Water and sewer	2,531,592	2,978,238	-	-	-	446,646	446,646	-	-
Natural gas	2,114,842	2,219,033	-	-	-	104,191	104,191	-	-
Sanitation	1,538,960	2,049,363	-	-	-	510,403	510,403	-	-
Revolving loan	57,621	-	-	-	-	(57,621)	(57,621)	-	-
Marina	261	-	-	-	-	(261)	(261)	-	-
Total business-type activities	6,243,276	7,246,634	-	-	-	1,003,358	1,003,358	-	-
Total primary government	$ 15,935,816	$ 8,318,071	$ 132,541	$ 1,032,920	(7,455,642)	1,003,358	(6,452,284)	630	43,668
Component Units:									
Downtown Development Authority	$ 76,995	$ -	$ -	$ -				(76,995)	-
Convention and Visitor's Bureau	32,648	-	-	-				-	(32,648)
Total component units	$ 109,643	$ -	$ -	$ -				(76,995)	(32,648)
General revenues:									
Property taxes					986,879	-	986,879	-	-
Sales taxes					3,531,900	-	3,531,900	-	-
Franchise taxes					910,687	-	910,687	-	-
Insurance Premium Tax					649,904	-	649,904	-	-
Other taxes					804,551	-	804,551	-	-
Grants and contributions, not restricted to specific programs					-	-	-	-	-
Unrestricted investment earnings					59,467	7,056	66,523	13,429	51
Miscellaneous					138,256	30,105	168,361	7,783	-
Transfers					(5,029,939)	5,029,939	-	-	-
Total general revenues and transfers					2,051,705	5,067,100	7,118,805	21,212	51
Change in net assets					(5,403,937)	6,070,458	666,521	(55,153)	11,071
Net assets-beginning					23,805,713	19,498,713	43,304,426	459,273	-
Net assets-ending					$ 18,401,776	$ 25,569,171	$ 43,970,947	$ 404,120	$ 11,071

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

City of Bainbridge, Georgia
Balance Sheet
Governmental Funds
September 30, 2009

	General	SPLOST # 4	SPLOST # 5	Capital Project - Telecommunications	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	$ 469,157	$ 881,891	$ -	$ -	$ 50,368	$ 1,401,416
Investments	1,271,536	17,068	-	-	26,347	1,314,951
Receivables (net of allowance)	2,514,243	-	586,298	234,300	7,193	3,342,034
Prepaid items	34,112	-	-	-	-	34,112
Due from other funds	1,553,922	97,396	-	-	295	1,651,613
Inventories	111,004	-	-	-	-	111,004
Cash-restricted	45,067	-	-	-	-	45,067
Total assets	$ 5,999,041	$ 996,355	$ 586,298	$ 234,300	$ 84,203	$ 7,900,197
LIABILITIES						
Accounts payable	$ 273,331	$ 130,518	$ -	$ 1,450	$ 6,997	$ 412,296
Retainage payable	-	-	-	-	-	-
Wages and benefits payable	130,135	-	-	-	-	130,135
Intergovernmental payable	-	-	-	-	-	-
Due to other funds	38,240	-	143,329	1,093,010	10,846	1,285,425
Deferred revenue	-	-	-	-	-	-
Liabilities (restricted assets)	43,617	-	-	-	-	43,617
Total liabilities	485,323	130,518	143,329	1,094,460	17,843	1,871,473
FUND BALANCES						
Reserved						
Landfill closure	296,972	-	-	-	-	296,972
Public safety	-	-	-	-	40,013	40,013
Culture and recreation	-	-	-	-	26,347	26,347
Voter designated projects	-	865,837	442,969	-	-	1,308,806
Unreserved:	5,216,746	-	-	(860,160)	-	4,356,586
Total fund balances	5,513,718	865,837	442,969	(860,160)	66,360	6,028,724
Total liabilities and fund balances	$ 5,999,041	$ 996,355	$ 586,298	$ 234,300	$ 84,203	$ 7,900,197

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

City of Bainbridge, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Assets
September 30, 2009

Total Fund Balance on the Balance Sheet - Governmental Funds (Page 24)	$ 6,028,724
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.	17,547,790
Internal service funds are used by management to charge the cost of employee health care self-insurance and the city shop. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	(326,153)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(4,848,585)
Net assets of governmental activities (Page 22)	$ 18,401,776

City of Bainbridge, Georgia
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended September 30, 2009

	General	SPLOST # 4	SPLOST # 5	Capital Project - Telecommunications	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Sales	$ 2,090,761	$ 879,107	$ 562,032	$ -	$ -	$ 3,531,900
Property	986,879	-	-	-	-	986,879
Franchise	910,687	-	-	-	-	910,687
Insurance premiums	649,904	-	-	-	-	649,904
Occupational	345,705	-	-	-	-	345,705
Alcoholic beverage	330,513	-	-	-	-	330,513
Hotel/ Motel	-	-	-	-	104,509	104,509
Other	23,824	-	-	-	-	23,824
Permits	37,166	-	-	-	-	37,166
Intergovernmental	68,999	1,032,920	-	-	63,542	1,165,461
Charges for services	231,630	-	-	234,300	-	465,930
Fines	568,341	-	-	-	-	568,341
Investment earnings	55,786	2,699	195	-	787	59,467
Miscellaneous	103,522	-	-	-	27,880	131,402
Total revenues	6,403,717	1,914,726	562,227	234,300	196,718	9,311,688
EXPENDITURES						
Current:						
General government	1,749,849	-	-	-	-	1,749,849
Public safety	3,521,011	-	-	-	4,471	3,525,482
Public works	1,600,742	-	-	-	-	1,600,742
Judicial	242,742	-	-	-	-	242,742
Community development	314,728	-	-	-	107,210	421,938
Leisure services	1,146,779	-	-	-	-	1,146,779
Debt services:						
Principal	183,238	-	-	-	-	183,238
Interest	7,208	-	-	-	-	7,208
Capital outlay:	129,823	2,582,992	2,529,442	860,160	-	6,102,417
Total expenditures	8,896,120	2,582,992	2,529,442	860,160	111,681	14,980,395
Excess (deficiency) of revenues over (under) expenditures	(2,492,403)	(668,266)	(1,967,215)	(625,860)	85,037	(5,668,707)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,557,024	-	-	-	-	1,557,024
Transfers out	(63,272)	-	-	(234,300)	(60,888)	(358,460)
Debt issuance	-	1,632,423	2,410,184	-	-	4,042,607
Sale of surplus property	6,853	-	-	-	-	6,853
Total other financing sources (uses)	1,500,605	1,632,423	2,410,184	(234,300)	(60,888)	5,248,024
Net change in fund balance	(991,798)	964,157	442,969	(860,160)	24,149	(420,683)
Fund balance -- beginning	6,505,516	(98,320)	-	-	42,211	6,449,407
Fund balance -- ending	$ 5,513,718	$ 865,837	$ 442,969	$ (860,160)	$ 66,360	$ 6,028,724

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

City of Bainbridge, Georgia
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended September 30, 2009

Amounts reported for governmental activities in the statement of activities (page 23) are different because:	
Net change in fund balance--total governmental funds (page 26)	$ (420,683)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	5,291,504
Some items in governmental funds benefited Business-type activities, specifically the Water & Sewer and Natural Gas funds. These items were capitalized on the business-type activity side; however, an adjustment totaling the contributed capital should be entered as a governmental expenditure since these items will never be capitalized on the governmental-type side.	(6,228,502)
The issuance of long-term debt (e.g., bonds, leases) 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(3,859,369)
Some items are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(15,580)
The net revenue of certain activities of internal service funds is reported with governmental activities.	(171,307)
Change in net assets of governmental activities (page 23)	$ (5,403,937)

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

City of Bainbridge, Georgia
Statement of Net Assets
Proprietary Funds
September 30, 2009

	Business-type activities-Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Natural Gas	Sanitation	Revolving Loan	Marina	Totals	
ASSETS							
Current assets:							
Cash and cash equivalents	$ -	$ -	$ -	$ 16,910	$ -	$ 16,910	$ 24,958
Investments	267	737,488	-	-	-	737,755	-
Accounts receivable (net of allowance for uncollectibles)	358,516	110,765	232,590	-	-	701,871	-
Note receivable	-	-	-	160,078	-	160,078	-
Special assessment receivable	31,544	-	-	-	-	31,544	-
Due from other funds	4,183	6,580	31,365	-	-	42,128	5,902
Inventories	141,239	43,944	5,729	-	-	190,912	61,667
Prepaid items	40,196	18,052	6,092	-	-	64,340	298
Total current assets	575,945	916,829	275,776	176,988	-	1,945,538	92,825
Noncurrent assets:							
Restricted cash and cash equivalents	14,004	-	-	-	-	14,004	-
Restricted investments	121,991	-	-	-	-	121,991	-
Total restricted assets	135,995	-	-	-	-	135,995	-
Capital assets:							
Land	-	-	13,870	-	-	13,870	-
Building and system	26,953,804	4,529,035	37,799	-	-	31,520,638	23,749
Machinery and equipment	1,247,386	237,913	2,957,805	-	-	4,443,104	156,179
Construction in progress	-	-	-	-	-	-	-
Less accumulated depreciation	(8,317,100)	(1,704,194)	(1,735,723)	-	-	(11,757,017)	(108,563)
Total capital assets (net of accumulated depreciation)	19,884,090	3,062,754	1,273,751	-	-	24,220,595	71,365
Total noncurrent assets	20,020,085	3,062,754	1,273,751	-	-	24,356,590	71,365
Total assets	$ 20,596,030	$ 3,979,583	$ 1,549,527	$ 176,988	$ -	$ 26,302,128	$ 164,190

