CITY OF EAST POINT, GEORGIA

ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2010

"Courtesy is our specialty; honesty and efficiency our goal"

Earnestine D. Pittman

Mayor

Crandall O. Jones

City Manager

James C. Schuster

Finance Director

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City of East Point, Georgia
Annual Financial Report
For The Year Ended June 30, 2010

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City of East Point
2777 East Point Street
East Point, GA 30344

The City of East Point Georgia

March 15, 2011

MAYOR

EARNESTINE D. PITTMAN

COUNCIL MEMBERS

SHARONDA HUBBARD
STEVE BENNETT

PAT LANGFORD
LANCE RHODES

MARCEL L. REED
MYRON B. COOK

J. SLAUGHTER-GIBBONS
CLYDE K. MITCHELL

CITY MANAGER

CRANDALL O. JONES

Honorable Mayor, Honorable Members of the Governing Council and
Citizens of East Point, Georgia:

The Annual Financial Report of the City of East Point, Georgia, for the fiscal year ended June 30, 2010, is hereby submitted as required by both local and state government. Local ordinances and State statutes require that all general-purpose local governments annually issue a financial report covering its financial position and activity, in conformance with generally accepted accounting principles (GAAP), and that this report be audited by an independent firm of certified public accountants.

The City is also required to submit an annual single audit in conformity with the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Non-Profit Organizations*. Information related to this single audit, including the schedule of financial assistance, the independent auditor's reports on internal controls and compliance with applicable laws and regulations, and a schedule of findings and questioned costs are included in a separately issued single audit report.

This financial report is designed to provide reasonable assurance that all financial statements will be free from material misstatement. To the best of management's knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner that presents fairly the financial position and results of operations of the various funds and component units of the City of East Point. Responsibility for both the accuracy of the presented data and the completeness and fairness of presentation, including all disclosures, rests with the City.

The financial reporting entity for the City of East Point includes all funds of the primary government, the City of East Point, as well as all of its component units. The component units are separate entities for which the primary government is financially accountable. Component units are in substance a part of the primary government's operations and are included as part of the primary government. The East Point Building Authority is reported as a blended unit in the governmental funds of the primary government. Other component units are reported in a separate column in the government-wide financial statements, so as to differentiate their financial position and results of operations from those of the primary government. The East Point Business and Industrial Development Authority and the Keep East Point Beautiful are reported as discretely presented component units.

In addition to the Letter of Transmittal, a narrative in the form of Management's Discussion and Analysis (MD&A), is included and contains an introduction, overview, and analysis to accompany the basic financial statements. The Letter of Transmittal is a complement to the MD&A and should be read in conjunction with it. The MD&A follows the report of the independent auditor.

State statutes require an annual audit by independent certified public accountants. The firm of Banks, Finley, White & Co. was selected the City to perform audit services. In addition to meeting requirements set forth in state statutes, the audit was also designed to meet the requirements of the federal Single Audit Act of 1996, as amended, and the related U.S. Office of Management and Budget's Circular A-133. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports on internal controls and compliance with applicable laws and regulations can be found in a separately issued single audit report.

Profile of the City of East Point

The Charter of the City of East Point establishes the Council-Manager form of government. Legislative policymaking is vested in the governing council, consisting of a mayor and an eight member council, with four members elected from districts and four members elected at large for four year terms. All members are elected on a non-partisan basis. The mayor is elected at large for a four-year term. The City Council establishes policy by passing ordinances and resolutions including adopting an annual budget as proposed by the City Manager. The Council appoints the City Manager, City Clerk and City Attorney. The Council is also required to appoint both a Budget Committee and a Finance Committee. The City Manager serves as the Chief Executive Officer responsible for executing the policies of the governing council and supervision of the day-to-day operations of the City.

The City has an estimated 2008 population of 43,418, with 17,006 housing units with an average household size of 2.92. Median house value is $153,400 and median household income is $43,523. Unemployment is estimated at 8.8% while the Atlanta region is experiencing unemployment over 10%. The City has six elementary schools, two middle schools and the Tri-Cities High School. The City provides a full range of municipal services. These services include the traditional general governmental services of police and fire protection, construction and maintenance of streets and infrastructure, recreational activities and cultural events, In addition, the City provides the enterprise–type services of electricity, water and sanitary sewer and sanitation. A new library, replacing the structure built in 1939, is located on Main Street. At 10,000 square feet, it more than doubled the size of the previous library, and houses over 40,000 volumes, with a capacity to add 10,000 additional volumes.

The City of East Point was established in 1889 and is traditionally known as a "convenience point". The convenience of the City's location in the Metro Atlanta Area has attracted developers and residents to the City. East Point is strategically located north of Hartsfield-Jackson Atlanta International Airport and is in easy access to I-75, I-285 and I- 85. It is a transportation-oriented city whose population continues to flourish. The City also has a MARTA stop near the center of the City which also accesses the airport.

The City of East Point is the third largest city in Fulton County which is most urbanized county in the state of Georgia. Neighborhoods are continually being revitalized as is downtown East Point, which is geared toward mixed-use development. New businesses are being developed and existing businesses are relocating to the City. The City has created the Corridors Tax Anticipation District to encourage improvements to downtown.