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

City of Bainbridge, Georgia
Statement of Net Assets
Proprietary Funds
September 30, 2009

	Business-type activities-Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Natural Gas	Sanitation	Revolving Loan	Marina	Totals	
LIABILITIES							
Current liabilities:							
Accounts payable	$ 31,384	$ 83,424	$ 31,365	$ -	$ -	$ 146,173	$ 182,400
Due to other funds	211,367	-	5,902	-	-	217,269	196,949
Wages and benefits payable	17,875	6,455	8,057	-	-	32,387	9,254
Compensated absences	8,019	3,800	3,578	-	-	15,397	30,375
Deposits payable	121,991	34,674	-	-	-	156,665	-
Unearned revenue	12,552	-	-	-	-	12,552	-
Accrued interest payable	2,018	-	1,735	-	-	3,753	-
Notes payable-current	-	-	87,172	-	-	87,172	-
Total current liabilities	405,206	128,353	137,809	-	-	671,368	418,978
Noncurrent liabilities:							
Notes payable	-	-	-	-	-	-	-
Compensated absences	32,077	15,200	14,312	-	-	61,589	-
Total noncurrent liabilities	32,077	15,200	14,312	-	-	61,589	-
Total liabilities	437,283	143,553	152,121	-	-	732,957	418,978
NET ASSETS							
Invested in capital assets, net of related debt	19,884,090	3,062,754	1,186,579	-	-	24,133,423	71,365
Unrestricted	274,657	773,276	210,827	176,988	-	1,435,748	(326,153)
Total net assets	$ 20,158,747	$ 3,836,030	$ 1,397,406	$ 176,988	$ -	$ 25,569,171	$ (254,788)

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

City of Bainbridge, Georgia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2009

	Business-type activities-Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Natural Gas	Sanitation	Revolving Loan	Marina	Totals	
Operating revenues:							
Charges for sales and services:							
Water sales	$ 1,941,041	$ -	$ -	$ -	$ -	$ 1,941,041	$ -
Sewer sales	733,805	-	-	-	-	733,805	-
Gas sales	-	2,103,573	-	-	-	2,103,573	-
Garbage collection sales	-	-	1,561,229	-	-	1,561,229	-
Landfill disposal sales	-	-	483,610	-	-	483,610	-
Interest on loan repayment	-	-	-	-	-	-	-
Other services	303,392	115,460	4,524	-	-	423,376	831,354
Premiums	-	-	-	-	-	-	1,713,430
Total operating revenues	2,978,238	2,219,033	2,049,363	-	-	7,246,634	2,544,784
Operating expenses:							
Costs of sales and services	-	1,472,483	309,267	-	-	1,781,750	-
Administration	2,045,290	560,279	1,074,106	57,621	261	3,737,557	2,710,123
Depreciation	486,302	82,080	155,587	-	-	723,969	6,303
Total operating expenses	2,531,592	2,114,842	1,538,960	57,621	261	6,243,276	2,716,426
Operating income	446,646	104,191	510,403	(57,621)	(261)	1,003,358	(171,642)
Nonoperating revenues (expenses)							
Investment earnings	-	-	-	7,232	-	7,232	177
Interest expense	(176)	-	-	-	-	(176)	-
Gain (loss) on sale of fixed assets	2,025	-	28,080	-	-	30,105	158
Total nonoperating revenue (expenses)	1,849	-	28,080	7,232	-	37,161	335
Income (loss) before contributions and transfers	448,495	104,191	538,483	(50,389)	(261)	1,040,519	(171,307)
Transfers in	6,179,034	99,500	-	-	63,272	6,341,806	-
Transfers out	(725,060)	(240,014)	(346,793)	-	-	(1,311,867)	-
Change in net assets	5,902,469	(36,323)	191,690	(50,389)	63,011	6,070,458	(171,307)
Total net assets - beginning	14,256,278	3,872,353	1,205,716	227,377	(63,011)	19,498,713	(83,481)
Total net assets - ending	$ 20,158,747	$ 3,836,030	$ 1,397,406	$ 176,988	$ -	$ 25,569,171	$ (254,788)

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

City of Bainbridge, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2009

	Business-type activities-Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Natural Gas	Sanitation	Revolving Loan	Marina	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers and users	$ 2,910,008	$ 2,432,185	$ 1,990,785	$ -	$ -	$ 7,332,978	$ 2,544,784
Payments to employees	(1,069,904)	(346,043)	(465,291)	-	-	(1,881,238)	(414,751)
Payments to suppliers	(25,281)	(1,780,023)	(1,122,153)	(57,621)	(84,367)	(3,069,445)	(2,143,022)
Net cash provided by (used in) operating activities	1,814,823	306,119	403,341	(57,621)	(84,367)	2,382,295	(12,989)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in (out)	5,453,974	(140,514)	(346,793)	-	63,272	5,029,939	-
Net cash provided by (used in) noncapital financing activities	5,453,974	(140,514)	(346,793)	-	63,272	5,029,939	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Purchase of capital assets	(6,488,630)	(115,402)	-	-	-	(6,604,032)	(27,884)
Proceeds from capital debt	-	-	-	-	-	-	-
Principal paid on capital debt	(846,046)	-	(84,628)	-	-	(930,674)	-
Interest paid on capital debt	(176)	-	-	-	-	(176)	-
Proceeds from sales of capital assets	2,025	-	28,080	-	-	30,105	158
Net cash (used in) capital and related financing activities	(7,332,827)	(115,402)	(56,548)	-	-	(7,504,777)	(27,726)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from Revolving Loan	-	-	-	55,165	-	55,165	-
Interest received	-	-	-	7,232	-	7,232	177
Proceeds from sales and maturities of investments	186,416	687,285	-	-	-	873,701	-
Purchase of investments	(122,258)	(737,488)	-	-	-	(859,746)	-
Net cash provided by (used in) investing activities	64,158	(50,203)	-	62,397	-	76,352	177

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

City of Bainbridge, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2009

	Business-type activities-Enterprise Funds						Governmental Activities - Internal Service Funds
	Water and Sewer	Natural Gas	Sanitation	Revolving Loan	Marina	Totals	
CASH FLOWS FROM INVESTING ACTIVITIES (Continued)							
Net increase (decrease) in cash and cash equivalents	128	-	-	4,776	(21,095)	(16,191)	(40,538)
Cash and cash equivalents, October 1, 2008	13,876	-	-	12,134	21,095	47,105	65,496
Cash and cash equivalents, September 30, 2009	$ 14,004	$ -	$ -	$ 16,910	$ -	$ 30,914	$ 24,958
Reconciliation of operating income to net cash provided by (used in) operating activities:							
Operating income (loss)	$ 446,646	$ 104,191	$ 510,403	$ (57,621)	$ (261)	$ 1,003,358	$ (171,642)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:							
Depreciation expense	486,302	82,080	155,587	-	-	723,969	6,303
(Increase) decrease in accounts receivable	(68,358)	213,152	(58,578)	-	-	86,216	-
(Increase) decrease in inventories	69,047	524	11,990	-	-	81,561	18,125
(Increase) decrease in prepaid items	20,697	4,862	6,196	-	219	31,974	2,363
(Decrease) in deposits payable	(2,850)	(1,630)	-	-	-	(4,480)	-
Increase (decrease) in accounts payable	4,249	(92,606)	(13,472)	-	-	(101,829)	(30,360)
Increase (decrease) in internal balances	859,822	(6,463)	(205,351)	-	(84,325)	563,683	95,067
Increase (decrease) in claims payable	-	-	-	-	-	-	65,632
Increase (decrease) in payroll liabilities	(860)	2,009	(3,434)	-	-	(2,285)	1,523
Increase (decrease) in deferred revenue	128	-	-	-	-	128	-
Total adjustments	1,368,177	201,928	(107,062)	-	(84,106)	1,378,937	158,653
Net cash provided by (used in) operating activities	$ 1,814,823	$ 306,119	$ 403,341	$ (57,621)	$ (84,367)	$ 2,382,295	$ (12,989)

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 Bainbridge, Georgia is a municipal corporation governed by an elected Mayor and six-member council, and was incorporated under the laws of the State of Georgia in 1824.

In evaluating the City as a reporting entity, management has addressed all potential component units (traditionally separate reporting entities) for which the City may be financially accountable and, in such, should be included within the City's financial statements. The City (the Primary Government) is financially accountable if it appoints a voting majority of the organization's governing board and (1) is able to impose its will on the organization or (2) there is potential for the organization to provide specific financial burden on the City. Additionally, the primary government is required to consider other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The financial statements are formatted to allow the user to clearly distinguish between the primary government and its component units. The City's component units (the Downtown Development Authority and the Bainbridge Area Convention and Visitors' Bureau Authority) are discussed in length in section V (E) of these notes. Governmental accounting standards require reasonable separation between the Primary Government and it's discretely presented component units, both in the financial statements and in the related notes and required supplemental information. Because the discretely presented component units, although legally separate, have been and are operated as if part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the reader should assume that information presented is equally applicable.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all the non-fiduciary activities of the primary government. For the most part, the effect of inter-fund 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 included among program revenues are reported as general revenues.

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

Indirect expenses are not allocated in the statement of activities.

C. Measurement focus, basis of accounting, and financial statement presentation

The accounting principles of the City of Bainbridge, Georgia conform to generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB), in conjunction with the Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989.

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.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This statement established new financial reporting requirements for state and local governments throughout the United States. The implementation creates new information and restructures much of the information governments have presented in the past. The GASB's intent is to make annual reports more comprehensive and easier to understand.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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 available when they are collectible within the current period or soon enough thereafter to pay liabilities for 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, 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 Special Purpose Local Option Sales Tax #4 fund accounts for the capital projects authorized by the voters.
- The Special Purpose Local Option Sales Tax #5 fund accounts for the capital projects authorized by the voters.
- The Capital Project (Telecommunications) fund accounts for the construction of the telecommunication infrastructure project.

The City reports the following major proprietary funds:

- The water and sewer fund accounts for the activities of the sewage treatment plant, sewage pumping stations and collection systems, and the water distribution system.
- The natural gas fund accounts for the activities of the natural gas distribution system.
- The sanitation fund accounts for the activities of refuse collection and delivery to the Decatur County landfill, including tipping fees.
- The revolving loan fund accounts for the activities of loaning funds to local business for the express benefit of increasing jobs within the City limits and the repayment of those funds, including principal and interest.
- The Marina fund accounts for the activity of the new marina on the Flint River.

Additionally, the City reports the following fund types:

- Internal service funds account for the employee benefit insurance transactions and the City shop transactions. The cost for insurance and vehicle and equipment repairs and maintenance is assigned to the departments of the City on a cost reimbursement basis.

As a general rule the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are arm's length transactions between the funds of the City, where such elimination would distort the direct costs and program revenues reported for the various functions concerned.

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. The water and sewer fund, as well as the natural gas fund, also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating 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 net assets or equity

1. Deposits and investments

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

All of the City's investments are held with banks in checking accounts, saving accounts, certificates of deposits, and money market accounts. Investments for the City are reported at fair value.

2. Receivables and payables

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

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

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days comprise the trade accounts receivable allowance for uncollectibles, including those for the water and sewer system, the natural gas

system, and the sanitation system. The property tax receivable allowance is equal to 2% of outstanding property taxes at September 30, 2009.

Property taxes are levied as of January 1 on property values assessed as of the same date. The tax levy has a singular billing and is now mailed out in August of each year. The billings are considered past due on December 20th, at which time the applicable property is subject to lien, and penalties and interest are assessed.

3. Inventories and prepaid items

All inventories are valued at cost using the average cost method. Inventories of the government, for both governmental fund types and proprietary fund types, are recorded as expenditures when consumed rather than when purchased.

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

4. Restricted assets

Certain resources set aside for repayment of enterprise fund notes payable are classified as restricted assets on the balance sheet, because their use is limited by applicable note covenants. An investment of the general fund is restricted on the City's balance sheet for the purpose of paying future estimated landfill closure and post-closure care.

5. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The City evaluates the potential impairment of long-lived assets and adjusts the carrying value to fair value. Management recognized no impairments in the current fiscal year. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Infrastructure assets capitalized have an original cost of $5,000 or more.

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. During the fiscal year ending September 30, 2009, no interest was capitalized in either the governmental or enterprise funds.

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

Asset	Years
Buildings	25-50
System Infrastructure	50
Public domain infrastructure	25-50
Improvements	25
Heavy duty vehicles	15
Machinery, equipment and computers	15
Light vehicles	5

6. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation, holiday, and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary 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 and retirements.

7. Accrued Liabilities

All payables and accrued liabilities are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of these funds. Debt service expenditures are recognized as a liability in the governmental fund financial statements when due.

8. Long-term obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts as well as issuance costs, to the extent that they exist, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are reported as deferred charges and amortized over the term of the related debt, if any.

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 while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. 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.

9. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles includes the use of estimates that affect the financial statements. Accordingly, actual results could differ for these estimates. The financial statements and schedules contained herein may include rounding differences in totals.

10. Reclassification of Prior Year Amounts

Certain prior year amounts have been reclassified to conform to current year presentation. These changes are immaterial to the financial statements.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes reconciliation between fund balance - total governmental funds and net assets governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that capital assets of the general fund are not reported in the fund level financial statements because capital assets used in governmental activities are not financial resources. The details of this $17,547,790 difference are as follows:

Land	$	2,341,139
Buildings and Improvements		7,896,711
Machinery and Equipment		5,841,042
Infrastructure		6,054,850
Construction in Progress		1,322,914
Less: Accumulated Depreciation		(5,908,866)
Net Adjustments to Increase Fund Balance - Total Governmental Funds to Arrive at Net Assets - Governmental Activities	$	17,547,790

Another element of that reconciliation explains that "long-term liabilities" are not due and payable in the current period and, therefore, are not reported in the funds. The detail of this $4,848,585 difference is as follows:

Notes Payable and Capital Leases	$	4,124,053
Compensated Absences		427,560
Landfill Post-Closure Care Payable		296,972
Net Adjustment to Reduce Fund Balance - Total Governmental Funds to Arrive at Net Assets - Governmental Activities	$	4,848,585

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in fund balance-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "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." The detail of this $5,291,504 difference is as follows:

Capital Outlay	$	6,102,417
Depreciation Expense		(810,913)
Net adjustment to increase net changes in fund balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	$	5,291,504

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) 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 the amounts are deferred and amortized in the statement of activities." The detail of this $3,859,369 difference is as follows:

Debt Issued or Incurred:		
Proceeds from Notes Payable (GEFA)	$	3,209,004
Debt Transferred:		
GEFA proceeds from Water and Sewer fund to Capital Projects Fund		833,603
Principal repayments:		
Payments on Notes Payable		(183,238)
Net Adjustment to Decrease Net Changes in Fund Balances - Total Governmental Funds to Arrive at Changes in Net Assets of Governmental Activities	$	3,859,369

III. 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 project funds, which adopt project-length budgets. Specifically, the governmental-fund type budgets use the modified accrual basis of accounting.

Except as discussed below, all annual appropriations lapse at fiscal year end. During the week of July 15 of each year, all departments of the City submit request to the City manager so a budget can be prepared. Before September 15 of each year, the proposed budget is presented to and adopted by the Mayor and Council.

The appropriated budget is prepared by fund, function, and department. The City manager may make transfers of appropriations within a department. Transfers of appropriations between functions require the approval of the Mayor and Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the departmental level. The Council made several supplementary budgetary appropriations throughout the year; however, none were considered to be material.

The City uses a modified encumbrance system of accounting for open purchase orders at year-end that are in excess of $1,000. There were no open purchase orders in excess of $1,000 as of September 30, 2009.

B. Excess of expenditures over appropriations

None reported.

C. Balanced budgets

From time to time, the budgets of the individual funds may not appear to balance in accordance with House Bill 1364 of the 1998 Session of the General Assembly. However, as all informed users of the financial statements know, some current year expenditures are financed through prior year's revenues in excess of expenditures. Further, current year expenditures may be financed through future year's revenues in excess of expenditures.

D. Deficit fund equity

At September 30, 2009, the following funds had a deficit balance in fund balance.

- Capital Project Fund $ 860,160
- Employee Benefits 282,680

E. Litigation and Compliance with legal provisions

Litigation

Management does not anticipate any significant claims against the City in excess of insurance coverage.

Compliance with legal provisions

To the best of the City's knowledge, it is in compliance with all finance-related legal and contractual provisions.

IV. Detailed notes on all funds

A. Deposits and investments

Primary Government:

The City invests its surplus funds in certificates of deposit and other government-backed or collateralized instruments provided for by state law. Resources for these investments are provided by the various funds of the City. Interest earned on investments is presented in the financial statements of the various funds. At year end, the City's carrying amount of deposits was $4,047,368 and the bank balance was $4,214,350. Of the bank balance, $1,066,265 was covered by federal depository insurance (FDIC). The remaining balance of $3,148,085 was collateralized with securities held by the pledging financial institution's trust department, but not in the City's name.

General Government	Fair Value	Weighted Average Maturity (Years)
Cash Accounts	$ 1,502,355	NA
Money Market Accounts	495,582	NA
Certificates of Deposit	1,679,115	0.75
Total	$ 3,677,052	
Component Unit		
Cash Accounts	$ 15,246	NA
Money Market Accounts	62,412	NA
Certificates of Deposit	292,658	0.75
Total	$ 370,316	

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means to managing its exposure to fair value losses arising from interest rates.

Credit Risk

The state of Georgia requires that deposits of public local government funds be protected by pledges of securities in an amount no less than 110% of the deposited amounts. Eligible collateral for deposit pledging includes U.S. Government Obligations, U.S. Agencies, State Obligations, General Obligations, World Bank, Merchant Marine bonds, and warrants. During the year all financial institutions complied with this provision of state law.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. State statutes require all deposits and investments (other than federal or state government instruments) to be collateralized by depository insurance, obligations of the U.S. government, or bonds of public authorities, counties, or municipalities. The City does not have a formal Custodial Risk policy.