Economic Condition of the City of East Point, GA

East Point is a viable economic partner for the Atlanta region. Given its strategic location, East Point is a prime location for future economic development. Infrastructure improvements completed over the last several years only emphasize the additional economic possibilities for East Point. The 2000 census indicated that East Point posted a 15% increase in growth. Redevelopment and new housing projects insure continued growth. Six housing developments, Heritage Park Phase III with 200 single family homes, Oxford Ridge I with 375 town home apartments, Laurel Park on

Washington Road with 200 apartments, Highwood Park with 178 single family town homes, and Norman Berry Village with 200 senior living apartments, have been added to the community.

The hospitality industry thrives here because of the City's proximity to Hartsfield-Jackson Atlanta International Airport. Newly constructed hotel rooms, within the community, swelled to more than 530 rooms costing an estimated $15,900,000.

The City is determined to provide a vibrant downtown area to its citizens and guests by bringing development projects to downtown. Using the Master Town Plan concept, the City approved a major redevelopment of a portion of the Central Business District. This plan includes mixed-use with retail and commercial components. The Asset Development Group renovated an existing building not far from City Hall. This new development mixes residential and commercial properties in the Central Business district. It consists of 28 single-family units and eight thousand square feet of retail and loft space. The City also approved an overlay district. This development includes several new restaurants, commercial space, and new living space. Many of these businesses have already begun operations.

Budgetary Controls. The City adopts an annual budget as a basis for the budgetary accounting system which is designed to ensure compliance with legal provisions embodied in the annual appropriated budget. Monthly budgetary reporting is a significant part of budgetary controls as supported by a formal system of amendments and transfers. Activities of the General Fund, Enterprise Funds, and certain Special Revenue Funds are included in the annual appropriated budget. Project length financial plans are adopted for the Capital Projects Program.

For additional oversight, the City established Budget and Finance Committees. The Committees are composed of three elected officials and one citizen representative. The citizen representative is approved by majority vote of Mayor and Council. The Budget Committee is charged with monitoring revenues and expenditures and recommending capital improvements. The Finance committee is charged with reviewing proposed debt financing and participating in the selection of the outside auditing firm.

Internal controls. Management is responsible for establishing and maintaining an internal control structure. This structure is designed to ensure that the assets of the City are protected from loss, theft or misuse. Management must ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss fro unauthorized use of disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and the evaluation of costs and benefits requires estimates and judgment by management.

As a recipient of federal, state, and county financial assistance, the City is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to federal assistance programs as mandated by the Single Audit Act. As a part of the City's single audit, described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to federal financial assistance programs, as well as to determine adherence to applicable laws and regulations. The auditor's is a separate document on compliance with federal programs is not included in this report.

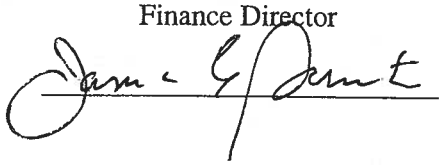
Acknowledgements. The preparation of the comprehensive annual financial report could not have been accomplished without the dedication of the finance department staff. I would like to express our appreciation to each member of the department who assisted and contributed to the preparation of this report. Due credit also should be given to our independent auditors, Banks, Finley, White & Co., the mayor, the city manager, and the governing council for their interest, and support in planning and conducting the operations of the City of East Point in a responsible and progressive manner. Everyone has our sincere appreciation for the contributions made in the preparation of this report.