B. Receivables

Receivables as of the year end for the City's major funds and non-major funds, both governmental-type and business-type in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental-type			Business-type
	Major	Non-major	Total	Major
Receivables:				
Interest	$ 27,119	$ -	$ 27,119	$ -
Taxes	2,556,435	7,193	2,563,628	-
Note	-	-	-	160,078
Accounts	524,097	-	524,097	731,871
Special assessments	-	-	-	31,544
GEFA	24,266	-	24,266	-
Grant	38,624	-	38,624	-
Intergovernmental	234,300	-	234,300	-
Gross receivables	3,404,841	7,193	3,412,034	923,493
Less: allowance for uncollectibles	(70,000)	-	(70,000)	(30,000)
Net Total Receivables	$ 3,334,841	$ 7,193	$ 3,342,034	$ 893,493

C. Property held for resale

During 2008, the Downtown Development Authority (DDA) purchased a piece of property as part of the Water Street revitalization project. As of September 30, 2009, the balance for this property held for resale was $42,683.

D. Capital Assets

Capital asset activity for the year ended September 30, 2009 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 2,341,139	$ -	$ -	$ 2,341,139
Construction in progress	2,576,315	4,975,098	(6,228,499)	1,322,914
Total capital assets, not being depreciated	4,917,454	4,975,098	(6,228,499)	3,664,053
Capital assets, being depreciated:				
Buildings and Improvements	7,834,040	62,671	-	7,896,711
Machinery and equipment	4,899,069	941,973	-	5,841,042
Infrastructure	5,904,291	150,559	-	6,054,850
Total capital assets, being depreciated	18,637,400	1,155,203	-	19,792,603
Less accumulated depreciation for:				
Buildings and Improvements	(1,705,186)	(204,286)	-	(1,909,472)
Machinery and equipment	(3,056,286)	(361,922)	-	(3,418,208)
Infrastructure	(330,182)	(251,004)	-	(581,186)
Total accumulated depreciation	(5,091,654)	(817,212)	-	(5,908,866)
Total capital assets, being depreciated, net	13,545,746	337,991	-	13,883,737
Governmental activities capital assets, net	$ 18,463,200	$ 5,313,089	$ (6,228,499)	$ 17,547,790

	Beginning Balance	Increase	Decrease	Ending Balance
Business activities:				
Capital assets, not being depreciated:				
Land	$ 13,870	$ -	$ -	$ 13,870
Construction in progress	31,446	-	(31,446)	-
Total capital assets, not being depreciated	45,316	-	(31,446)	13,870
Capital assets, being depreciated:				
Buildings and Improvements	25,322,877	6,197,761	-	31,520,638
Machinery and equipment	4,005,388	437,716	-	4,443,104
Total capital assets, being depreciated	29,328,265	6,635,477	-	35,963,742
Less accumulated depreciation for:				
Buildings and Improvements	(9,342,451)	(509,776)	-	(9,852,227)
Machinery and equipment	(1,690,597)	(214,193)	-	(1,904,790)
Total accumulated depreciation	(11,033,048)	(723,969)	-	(11,757,017)
Total capital assets, being depreciated, net	18,295,217	5,911,508	-	24,206,725
Business activities capital assets, net	$ 18,340,533	$ 5,911,508	$ (31,446)	$ 24,220,595

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

Government activities:	
General government	$ 256,052
Public safety	215,214
Public works	209,606
Leisure services	136,340
Total	$ 817,212
Business-type activities:	
Water and Sewer	$ 486,302
Gas	82,080
Sanitation	155,587
Total	$ 723,969

Construction commitments

The City has the following active construction projects as of September 30, 2009:

Project	Original Commitment	Spent-to-Date	Remaining Commitment
Streetscape	$ 1,300,000	$ 69,554	$ 1,230,446
Sports Complex	1,200,000	83,166	1,116,834
Sewer Master Plan, Meter Reading, System and Sewage Treatment	8,302,836	3,345,200	4,957,636
Go Fish / Boat Ramps	1,000,000	98,389	901,611
	$ 11,802,836	$ 3,596,309	$ 8,206,527

E. Inter-fund receivables, payables, and transfers

Inter-fund balances consist of the following amounts and represent charges for services or reimbursable expenses. These remaining balances resulted from the time between the dates that inter-fund goods or services are provided or reimbursable expenditures occur.

Receivable Fund	Payable Fund	Amount
General	Water and Sewer	$ 211,367
General	Internal Service	196,949
General	Nonmajor governmental	10,846
General	Capital Project Fund	1,093,010
General	SPLOST 5	41,750
City Shop	Sanitation	5,902
Water and Sewer	SPLOST 5	4,183
Sanitation	General	31,365
Gas	General	6,580
Nonmajor governmental	General	295
SPLOST 4	SPLOST 5	97,396
		$ 1,699,643

The purpose of these "Due to/ From Other Funds" inter-fund balances was to facilitate cash flow.

Transfers:

Transfers In	Amount	Transfers Out	Amount
General	$ 1,261,836	Water and Sewer	$ 725,060
		Natural Gas	189,983
		Sanitation	346,793
General	60,888	Non-major governmental	60,888
General	234,300	Capital Project - Telecommunication	234,300
Water and Sewer	6,129,002	Government Wide (Capital Assets)	6,129,002
Natural Gas	99,500	Government Wide (Capital Assets)	99,500
Water and Sewer	50,031	Natural Gas	50,031
Marina	63,272	General	63,272
Total	$ 7,898,829	Total	$ 7,898,829

The primary reason for the above listed transfers is that of full cost allocation.

F. Long-term debt

Note Payable:

In 1998, the City borrowed $1,561,185 from the Bank to call the series 1978 Bonds and to pay-off the Georgia Environmental Facilities Authority loan. The Bank loan is paid in quarterly installments including interest at the rate of 4.75%. Interest earned on pooled savings is less than this rate. During the year ended September 30, 2009, the City paid the remaining $12,443 principal balance on the loan.

Notes Payable – Georgia Municipal Association Lease Pool

The City has purchased equipment and vehicles through Georgia Municipal Association Lease Pool. These notes are as follows:

	Governmental Activities	Business-type Activities
Note Payable to GMA, payable in quarterly installments of $35,714 including interest at 4.03% through December 2009.	$ 35,358	$ -
Note Payable to GMA, payable in yearly installments of $84,458 including interest at 3.64% through November 2018.	697,407	-
Note Payable to GMA, payable in quarterly installments of $45,499 including interest at 3.97% through April 2010.	46,087	87,172
Total	$ 778,852	$ 87,172

GMA notes payable annual debt service requirements are as follows:

	Governmental Activities		
September 30,	Principal	Interest	Total
2010	$ 140,447	$ 26,742	$ 167,189
2011	61,220	23,238	84,458
2012	63,449	21,010	84,459
2013	65,759	18,700	84,459
2014	68,152	16,306	84,458
2015-2018	379,825	42,465	422,290
Total	$ 778,852	$ 148,461	$ 927,313

	Business-type Activities		
September 30,	Principal	Interest	Total
2010	$ 87,172	$ 1,736	$ 88,908
Total	$ 87,172	$ 1,736	$ 88,908

Note Payable: Georgia Environmental Facilities Authority

During September 2008, the City entered into a loan agreement with the Georgia Environmental Facilities Authority (GEFA). The debt proceeds from this loan will be used for the installation of automated meter reading for the gas and water meters, new water lines and pump stations with appurtenances. In addition, the funds will be used for construction of sewer extension projects and capital improvements to the wastewater treatment plant.

The principal and interest on this note is payable in 239 consecutive monthly installments equal to the installment amount, commencing on the first day of the calendar month following the amortization commencement date. The note bears interest at a rate of 4.27% annually. As of September 30, 2009, the debt proceeds on this note equaled $3,345,201.

Changes in long-term liabilities

Long-term liability activity for the year ended September 30, 2009 was as follows:

	Balance 9/30/2008	Increase	Decrease	Balance 9/30/2009	Due Within One Year
Governmental Activities:					
Notes Payable - GMA	$ 264,683	$ 697,407	$ (183,238)	$ 778,852	$ 140,447
Notes Payable - GEFA	833,603	2,511,598	-	3,345,201	-
Landfill closure and post-closure	309,827	-	(12,855)	296,972	12,855
Compensated absences	399,119	28,441	-	427,560	85,512
	$ 1,807,232	$ 3,237,446	$ (196,093)	$ 4,848,585	$ 238,814
Business-type Activities:					
Notes Payable - GMA	$ 171,800	$ -	$ (84,628)	$ 87,172	$ 87,172
Notes Payable	12,443	-	(12,443)	-	-
Compensated absences	70,771	6,215	-	76,986	15,397
	$ 255,014	$ 6,215	$ (97,071)	$ 164,158	$ 102,569

The compensated absences liability is liquidated from the fund from which the employees' salaries are paid. Currently, the City pays approximately 60% of its salaries in the General Fund with the remainder paid from internal service and proprietary funds.

Compensated absences

All full-time employees and acting full-time employees are eligible for annual leave and sick leave.

Years of Annual Hours Worked	Continuous Service	Annual Leave Earned Monthly	Maximum Hours Acceptable
2,080	0-7	6.67	80
2,080	8-14	10.00	120
2,080	15-19	13.33	160
2,080	20+	16.66	200
2,184	0-7	7.00	84
2,184	8-14	10.50	126
2,184	15-19	14.00	168
2,184	20+	17.50	210

All accumulated annual leave is payable upon resignation, retirement, or death. All eligible employees earn 8 hours of sick leave per month except public safety officers, who earn 8.4 hours. Eligible employees may accumulate sick leave up to 960 hours. After an employee accumulates the maximum of 960 hours, he may redeem additional leave earned at the rate of one day per every two days earned beyond the maximum. Accumulated sick leave benefits are available for the personal health care of an employee and immediate family members. Accumulated sick leave is forfeited on termination of employment.