Respectfully submitted,

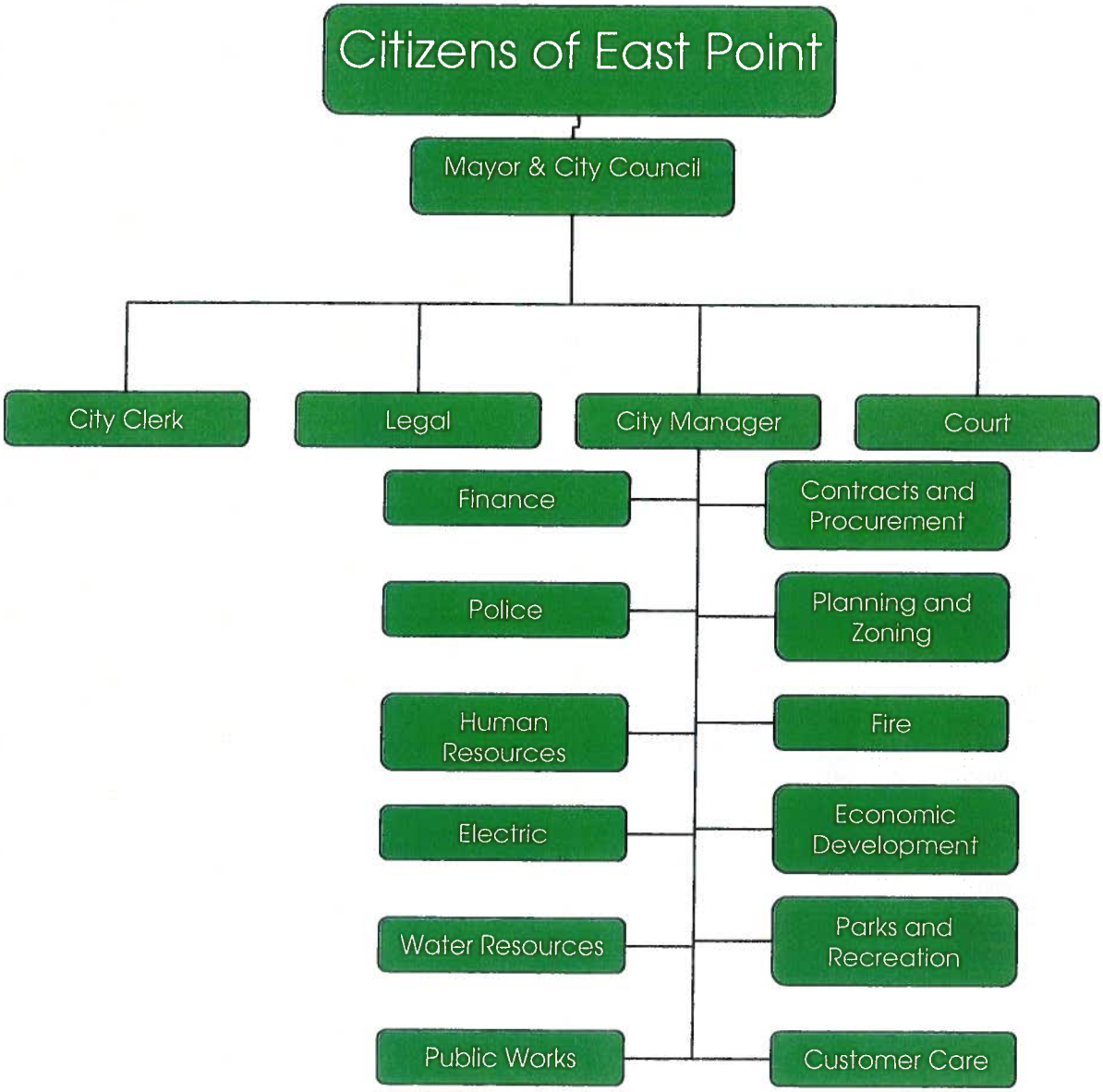
Crandall O, Jones
City Manager



James C. Schuster
Finance Director



City of East Point Organization Chart



Mayor & City Council
Listing of Principal Elected Officials



Mayor Earnestine D. Pittman

Ward A



Sharonda Hubbard,
At-Large



Steven Bennett

Ward B



Pat Langford,
At-Large



Lance Rhodes

Ward C



Marcel L. Reed,
At-Large



Myron B. Cook

Ward D



Jacqueline Slaughter-Gibbons,
At-Large



Clyde K. Mitchell

The City of East Point is divided into 4 wards. Each ward is represented by 2 elected Council Members.

Listing of Principal Appointed Officials



Crandall O. Jones
City Manager

Deputy City Manager.....Angela D. Montgomery

City Attorney.....Nina Hickson

City Clerk.....Agnes Beltran

Court Judge.....Rashida Oliver

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CITY OF EAST POINT, GEORGIA

FINANCIAL SECTION

BANKS, FINLEY, WHITE & CO.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

Honorable Mayor and Members of the City Council
City of East Point, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining funds information of the City of East Point, Georgia (the "City"), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining information of the City of East Point, Georgia as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison of the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Governmental Auditing Standards* our report on consideration of the City's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and does not 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 *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

Honorable Mayor and Members of the City Council
City of East Point, Georgia

The Management's Discussion and Analysis and Schedules of Funding Progress on pages 3 through 14 and 62, respectively, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United State of America. We have applied certain limited procedures to this information, which consists 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 we express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and the budgetary comparisons schedules, all as listed in the accompanying table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the comparative balance sheets as listed in the accompanying table of contents are presented for purpose of additional analysis and are not a required part of the basic financial statements and have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Banks, Finley, White & Co.

March 18, 2011.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the annual financial report for City of East Point (the City), the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended June 30, 2010. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

FISCAL YEAR 2010 FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities by $52,472,635 (total net assets) as of June 30, 2010.
- Total net assets are comprised of the following:
  (1) Capital assets, net of related debt, of $43,547,349 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
  (2) Net assets of $4,379,133 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
  (3) Unrestricted net assets of $4,546,153 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of $7,696,551 at June 30, 2010. This compares to the prior year ending fund balance deficit of $181,647 showing an increase of $7,878,198 during the current year. Unreserved fund balance of $3,285,531 at June 30, 2010 shows a $5,693,360 increase from the prior year deficit amount at June 30, 2009.
- At the end of the current fiscal year, the unreserved undersigned fund balance for the General Fund was $3,285,531 or 10% of total General Fund expenditures.
- The failing economy has played havoc with many of the City's 2010 revenue streams.
- In this fiscal year, the City made substantial improvements in its financial position.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented to allow comparison to the prior fiscal year.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets.* This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets.* Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid.

An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City principally supported by taxes from business-type activities intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, community development, public safety, public works, parks, recreation and culture, planning and community development and health and welfare. Business-type activities include the water and sewer system, the electric system and solid waste activities.

The government-wide financial statements are presented on pages 15 & 16 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. The general fund's budget to actual comparison statement is presented as a basic financial statement.

The basic governmental fund financial statements are presented on pages 17 - 21 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City's proprietary funds are classified as three enterprise funds and a single internal service fund. The enterprise fund essentially encompass the same function reported as business-type activities in the government-wide statements. The internal service fund is reported as part of the business-type activities at the government-wide financial reporting level.

The basic proprietary fund financial statements are presented on pages 22 - 25 of this report.

Fiduciary funds (i.e., the agency funds) are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund City programs. The City's single-employer pension plan (a pension trust fund) and collections of municipal court fees (an agency fund) are reported in these financial statements as fiduciary funds. The basic fiduciary fund financial statements are presented on pages 26 & 27 of this report.

Discretely presented component units are reported on pages 28 and 29.

Notes to the Basic Financial Statements

The accompanying notes to the basic financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 30 of this report.

Required Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's single employer pension plan. The required supplementary information can be found on page 62 of this report.

Supplementary Information

As discussed, the City reports major funds in the basic financial statements. Comparative information for major funds and combining and individual statements and schedules for nonmajor funds, including budgetary comparison schedules, are presented in a supplementary information section of this report beginning on page 63.

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FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

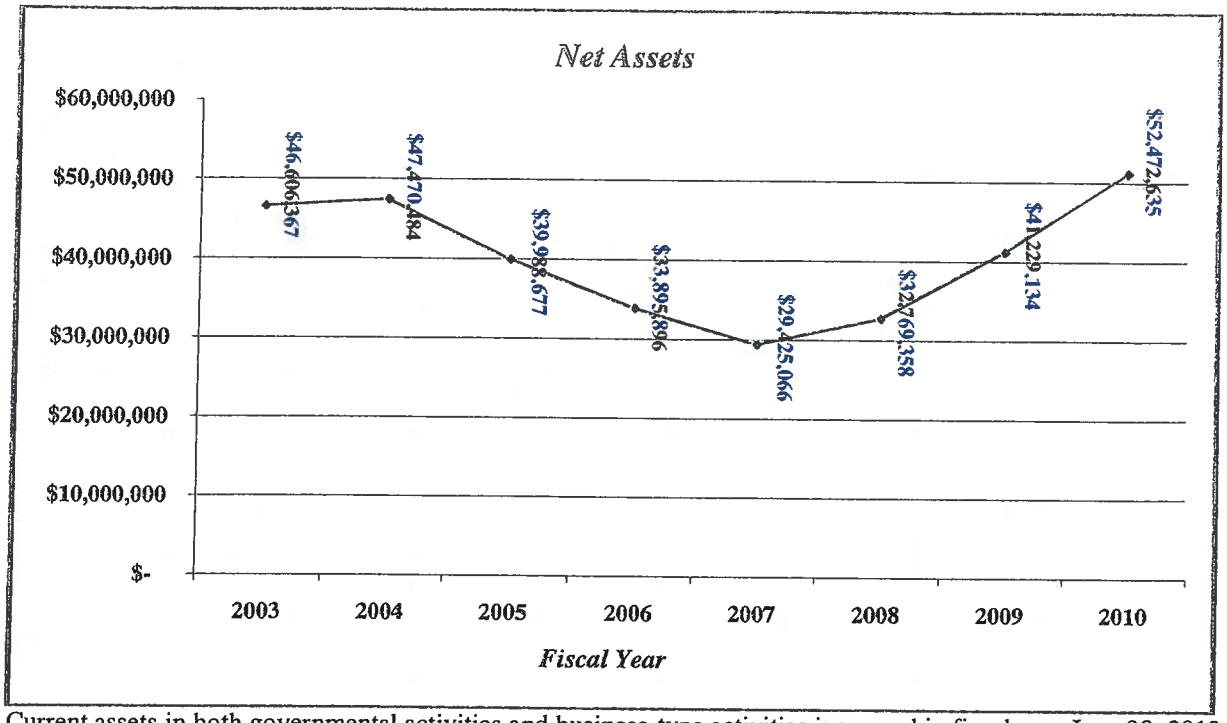
The City's net assets at fiscal year-end are $51,208,266. The following table provides a summary of the City's net assets:

Summary of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Assets:						
Current assets	$ 20,462,254	$ 17,645,361	$ 15,911,458	$ 10,431,944	$ 36,373,712	$ 28,077,305
Noncurrent assets						
Other	-	310,000	18,763,955	27,195,164	18,763,955	27,505,164
Capital	60,145,037	61,654,435	69,317,370	67,726,775	129,462,407	129,381,210
Total assets	80,607,291	79,609,796	103,992,783	105,353,883	184,600,074	184,963,679
Liabilities:						
Current liabilities	15,223,444	20,665,808	14,936,051	14,442,467	30,159,495	35,108,275
Long-term liabilities	26,816,639	27,524,274	75,151,305	81,101,996	101,967,944	108,626,270
Total liabilities	42,040,083	48,190,082	90,087,356	95,544,463	132,127,439	143,734,545
Net assets:						
Investment in capital assets, net of related debt	34,605,566	32,764,096	8,941,783	4,399,721	43,547,349	37,163,817
Restricted	4,379,133	2,226,182	-	-	4,379,133	2,226,182
Unrestricted	(417,491)	(3,570,564)	4,963,644	5,409,699	4,546,153	1,839,135
Total net assets	$ 38,567,208	$ 31,419,714	$ 13,905,427	$ 9,809,420	$ 52,472,635	$ 41,229,134

(This page is continued on the subsequent page)

The following chart reports the City's total net asset balances from fiscal year 2003 - 2010.



Current assets in both governmental activities and business-type activities increased in fiscal year June 30, 2010.

The City reported positive balances in net assets for both governmental and business-type activities. During 2010, net assets increased $7,147,494 for governmental activities and increased $4,096,007 for business-type activities. The City's overall financial position improved during fiscal year 2010. However, the City remains in an improved financial position, in spite of a depressed economy.

Note that approximately 74.6% of the governmental activities' total assets are tied up in capital assets. The City uses these capital assets to provide services to its citizens. Business-type capital assets make up 66.7% of total assets. The City uses these capital assets to provide utility services to its customers. Combining governmental activities with business type activities, the City has invested approximately 70.1% of its total assets in capital assets, as presented in the government-wide statement of net assets.

(This page is continued on the subsequent page)

The following table provides a summary of the City's changes in net assets at June 30, 2010 and 2009:

Summary of Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program:						
Charges for services & fines	$ 4,735,431	$ 4,678,534	$ 51,406,704	$ 51,413,035	$ 56,142,135	$ 56,091,569
Operating grants &	566,680	157,080	-	-	566,680	157,080
Capital grants	-	-	-	-	-	-
General:						
Property taxes	18,192,748	17,425,181	-	-	18,192,748	17,425,181
Sales taxes	9,508,234	9,697,969	-	-	9,508,234	9,697,969
Other taxes	4,793,889	5,291,770	-	-	4,793,889	5,291,770
Other	4,339,471	615,314	4,225,351	3,579,996	8,564,822	4,195,310
Total revenues	42,136,453	37,865,848	55,632,055	54,993,031	97,768,508	92,858,879
Program Expenses:						
General government	8,629,459	9,583,124	-	-	8,629,459	9,583,124
Judicial	555,392	498,712	-	-	555,392	498,712
Public safety	22,031,258	17,934,955	-	-	22,031,258	17,934,955
Public works	1,697,948	2,382,975	-	-	1,697,948	2,382,975
Culture and recreation	1,480,927	1,190,330	-	-	1,480,927	1,190,330
Planning/community development	1,126,834	1,283,621	-	-	1,126,834	1,283,621
Interest	3,276,950	2,973,267	-	-	3,276,950	2,973,267
Water and sewer	-	-	14,664,979	15,262,292	14,664,979	15,262,292
Electrical system	-	-	29,246,770	29,535,668	29,246,770	29,535,668
Solid waste management	-	-	3,814,490	3,754,158	3,814,490	3,754,158
Total expenses	38,798,768	35,846,984	47,726,239	48,552,118	86,525,007	84,399,102
Revenues over expenses	3,337,685	2,018,863	7,905,816	6,440,913	11,243,501	8,459,776
Transfers in and out	3,809,809	3,951,685	(3,809,809)	(3,951,685)	-	-
Changes in net assets	7,147,494	5,970,548	4,096,007	2,489,228	11,243,501	8,459,776
Beginning net assets	31,419,714	25,449,166	9,809,420	7,320,192	41,229,134	32,769,358
Ending net assets	$ 38,567,208	$ 31,419,714	$ 13,905,427	$ 9,809,420	$ 52,472,635	$ 41,229,134

Governmental Activity Revenues

The City is heavily reliant on both property taxes and sales taxes to support governmental operations. Property taxes provided 43.2% of the City's total revenues as compared to 42.7% in fiscal year 2009, Sales and use taxes provided 22.6% of the City's total revenues as compared 25.6% in fiscal year 2009. As noted, currently property tax revenue is flat. Sales taxes are below the fiscal year 2009 amount due to a recessionary economy. Because of the City's improved financial position, we

have been able to earn approximately $114,321 in investment earnings to support governmental activities as compared to $37,246 in fiscal year 2009. This increase relates to more resources available for investment.

Note that program revenues covered just 14% of governmental operating expenditures as compared to 13.8% in fiscal year 2009. This means that the government's taxpayers and the City's other general revenues normally fund 86% of the governmental activities, primarily from property and sales taxes. As a result, the general economy and the success of local businesses have a major impact on the City's revenue streams.