G. Leases

Operating Leases:

As of September 30, 2009, the City was not the lessee in any operating lease.

Capital Leases:

As of September 30, 2009, the City was not the lessee in any capital leases.

V. Other information

A. Risk management

The City is exposed to various risk of losses related to torts, thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for property and liability insurance and the Workers' Compensation Self-insurance Fund (WCSLF), public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools. Chapter 85 of Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies.

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

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

B. Related party transactions

To the knowledge of the City, its Mayor and Council, and its management, there are no material related party transactions.

C. Subsequent events

To the knowledge of the City, its Mayor and Council, and its management, there are no material subsequent events that have impaired any asset of the City.

D. Contingent liabilities

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

E. Discretely Presented Component Units, Joint Ventures, and Related Organizations

Discretely Presented Component Units:

The Downtown Development Authority (D.D.A.) - An authority created to oversee the development of downtown Bainbridge. Board members are appointed by the Mayor and Council, and the D.D.A. could be abolished by act of the Mayor and Council. The City, although it does not, could exert significant influence over the D.D.A.

Separate financial statements are available from the City's Director of Community Development at 107 Broad Street, Bainbridge, GA 39817.

The Bainbridge Area Convention and Visitors' Bureau Authority (the Bureau) – An authority created to promote tourism, conventions, and trade shows within The City of Bainbridge, Georgia. The board consists of six directors, who serve one-year terms at the pleasure of the Mayor and Council. The Bureau has the right to control all management and fiscal matters;

however, the budget of the Bureau must be approved by the City Council. The City collects a special hotel/motel tax that primarily funds the Bureau.

Governmental accounting standards require reasonable separation between the Primary Government and it's discretely presented component units both in the financial statements and in the related notes and required supplemental information. Because the discretely presented component unit, although legally separate, has been and is operated as if part of the primary government, there are limited instances where special note reference or separation will be required. If no separate note reference or categorization is made, the reader should assume that information presented is equally applicable.

Joint Ventures:

The City of Bainbridge, in conjunction with cities and counties in the fourteen (14) county Southwest Georgia areas are members of the Southwest Georgia Regional Development Center (RDC). Membership in an RDC is automatic for each municipality and county in the state. The Official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organizational structure of the RDCs. Each county and municipality in the state is required by law to pay minimum annual dues to the RDC. The City paid annual dues in the amount of $11,500 to the RDC for the year ended September 30, 2009. The RDC Board membership includes the chief elected official of each county and the chief elected official of each municipality. The county board members and municipal board members from the same county elect one member of the Board who is a resident (but not an elected or appointed official or employee of the county or municipality) to serve as the non-public Board member from a county.

The Georgia Planning Act of 1989 (O.C.G.A. 50-8-34) defines RDCs as "public agencies and instrumentalities of their members." Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. (O.C.G.A. 50-8-39.1) A copy of the Center's annual financial report is available at 30 West Broad Street, Camilla, Georgia 31730.

Related Organization:

The Housing Authority of the City of Bainbridge, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of some members appointed by the City of Bainbridge, Georgia. The City of Bainbridge, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Bainbridge, Georgia is not a component unit, but is a related organization. A copy of the Authority's annual financial report is available at 108 South Sims Street, Bainbridge, Georgia 39817.

F. Other post-employment benefits

The City of Bainbridge offers a post-employment health insurance benefit whereby the City subsidizes the cost of health care insurance for those retirees remaining with the City's group health plan. The post-employment benefits are not part of a qualified plan and accordingly, are included in the operations of the Employee Benefits Fund, on a pay as you go basis.

The City subsidizes a minimum of 50% of single or family coverage for those retiring on or after May 7, 2002. This benefit, which was approved at a regular session of Mayor and Council on May 7, 2002, is available to retirees from the date of retirement to the time they are eligible for Medicare benefits. As of year end, there were 2 retirees participating in the program. For the year ended September 30, 2009, the City paid $2,668 for these benefits, which was net of $3,070 of retiree contributions.

G. Employee retirement systems and pension plans

Deferred compensation plans:

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. Participation in the plans is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

Investments are managed by the plans trustees under one of four investment options, or a combination thereof. The choice of the investment option(s) is made by the participants.

Pension plan:

Plan description

The City participates in the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple employer public employee retirement system that acts as a common investment and administrative agent for cities in Georgia. GMEBS is a defined benefit pension plan, which provides retirement, disability, and death benefits to plan members and beneficiaries. GMEBS was created and is governed by Georgia Statute, O.C.G.A. 47-5-2. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street Southwest, Atlanta, GA 30033 or by calling (404) 688-0472.

Funding policy

The City contributes the full amount necessary to fund the plan, using minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The City's funding policy for the plan is to contribute an amount equal to the pension expense in each year. The actuarial value of assets was determined using fair market value.

Annual pension cost

For the year ended September 30, 2009, the City's annual pension cost of $588,965 was equal to the City's required and actual contributions. The required contribution was determined as part of the March 1, 2009 annual actuarial valuation using the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years from actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods are closed for this plan year.

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Actual Contribution	Net Pension Obligation
09/30/09	$ 258,613	100%	$ 588,965	
09/30/08	242,551	100%	349,836	-
09/30/07	215,582	100%	290,413	-
09/30/06	211,061	100%	268,833	-
09/30/05	193,621	100%	231,014	-
09/30/04	182,367	100%	190,961	-
09/30/03	160,801	100%	172,356	-

Actuarial Valuation Information:

Valuation date:	March 1, 2009	
Actuarial cost method:	Projected Unit Credit	
Amortization method:	Closed level dollar for remaining unfunded liability	
Actuarial value of assets:	$5,413,301	
Actuarial accrued liabilities:	$7,648,313	
Unfunded/(Surplus) Actuarial accrued liability:	$2,235,012	
Annual covered payroll:	$5,369,706	
Actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio):	70.78%	
Ratio of unfunded actuarial liability (or funding excess) to annual covered payroll:	41.62%	
Actuarial assumptions:		
Investment rate of return	8.00%	
Projected salary increases	5.50%	
Cost of living adjustments	0.00%	
Membership to the plan:		
Retirees and beneficiaries receiving benefits		41
Terminated plan members entitled to, but not yet receiving benefits		34
Active plan members		149
Total		224

H. Group insurance

The City maintains a self-funded group insurance plan for City employees with stop-loss coverage provided by American National Insurance Company. Group Resources, Inc, of Duluth, Georgia, handles the administration of the program and claims. Financing of the plan is provided by the City and employees participating in the plan. The transactions of the self-funded group insurance plan are accounted for by the Employee Benefits Fund.

Liabilities of the Employee Benefits Fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amount of payouts and other economic and social factors.

Current Fiscal Year	
Unpaid claims 9/30/2008	$ 108,488
Incurred claims	1,884,916
Claims paid	(1,819,284)
Unpaid claims 9/30/2009	$ 174,120
Prior Fiscal Year	
Unpaid claims 9/30/2007	$ 50,000
Incurred claims	1,822,166
Claims paid	(1,763,678)
Unpaid claims 9/30/2008	$ 108,488

I. Property taxes

The City contracted with the tax commissioner of Decatur County to bill and collect property taxes. For the year ended September 30, 2009, the following dates comprise the property tax calendar.

01/01/09	Date at which Decatur County established a tax roll and value for each property
08/04/09	Mileage rate set by Mayor & Council (considered levy date)
08/25/09	Property taxes were billed and notices were mailed
12/20/09	Bills became delinquent and penalties and interest were assessed
01/10/10	Enforceable lien attached on property of delinquent taxes

J. Hotel/ Motel Tax

During the year ended September 30, 2009, the City of Bainbridge, Georgia collected $104,509 in Hotel/Motel Tax in accordance with the 5% provision authorized by O.C.G.A. 48-13-51(a)(3). As required by O.C.G.A. 48-13-51, the City is required to expend an amount equal to the amount by which the 5% provision exceeds the tax that would have been collected at the 3% rate under O.C.G.A. 48-1 3-5 1 (a)(2) for the purpose of promoting tourism. The amount by which the 5% provision exceeds the 3% provision is $43,668. In accordance with the provision, the City expended an amount in excess of this provision on promoting tourism.

Tax receipts	$ 104,509
Interest	47
Total revenue	104,556
Amount expended (3% portion)	60,888
Amount expended (2% portion)	43,668
Total expenditures	104,556
Net change in fund balance	$ -
Amount of expenditures expressed as a percentage of tax receipts	100.04%
Amount of expenditures expressed as a percentage of total revenue	100.00%

K. Landfill closure and post-closure care costs

State and federal laws and regulations require that the City of Bainbridge place a final cover on its landfill when closed and perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. A liability has been recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs has been accrued in full because the landfill is no longer accepting waste. The estimated liability for landfill closure and post-closure care costs has a balance of $296,972 as of September 30, 2009, which is based on 100% usage (filled) of the landfill. This liability results in the restriction of net assets as reported on the government-wide statement of net assets and expensed on the government wide statement of activities as incurred over a 30-year period, which began in the year 2000. This landfill was operated and accounted for in the general fund prior to the City's creation of a sanitation enterprise fund.