Governmental Activity Expenses

The public safety expenses increased approximately $4 million over the fiscal year 2009 amount. The majority of this increase relates to the settlement of a $3,950,000 lawsuit, of which $2,950,000 was recognized in this fiscal year.

The following table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

	Governmental Activities			
	Total Cost of Services	Percentage of Total	Net Cost of Services	Percentage of Total
General government	$ 8,629,459	22.2%	$ 6,947,330	20.7%
Judicial	555,392	1.4%	555,392	1.7%
Public safety	22,031,258	56.8%	18,481,073	55.2%
Public works	1,697,948	4.4%	1,676,142	5.0%
Culture and recreation	1,480,927	3.8%	1,432,936	4.3%
Economic and community development	1,126,834	2.9%	1,126,834	3.4%
Interest and fiscal charges	3,276,950	8.3%	3,276,950	9.8%
Total	$ 38,798,768	100.0%	$ 33,496,657	100.0%

The public safety expenditures, both gross and net of program revenues total over 55% of costs. As noted, total cost and net costs do not differ substantially by percentage for each function.

Business-Type Activities

Overall Analysis – Total operating revenues increased just $180,109 or 4/10th of a 1%. Operating expenses decreased $3,588,764 or 5.1%. In total, the operating income decreased $879,917.

After all cost allocations, the operating income for each utility was as follows:

	Amount
Water and sewerage system	$ 307,815
Electrical system	4,718,629
Sanitation	146,837

The following includes an analysis of the fiscal year 2010 financial activities for each utility.

Water and Sewerage System - The operating income of $307,815 in fiscal year 2010 compares to an operating income of $1,775,269 in fiscal year 2009. Operating revenues in fiscal year 2010 were down $208,894 or 1.5% below the fiscal year 2009 amount.

Operating expenses increased $1,258,560 or 10.2%. The major increases relate to purchased services, which increased $1,940,941 or 128.7%. This increase relates to the cost allocation (from the motor transport fund) totaling $1,106,155.

At year-end, net assets totaled $6,139,540, down from the June 30, 2009 total of $6,854,716, or 10.4%. In fiscal year 2009, the electric system fund transferred $867,365 to this fund, which was not duplicated in fiscal year 2010.

Electrical System – The operating income of $4,718,629 in fiscal year 2010 compares to operating income of $4,012,988 in fiscal year 2009. The fiscal year 2010 operating revenues increased $418,376 or 1.3% over fiscal year 2009. This increase relates to colder weather, requiring a higher usage of electricity.

Operating expenses increased $209,601 or .7%. The cost of purchased electricity decreased $209,783 or .9%. This decrease relates primarily to the recognition of a MEAG power cost credit of $1,264,369. Personal services costs decreased $386,084 or 15.2%.

This fund reported other income of over $4 million, most of which relates to the MEAG proceeds for the liquidation of the bond reserve. Of this amount, $2.2 was transferred to the general fund and $289,712 was transferred to the capital projects fund to purchase police vehicles.

At year-end, net assets totaled $7,211,512, up from the June 30, 2009 total of $2,586,686, or 130%. In fiscal year 2009, the electric system fund transferred $867,365 into the water and sewerage system fund, which was not duplicated in fiscal year 2010.

Solid Waste Fund - The total assets decreased $332,206 or 16.9%. Total liabilities decreased $453,695 or 29.5%. The operating income of $146,837 in fiscal year 2010 compares to operating income of $264,941 in fiscal year 2009. The fiscal year 2010 operating revenues decreased just $29,373 or 7/10th % from fiscal year 2009. Total operating expenses increased $88,731 or 2.4%.

FUND ANALYSIS

Governmental Funds

Governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $7,696,551 compared to a deficit of $181,647 at June 30, 2009. The bulk of this increase relates to the General Fund, or $5,549,719 and the Camp Creek Allocation Tax Allocation District Fund or $1,029,789.

Of this year-end total, $3,285,531 is unreserved indicating availability for continuing City service delivery requirements.

Legally restricted fund balances (i.e., the reserved fund balances) include approximately $3.8 million set aside for debt service. The total ending fund balances of governmental funds show an increase of $7,878,198.

Major Governmental Fund

General Fund - The General Fund is the City's only major governmental fund, the primary operating fund, and the largest source of day-to-day service delivery. The ending unreserved undesignated fund balance is considered adequate, although not excessive, representing the equivalent of 10% of annual expenditures.

Total general fund property taxes decreased $577,276 or 4.2%. Local option sales taxes revenue was $189,735 or 2% below the 2009 amount, due primarily to a shrinking economy. In total, tax revenues were almost identical to those of 2009.

In total, fines and forfeitures decreased approximately $700,000 or 33%. This decrease relates to fewer tickets being issued because of staff vacancies.

The City's General Fund recognized over $4 million of miscellaneous revenue. Approximately, $3.3 million of this amount relates to a 2003 judgment against Fulton County regarding a property tax issue. The lack of access to these funds in the prior years has caused financial stress to the City.