The estimated total current cost of the landfill closure and post-closure care of $296,972 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of September 30, 2009. However, the actual cost of closure and post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City of Bainbridge is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The City is in compliance with these requirements, and as of September 30, 2009, investments of $296,972 (market value) are held for these purposes. These investments are held and managed by the City and are restricted on the City's balance sheet. It is anticipated that future inflation costs will be financed in part from earnings on investments held by the City. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, taxpayers, or both.

L. Changes in restrictions of net assets

The following changes to restricted net assets occurred during the year:

Landfill Closure and Post Closure Care:		
Restricted net assets - beginning balance	$	309,827
Decrease in restriction of net assets for adjustment to current estimated cost of landfill closure and post-closure care cost General Fund		(12,855)
Restricted net assets - ending balance		296,972
Voter Designated Projects:		
Restricted net assets - beginning balance		(98,320)
Net increase in cash and investments on the Special Purpose Local Option Sales Tax funds after current year activity.		546,966
Restricted net assets - ending balance		448,646
Public Safety - Confiscated Assets:		
Restricted net assets - beginning balance		42,210
Net increase in cash on the confiscated assets fund after current year activitiy		24,150
Restricted net assets - ending balance		66,360
Government-wide restricted net assets as of September 30, 2009	**$**	**5,023,203**

REQUIRED SUPPLEMENTAL INFORMATION

City of Bainbridge, Georgia
Required Supplementary Information
Schedule of Funding Progress for the City of Bainbridge Retirement Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) --Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll c	UAAL as a Percentage of Covered Payroll (b-a)/c
03/01/09	$ 5,413,301	$ 7,648,313	$ 2,235,012	70.8%	$ 5,369,706	41.6%
03/01/08	6,376,368	7,061,663	685,295	90.3%	5,019,409	13.7%
03/01/07	5,883,852	6,350,322	466,470	92.7%	4,573,418	10.2%
03/01/06	5,423,967	5,772,740	348,773	94.0%	4,271,512	8.2%
03/01/05	5,038,296	5,298,856	260,560	95.1%	4,219,674	6.2%
03/01/04	4,710,485	4,770,365	59,880	98.7%	3,839,904	1.6%
03/01/03	4,449,964	4,483,055	33,091	99.3%	3,674,138	0.9%

City of Bainbridge, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual Amounts	
REVENUES				
Taxes:				
Sales	$ 2,356,827	$ 2,356,827	$ 2,090,761	$ (266,066)
Occupational	411,462	381,837	345,705	(36,132)
Property	1,142,266	1,142,267	986,879	(155,388)
Franchise	918,750	918,753	910,687	(8,066)
Insurance premiums	724,879	724,879	649,904	(74,975)
Alcoholic beverage	325,619	325,619	330,513	4,894
Other	59,748	58,230	23,824	(34,406)
Permits	46,668	46,668	37,166	(9,502)
Intergovernmental	43,030	72,655	68,999	(3,656)
Charges for services	283,419	283,419	231,630	(51,789)
Fines	695,666	695,667	568,341	(127,326)
Investment earnings	341,842	341,842	55,786	(286,056)
Miscellaneous	178,714	178,714	103,522	(75,192)
Total revenues	7,528,890	7,527,377	6,403,717	(1,123,660)
EXPENDITURES				
Current:				
General government:				
Mayor & council	526,971	526,971	405,456	121,515
City manager	233,448	233,448	190,911	42,537
Finance-office of the director	708,327	708,327	678,214	30,113
Purchasing	247,094	195,020	150,525	44,495
Computer Information Systems	214,356	214,356	194,964	19,392
Planning & Zoning	137,316	137,316	93,559	43,757
Building	83,703	83,703	86,393	(2,690)
Total general government	2,151,215	2,099,141	1,800,022	299,119
Judicial:				
City attorney	20,350	20,350	16,850	3,500
City court	173,819	225,892	225,892	-
Total judicial	194,169	246,242	242,742	3,500
Community development:				
Mainstreet tourism	321,169	321,166	262,611	58,555
Neighborhood watch/pub info	13,400	13,400	3,825	9,575
Communications	86,669	86,669	48,292	38,377
Total community development	421,238	421,235	314,728	106,507
Public works:				
Maintenance	147,970	147,970	129,189	18,781
Streets	1,635,041	1,635,041	1,505,392	129,649
Total public works	1,783,011	1,783,011	1,634,581	148,430
Public safety:				
Administration	494,268	494,268	455,553	38,715
Services	3,087,137	3,087,146	3,089,111	(1,965)
Driver improvement	26,265	26,265	22,158	4,107
Total public safety	3,607,670	3,607,679	3,566,822	40,857
Leisure services:				
Administration	160,229	169,000	169,000	-
Programs	166,921	158,148	155,278	2,870
Pools	81,216	81,216	69,231	11,985
Tennis Center	93,855	92,394	80,592	11,802
Parks	671,214	672,678	672,678	-
Total leisure services	1,173,435	1,173,436	1,146,779	26,657

City of Bainbridge, Georgia
General Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
For the Year Ended September 30, 2009

	Budgeted Amounts			Variance with Final Budget - Over (Under)
	Original	Final	Actual Amounts	
Debt service:				
Principal	198,041	198,949	183,238	15,711
Interest	8,268	7,360	7,208	152
Total debt service	206,309	206,309	190,446	15,863
Total expenditures	9,537,047	9,537,053	8,896,120	640,933
Excess (deficiency) of revenues over (under) expenditures	(2,008,157)	(2,009,676)	(2,492,403)	(482,727)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,590,157	1,590,157	1,557,024	(33,133)
Transfers out	-	-	(63,272)	(63,272)
Sale of surplus property	25,000	24,999	6,853	(18,146)
Debt Issuance	393,000	393,000	-	(393,000)
Total other financing sources (uses)	2,008,157	2,008,156	1,500,605	(507,551)
Net change in fund balance	-	(1,520)	(991,798)	(990,278)
Fund balance -- beginning	6,505,516	6,505,516	6,505,516	-
Fund balance -- ending	$ 6,505,516	$ 6,503,996	$ 5,513,718	$ (990,278)

Note: The budgetary basis of accounting used is modified accrual.

City of Bainbridge, Georgia
Special Purpose Local Option Sales Tax #4
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
From Inception and for the Year Ended September 30, 2009

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Taxes:				
Sales	$ 6,389,377	$ 879,107	$ 7,268,484	$ 10,228,400
Intergovernmental	521,506	1,032,920	1,554,426	-
Investment earnings	25,431	2,699	28,130	-
Total revenues	6,936,314	1,914,726	8,851,040	10,228,400
EXPENDITURES				
Capital outlay:				
Buildings and building improvements	250,000	-	250,000	-
Other Equipment	9,666	-	9,666	-
Infrastructure	8,771,860	2,582,992	11,354,852	10,228,400
Total expenditures	9,031,526	2,582,992	11,614,518	10,228,400
Excess (deficiency) of revenues over (under) expenditures	(2,095,212)	(668,266)	(2,763,478)	-
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	1,632,423	1,632,423	-
Total other financing sources (uses)	-	1,632,423	1,632,423	-
Net change in fund balance	$ (2,095,212)	964,157	$ (1,131,055)	$ -
Fund balance -- beginning		(98,320)		
Fund balance -- ending		$ 865,837		

Note: The budgetary basis of accounting used is modified accrual.

City of Bainbridge, Georgia
Special Purpose Local Option Sales Tax #5
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
From Inception and for the Year Ended September 30, 2009

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Taxes:				
Sales	$ -	$ 562,032	$ 562,032	$ 13,467,743
Intergovernmental	-	-	-	-
Investment earnings	-	195	195	-
Total revenues	-	562,227	562,227	13,467,743
EXPENDITURES				
Capital outlay:				
Buildings and building improvements	-	-	-	-
Other Equipment	-	-	-	-
Infrastructure	-	2,529,442	2,529,442	13,467,743
Total expenditures	-	2,529,442	2,529,442	13,467,743
Excess (deficiency) of revenues over (under) expenditures	-	(1,967,215)	(1,967,215)	-
OTHER FINANCING SOURCES (USES)				
Debt Issuance	-	2,410,184	2,410,184	-
Total other financing sources (uses)	-	2,410,184	2,410,184	-
Net change in fund balance	$ -	442,969	$ 442,969	$ -
Fund balance -- beginning		-		
Fund balance -- ending		$ 442,969		

Note: The budgetary basis of accounting used is modified accrual.

OTHER SUPPLEMENTAL INFORMATION

Non-Major Governmental Funds

Special Revenue Funds

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

Confiscated Assets Fund – This fund is used to account for confiscated assets that are received from public safety functions.

Visitors' Information Center Fund – This fund is used to account for the state operating grant to run the Southwest Georgia Visitors' Information Center.

Tennis Tournaments Fund – This fund is used to account for the special event tennis tournaments sponsored by the City.

Hotel/ Motel Tax Fund – This fund is used to account for the lodging tax imposed on places of occupancy within Bainbridge.

Capital Project Funds

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

Community Development Block Grant (CDBG) – Butler Ferry Road – This fund is used to account for the community development block grant that is funding the North East Bainbridge Sewer project.