In fiscal year 2010, the City recognized $2,102,447 or 6.6% over the 2009 total revenues.

The General Fund received a transfer of $3.5 million from the Electric System Fund. $2 million of this amount relates to a portion of the MEAG liquidation of bond reserve recognized in the electric fund.

Total General Fund's net expenditures increased $1,961,837 or 6.4% over 2009. The most significant changes from fiscal year 2009 are described below.

Total general government expenditures were $778,229 or 8.5% below the 2009 amount. In this fiscal year, all efforts were made by the City administration to hold costs in check.

The largest cost center, public safety decreased $240,222 or 1.4%.

The decrease in the costs of the police department was $972,127. In fiscal year 2009, this function was charged $1 million related to a legal matter.

Fire department expenditures increased $316,401 or 5.9%. The fiscal year 2010 public works expenditures decreased $451,184 or 28.4%.

In this year, the general fund retired the governmental activities annual building authority's debt principal of $1.9 million and capital lease principal of $971,868. The total interest costs were $929,125.

Proprietary Funds

Proprietary fund statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. The business-type activities analysis above discusses the City's enterprise funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

Although there were budget transfers between line items, the total general fund budget was maintained at the original adopted amount of $35,903,549.

Total taxes were $732,965 below the budget. Most of the difference relates to property taxes. Because of all the property assessment appeals the last two years in Fulton County, it was extremely difficult to accurately estimate the amount of property taxes to be recognized.

Fines and forfeitures were $732,965 below the budget. The cause of this difference is fewer tickets being issued, because of staff vacancies. The $4 million in miscellaneous revenues were not budgeted.

In this fiscal year, the City recognizing 108.8% of the total final revenue budget.

The general government function was under spent by $858,666 or 9.3%. The legal services' appropriation was under spent by $289,399, due to the use of fewer private attorneys. The personnel services budget for finance and accounting was due to unfilled vacant positions. Purchased services for information services was overspent by $253,375 due to the SunGard software maintenance license being paid in fiscal year 2010, although budgeted in fiscal year 2009.

Public safety personal services costs were $957,371 below the budget due to staff vacancies. Within public works, the roadways and walks budget was under spent by $586,643, due to fewer projects being initiated.

In total, the City under spent the final expenditure budget by $2,943,247 or 8.2%. Because of the shrinking economy, all departments attempted to minimize their spending to help offset our reducing revenues.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of June 30, 2010, was $60,145,037 and $69,317,370 respectively. The change in this net investment was a 2.4% decrease for governmental activities and a 2% increase for business-type activities. See Note 3-E for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year.

(This page continued on the subsequent page)

The following table provides a summary of capital asset activity:

Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Non-depreciable assets:						
Land	$ 4,246,066	$ 4,246,066	$ -	$ -	$ 4,246,066	$ 4,246,0
Construction in progress	-	-	19,712,033	13,869,286	19,712,033	13,869,2
Total non-depreciable	4,246,066	4,246,066	19,712,033	13,869,286	23,958,099	18,115,3
Depreciable assets:						
Buildings and improvements	17,531,848	17,289,911	97,168,562	97,177,562	114,700,410	114,467,4
Machinery, equipment and furniture	30,837,141	29,964,694	13,771,774	13,607,064	44,608,915	43,571,7
Infrastructure	62,402,896	62,402,896	-	-	62,402,896	62,402,8
Total depreciable assets	110,771,885	109,657,501	110,940,336	110,784,626	221,712,221	220,442,12
Less accumulated depreciation	54,872,914	52,249,131	61,334,999	56,564,340	116,207,913	108,813,47
Book value - depreciable assets	55,898,971	57,408,370	49,605,337	54,220,286	105,504,308	111,628,65
Percentage depreciated	50%	48%	55%	51%	52%	49
Total Assets	$ 60,145,037	$ 61,654,436	$ 69,317,370	$ 68,089,572	$ 129,462,407	$ 129,744,00

At June 30, 2010, the depreciable capital assets for governmental activities were 50% depreciated. This compares to a similar percentage at June 30, 2009. This comparison indicates that the City is replacing its assets at almost the same rate as they are depreciating which is a positive indicator. However, the City's capital assets have now approached being 50% depreciated, which is an indicator that the City needs to consider replacing some of its older assets. With the City's business type activities, 55% of the asset values were depreciated at June 30, 2010 compared to 51% at June 30, 2009.

The major increases in machinery and equipment for capital assets included replacement police vehicles.

Long-term Debt

During fiscal year 2010, the City retired $3,350,868 or 11.6% of outstanding debt for governmental activities and $3,481,033 or 4.2% of outstanding debt for business-type activities.