Transportation Enhancement Grant (TEA Grant) – This fund accounts for the demolition, construction, and enhancement of the streetscape within the central business district.

City of Bainbridge, Georgia
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2009

	Special Revenue				
	Confiscated Assets	Visitors' Information	Tennis Tournament	Hotel / Motel Tax Fund	Total
ASSETS					
Cash and cash equivalents	$ 39,897	$ -	$ -	$ 10,471	$ 50,368
Investments	-	-	26,347	-	26,347
Receivables (net of allowance)	-	-	-	7,193	7,193
Prepaid items	-	-	-	-	-
Due from other funds	295	-	-	-	295
Inventories	-	-	-	-	-
Cash-restricted	-	-	-	-	-
Total assets	$ 40,192	$ -	$ 26,347	$ 17,664	$ 84,203
LIABILITIES					
Accounts payable	$ 179	$ -	$ -	$ 6,818	$ 6,997
Retainage payable	-	-	-	-	
Wages and benefits payable	-	-	-	-	-
Intergovernmental payable	-	-	-	-	-
Due to other funds	-	-	-	10,846	10,846
Deferred revenue	-	-	-	-	-
Liabilities payable from restricted assets	-	-	-	-	-
Total liabilities	179	-	-	17,664	17,843
FUND BALANCES					
Reserved for:					
Landfill closure	-	-	-	-	-
Reserved, reported in:					
General fund	-	-	-	-	-
Special revenue funds	40,013	-	26,347	-	66,360
Capital projects	-	-	-	-	-
Permanent funds	-	-	-	-	-
Total fund balances	40,013	-	26,347	-	66,360
Total liabilities and fund balances	$ 40,192	$ -	$ 26,347	$ 17,664	$ 84,203

City of Bainbridge, Georgia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2009

	Special Revenue				
	Confiscated Assets	Visitors' Information	Tennis Tournament	Hotel / Motel Tax Fund	Total
REVENUES					
Taxes:					
Sales	$ -	$ -	$ -	$ -	$ -
Alcoholic beverage	-	-	-		-
Hotel/ Motel	-	-	-	104,509	104,509
Permits	-	-	-	-	-
Intergovernmental	-	63,542	-	-	63,542
Charges for services	-	-	-	-	-
Fines	-	-	-	-	-
Investment earnings	92	-	648	47	787
Miscellaneous	27,880	-	-	-	27,880
Total revenues	27,972	63,542	648	104,556	196,718
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Public safety	4,471	-	-	-	4,471
Public works	-	-	-	-	-
Judicial	-	-	-	-	-
Community development	-	63,542	-	43,668	107,210
Leisure services	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	4,471	63,542	-	43,668	111,681
Excess (deficiency) of revenues over (under) expenditures	23,501	-	648	60,888	85,037
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(60,888)	(60,888)
Debt Issuance	-	-	-	-	-
Sale of surplus property	-	-	-	-	-
Total other financing sources (uses)	-	-	-	(60,888)	(60,888)
Net change in fund balance	23,501	-	648	-	24,149
Fund balance -- beginning	16,512		25,699	-	42,211
Fund balance -- ending	$ 40,013	$ -	$ 26,347	$ -	$ 66,360

City of Bainbridge, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended September 30, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget -- Positive (Negative)
REVENUES				
Investment earnings	$ -	$ 92	$ 92	$ -
Drug forfeitures	15,367	43,247	27,880	(15,367)
Total revenues	15,367	43,339	27,972	(15,367)
EXPENDITURES				
Current:				
Public safety	15,367	15,950	4,471	11,479
Total expenditures	15,367	15,950	4,471	11,479
Excess (deficiency) of revenues over (under) expenditures	-	27,389	23,501	(3,888)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Sale of surplus property	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	-	27,389	23,501	(3,888)
Fund balance -- beginning	16,512	16,512	16,512	-
Fund balance -- ending	$ 16,512	$ 43,901	$ 40,013	$ (3,888)

Note: The budgetary basis of accounting used is modified accrual.

City of Bainbridge, Georgia
Visitors' Information Center
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget to Actual
For the Year Ended September 30, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget -- Positive (Negative)
REVENUES				
Intergovernmental	$ 63,542	$ 63,542	$ 63,542	$ -
Total revenues	63,542	63,542	63,542	-
EXPENDITURES				
Current:				
Community development	63,542	63,542	63,542	-
Total expenditures	63,542	63,542	63,542	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance -- beginning	-	-	-	-
Fund balance -- ending	$ -	$ -	$ -	$ -

Note: The budgetary basis of accounting used is modified accrual.

City of Bainbridge, Georgia
Tennis Tournament
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended September 30, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget -- Positive (Negative)
REVENUES				
Investment earnings	$ -	$ 700	$ 648	$ (52)
Miscellaneous	-	-	-	-
Total revenues	-	700	648	(52)
EXPENDITURES				
Current:				
Leisure services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	700	648	(52)
Net change in fund balance	-	700	648	(52)
Fund balance -- beginning	25,699	25,699	25,699	-
Fund balance -- ending	$ 25,699	$ 26,399	$ 26,347	$ (52)

Note: The budgetary basis of accounting used is modified accrual.

City of Bainbridge, Georgia
Hotel/ Motel Tax Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
For the Year Ended September 30, 2009

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget -- Positive (Negative)
REVENUES				
Taxes:				
Hotel/Motel	$ 128,254	$ 128,254	$ 104,509	$ (23,745)
Investment earnings	50	50	47	(3)
Total revenues	128,304	128,304	104,556	(23,748)
EXPENDITURES				
Current:				
Judicial	52,092	52,093	43,668	8,425
Community development	-	-	-	-
Total expenditures	52,092	52,093	43,668	8,425
Excess (deficiency) of revenues over (under) expenditures	76,212	76,211	60,888	(15,323)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(76,162)	(76,161)	(60,888)	15,273
Sale of surplus property	-	-	-	-
Total other financing sources (uses)	(76,162)	(76,161)	(60,888)	15,273
Net change in fund balance	50	-	-	(50)
Fund balance -- beginning	-	-	-	-
Fund balance -- ending	$ 50	$ -	$ -	$ (50)

Note: The budgetary basis of accounting used is modified accrual.

City of Bainbridge, Georgia
Community Development Block Grant - Butler Ferry Road
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
From Inception and for the Year Ended September 30, 2009

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Intergovernmental	$ 430,380	$ -	$ 430,380	$ 500,000
Investment earnings	-	-	-	-
Total revenues	430,380	-	430,380	500,000
EXPENDITURES				
Capital outlay:				
Infrastructure	430,380	-	430,380	500,000
Total expenditures	430,380	-	430,380	500,000
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	$ -	-	$ -	$ -
Fund balance -- beginning		-		
Fund balance -- ending		$ -		

Note: The budgetary basis of accounting used is modified accrual.

City of Bainbridge, Georgia
Transportation Enhancement Grant
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget to Actual
From Inception and For the Year Ended September 30, 2009

	Prior Years	Current Year	Total to Date	Project Authorization
REVENUES				
Intergovernmental	$ 400,661	$ -	$ 400,661	$ 500,000
Investment earnings	-	-	-	-
Total revenues	400,661	-	400,661	500,000
EXPENDITURES				
Capital outlay:				
Infrastructure	400,661	-	400,661	500,000
Total expenditures	400,661	-	400,661	500,000
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Net change in fund balance	$ -	-	$ -	$ -
Fund balance -- beginning		-		
Fund balance -- ending		$ -		

Note: The budgetary basis of accounting used is modified accrual.

Internal Service Funds

Internal service funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Employee Benefit Internal Service Fund – This fund is used to account for the provision of health care coverage to City employees and their families. The actual cost is charged out to the user departments to reimburse the insurance cost of the internal service funds.

City Shop Internal Service Fund – This fund is used to account for the repairs and maintenance to City vehicles and machinery. Charges are billed to the user departments that consist of a labor charge, a parts charge, and an overhead charge.

City of Bainbridge, Georgia
Internal Service Funds
Combining Statement of Net Assets
September 30, 2009

	City Shop	Employee Benefits	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ -	$ 24,958	$ 24,958
Due from other funds	5,902	-	5,902
Inventories	61,667	-	61,667
Prepaid items	298	-	298
Total current assets	67,867	24,958	92,825
Noncurrent assets:			
Capital assets:			
Land	-	-	-
Building and system	23,749	-	23,749
Machinery and equipment	156,179	-	156,179
Construction in progress	-	-	-
Less: accumulated depreciation	(108,563)	-	(108,563)
Total capital assets, net of accumulated depreciation	71,365	-	71,365
Total noncurrent assets	71,365	-	71,365
Total assets	$ 139,232	$ 24,958	$ 164,190
LIABILITIES			
Current liabilities:			
Accounts payable	$ 8,280	$ 174,120	$ 182,400
Due to other funds	63,431	133,518	196,949
Wages and benefits payable	9,254	-	9,254
Compensated absences	30,375	-	30,375
Total current liabilities	111,340	307,638	418,978
Noncurrent liabilities:			
Notes payable	-	-	-
Capital leases payable	-	-	-
Total noncurrent liabilities	-	-	-
Total liabilities	111,340	307,638	418,978
NET ASSETS			
Invested in capital assets, net of related debt	71,365	-	71,365
Restricted for debt service	-	-	-
Unrestricted	(43,473)	(282,680)	(326,153)
Total net assets	$ 27,892	$ (282,680)	$ (254,788)

City of Bainbridge, Georgia
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
For the Year Ended September 30, 2009

	City Shop	Employee Benefit	Total
Operating revenues:			
Charges for sales and services:			
Shop user charges	$ 831,354	$ -	$ 831,354
Premiums	-	1,713,430	1,713,430
Total operating revenues	831,354	1,713,430	2,544,784
Operating expenses:			
Administration	825,207	1,884,916	2,710,123
Depreciation	6,303	-	6,303
Total operating expenses	831,510	1,884,916	2,716,426
Operating income (loss)	(156)	(171,486)	(171,642)
Nonoperating revenues (expenses)			
Investment earnings	-	177	177
Interest expense	-	-	-
Gain (loss) on sale of fixed assets	158	-	158
Total nonoperating revenue (expenses)	158	177	335
Income (loss) before contributions and transfers	2	(171,309)	(171,307)
Transfers in	-	-	-
Donated capital assets	-	-	-
Transfers out	-	-	-
Change in net assets	2	(171,309)	(171,307)
Total net assets -- beginning	27,890	(111,371)	(83,481)
Total net assets - ending	$ 27,892	$ (282,680)	$ (254,788)

City of Bainbridge, Georgia
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2009

	City Shop	Employee Benefit	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	$ 831,354	$ 1,713,430	$ 2,544,784
Payments to employees	(414,751)	-	(414,751)
Payments to suppliers	(388,877)	(1,754,145)	(2,143,022)
Net cash provided by (used in) operating activities	27,726	(40,715)	(12,989)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers in (out)	-	-	-
Net advance to other funds	-	-	-
Net advance from other funds	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	-	-	-
Purchase of capital assets	(27,884)	-	(27,884)
Proceeds from sales of capital assets	158	-	158
Net cash (used in) capital and related financing activities	(27,726)	-	(27,726)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	-	177	177
Proceeds from sales and maturities of investments	-	-	-
Purchase of investments	-	-	-
Loan principal received	-	-	-
Net cash provided by investing activities	-	177	177
Net (decrease) in cash and cash equivalents	-	(40,538)	(40,538)
Cash and cash equivalents, October 1, 2008	-	65,496	65,496
Cash and cash equivalents, September 30, 2009	$ -	$ 24,958	$ 24,958

City of Bainbridge, Georgia
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended September 30, 2009

	City Shop	Employee Benefit	Total
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	$ (156)	$ (171,486)	$ (171,642)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	6,303	-	6,303
(Increase) decrease in accounts receivable	-	-	-
Decrease in inventories	18,125	-	18,125
Decrease in prepaid items	2,363	-	2,363
(Decrease) in accounts payable	(30,360)		(30,360)
Increase in internal balances	29,928	65,139	95,067
Increase in claims payable	-	65,632	65,632
Increase in payroll liabilities	1,523	-	1,523
Total adjustments	27,882	130,771	158,653
Net cash provided by (used in) operating activities	$ 27,726	$ (40,715)	$ (12,989)

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

City of Bainbridge, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source[1]
September 30, 2009

	2009
Governmental fund capital assets:	
Land	$ 2,341,140
Buildings	5,420,815
Improvements other than buildings	2,452,144
Machinery & equipment	5,617,990
Infrastructure	6,121,723
Construction in progress	1,322,914
Total governmental fund capital assets	$ 23,276,726
Investments in governmental funds capital assets by source:	
General fund	$ 21,953,812
Special revenue funds	1,322,914
Capital projects funds	-
Assets under capital lease	-
Total governmental funds capital assets	$ 23,276,726

[1]This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds, if any, are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Bainbridge, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity[1]
September 30, 2009

Function and Activity	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction in Progress	Total
General government	$ 944,516	$ 2,483,544	$ 270,541	$ 357,408	$ 3,349,853	$ -	$ 7,405,862
Public safety	139,500	727,123	-	2,754,623	-	-	3,621,246
Public works	1,183,927	358,773	8,795	2,252,416	2,771,870	-	6,575,781
Purchasing	14,275	161,738	-	19,150	-	-	195,163
Leisure services	58,922	1,689,637	2,172,808	234,393	-	-	4,155,760
Construction in Progress	-	-	-	-	-	1,322,914	1,322,914
Total governmental funds capital assets	$ 2,341,140	$ 5,420,815	$ 2,452,144	$ 5,617,990	$ 6,121,723	$ 1,322,914	$ 23,276,726

[1]This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds, if any, are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

City of Bainbridge, Georgia
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity[1]
For the fiscal year ended September 30, 2009

Function and Activity	Governmental Funds Capital Assets October 01, 2008	Additions	Deductions	Governmental Funds Capital Assets September 30, 2009
General government	$ 7,311,229	$ 94,633	$ -	$ 7,405,862
Public safety	2,735,060	886,186	-	3,621,246
Public works	6,429,285	146,496	-	6,575,781
Purchasing	195,163	-	-	195,163
Leisure services	4,155,760	-	-	4,155,760
Construction in Progress	2,576,315	4,975,098	(6,228,499)	1,322,914
Total governmental funds capital assets	$ 23,402,812	$ 6,102,413	$ (6,228,499)	$ 23,276,726

[1]This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds, if any, are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

REPORTS AND SCHEDULES REQUIRED BY GOVERNMENT AUDITING STANDARDS

LANIGAN & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
MANAGEMENT CONSULTANTS

314 Gordon Avenue
Thomasville, GA 31792
(229) 226-8320
Facsimile: (229) 226-0038
E-Mail: lanigan@laniganpa.com

2630 Centennial Place
Tallahassee, FL 32308
(850) 893-8418
Facsimile: (850) 893-9745
E-Mail: tallahassee@laniganpa.com

3108 Piedmont Road, Suite 105
Atlanta, GA 30305
(404) 240-0348
E-Mail: lanigan@laniganpa.com

INDEPENDENT AUDITORS' 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*

The Honorable Mayor and Members
of the Board of Aldermen
City of Bainbridge, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Bainbridge, Georgia as of and for the year ended September 30, 2009, which collectively comprise the City of Bainbridge, Georgia's basic financial statements and have issued our report thereon dated February 2, 2010. 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 the City of Bainbridge, 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 the City of Bainbridge, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Bainbridge, 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 significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of Bainbridge, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of Bainbridge, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the City of Bainbridge, Georgia's internal control.

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A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City of Bainbridge, Georgia's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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 Bainbridge, 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 or other matters that are required to be reported under *Government Auditing Standards.*

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.

Lanigan & Associates, P.C.

Bainbridge, Georgia
February 2, 2010

REPORTS AND SCHEDULES REQUIRED BY THE STATE OF GEORGIA

CITY OF BAINBRIDGE, GEORGIA
Schedule of Projects Constructed with Special Option Sales Tax #4 Proceeds
As of 09/30/2009

	Project	Original Estimated Cost	Current Estimated Cost	Expenditures Prior Years	Expenditures Current Year	Expenditures Total
A.	Sewer master plan, leisure services, natural gas distribution project, storm drainage improvements, and street and sidewalk improvements as as approved by referendum	$ 10,228,400	$ 6,398,635	$ 2,942,862	$ 2,206,259	$ 5,149,121
B.	Sewer Master Plan:					
	NE Bainbridge Sewer	-	150,000	774,995	-	774,995
C.	Leisure Services:					
	Firehouse Gallery Renovation	-	250,000	250,000	-	250,000
	Recreation Improvements		1,443,063	1,812,625	255,369	2,067,994
D.	Natural Gas Distribution Project:					
	Cast Iron Gas Pipe Replacement	-	2,406,925	2,415,240	-	2,415,240
E.	Storm Drainage Improvements:	-	-	-	-	-
F.	Street & Sidewalk Improvements:	-	1,022,840	835,804	121,364	957,168
	Totals	$ 10,228,400	$ 11,671,463	$ 9,031,526	$ 2,582,992	$ 11,614,518

Notes:

1. This schedule is prepared on the modified accrual basis of accounting.
2. The "Current Estimated Cost" includes all expected expenditures of sales taxes collected and all interest earned as of September 30, 2009.

CITY OF BAINBRIDGE, GEORGIA
Schedule of Projects Constructed with Special Option Sales Tax #5 Proceeds
As of 09/30/2009

	Project	Original Estimated Cost	Current Estimated Cost	Expenditures		
				Prior Years	Current Year	Total
A.	Sewer master plan and associated Debt Service	$ 6,600,000	$ 6,600,000	$ -	$ 1,688,536	$ 1,688,536
B.	City Hall Renovation and associated General Fund Debt Service	1,825,000	1,825,000	-	396	396
C.	Road Construction and Maintenance	500,000	500,000	-	-	-
D.	Recreation Improvements	3,000,000	3,000,000	-	135	135
E.	Water System Improvements	480,000	480,000	-	-	-
F.	Storm Water Improvements	480,000	480,000	-	-	-
G.	Public Safety Equipment and Building Improvements	582,743	582,743	-	840,375	840,375
	Totals	$ 13,467,743	$ 13,467,743	$ -	$ 2,529,442	$ 2,529,442

Notes:

1. This schedule is prepared on the modified accrual basis of accounting.
2. The "Current Estimated Cost" includes all expected expenditures of sales taxes collected and all interest earned as of September 30, 2009.