(This page continued on the subsequent page)

The following table reports long-term debt balances at June 30, 2010 and 2009:

Outstanding Borrowings

	Governmental Activities		Business-type Activities		Totals	
	2010	2009	2010	2009	2010	2009
Building authority bonds	$ 1,940,000	$ 3,814,000	$ 75,335,000	$ 77,726,000	$ 77,275,000	$ 81,540,0
Tax allocation bonds	21,035,000	21,540,000	-	-	21,035,000	21,540,0
Capital leases	2,564,471	3,536,339	4,137,167	5,227,200	6,701,638	8,763,5
Total	$ 25,539,471	$ 28,890,339	$ 79,472,167	$ 82,953,200	$ 105,011,638	$ 111,843,5

The tax allocation bonds will be repaid over a period ending in 2026. The governmental activities building authority bonds will be retired in the next fiscal year. The business-type activities building authority bonds will be retiree over a period ending in 2035.

See Note 3-H for additional information about the City's long-term debt.

A SUMMARY OF THE ECONOMIC CONDITIONS AFFECTING THE CITY

The City is included in the Atlanta, Georgia Metropolitan area, very close to Hartsfield-Jackson International airport. The City has an estimated 2008 population of 43,418, with 17,006 housing units with an average household size of 2.92. Median house value is $153,400 and median household income is $43,523. Unemployment is estimated at 8.8% while the Atlanta region is experiencing unemployment over 10%.

The City of East Point is the third largest city in Fulton County, which is most urbanized county in the state of Georgia. Neighborhoods are continually being revitalized as is downtown East Point, which is geared toward mixed-use development. New businesses are being developed and existing businesses are relocating to the City. The City has created the Corridors Tax Anticipation District to encourage improvements to downtown.

The primary revenue streams for the City are property taxes and sales taxes. This is a good revenue mix as property taxes are classified as "inelastic" and sales taxes are classified as "elastic." Sales tax revenue is highly sensitive to fluctuations in the economy. The current economic downturn has definitely affected the City's 2010 revenue streams and the 2010 budget is a no-frills operational budget with departmental belt tightening and very few capital projects. We are hopeful the economy will recover by mid-year and we will constantly monitor our economic condition to make the necessary adjustments.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Finance Director, 2777 East Point Street, East Point, Georgia 30344.

City of East Point, Georgia
Statement of Net Assets
June 30, 2010

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3A)	$ 7,237,066	$ 3,712,797	$ 10,949,863	$ 302,618
Restricted:				
Cash	8,975,252	2,309,476	11,284,728	-
Investments	-	1,998,797	1,998,797	-
Receivables:				
Accounts	824,575	5,076,735	5,901,310	-
Liens	-	437,526	437,526	-
Property taxes	1,815,677	-	1,815,677	-
Sales taxes	766,616	-	766,616	-
Intergovernmental	255,410	-	255,410	-
Component units	175,528	-	175,528	-
Interfund	202,449	(202,449)	-	-
Inventory	177,794	2,578,573	2,756,367	-
Prepaid items	31,887	3	31,890	-
			-	
Total Current Assets	20,462,254	15,911,458	36,373,712	302,618
Non-current Assets				
Investments (Note 3A)	-	17,223,396	17,223,396	-
Deferred charges	-	1,540,559	1,540,559	-
Capital assets held for resale	-	-	-	537,543
Capital assets (Note 3E)				
Nondepreciable	4,246,066	19,712,033	23,958,099	-
Depreciable, net	55,898,971	49,605,337	105,504,308	13,071
Total Non-current Assets	60,145,037	88,081,325	148,226,362	550,614
Total Assets	80,607,291	103,992,783	184,600,074	853,232
Liabilities				
Current Liabilities				
Accounts payable	1,075,937	3,868,902	4,944,839	2,313
Contracts retainage payable	-	341,401	341,401	-
Accrued expenses	826,218	5,222,725	6,048,943	-
Accrued interest payable	-	951,555	951,555	-
Intergovernmental payable	10,500	-	10,500	-
Deposits payable	70,282	-	70,282	-
Due to primary government	-	-	-	175,528
Tax anticipation notes payable	8,000,000	-	8,000,000	-
Unearned revenue	239,421	-	239,421	-
Capital lease obligation payable	786,871	1,325,438	2,112,309	-
Worker's compensation payable	607,627	-	607,627	-
Bonds payable	2,590,000	1,415,000	4,005,000	-
Compensated absences payable	661,588	322,948	984,536	-
Claims payable	355,000	-	355,000	-
Customer deposits	-	1,488,082	1,488,082	49,458
Total Current Liabilities	15,223,444	14,936,051	30,159,495	227,299
Long-Term Liabilities (Note 3H) (net of current portion)				
Compensated absences payable	220,529	-	220,529	-
Claims payable	3,700,000	-	3,700,000	-
Worker's compensation payable	136,300	-	136,300	-
Other post employment benefits payable	597,210	292,760	889,970	-
Capital lease obligation payable	1,777,600	2,811,729	4,589,329	-
Bonds payable	20,385,000	72,046,816	92,431,816	-
Total Long-Term Liabilities	26,816,639	75,151,305	101,967,944	-
Total Liabilities	42,040,083	90,087,356	132,127,439	227,299
Net Assets				
Invested in capital assets, net of related debt (Note 3L)	34,605,566	8,941,783	43,547,349	13,071
Restricted for:				
Public safety	550,521	-	550,521	-
Debt service	3,828,612	-	3,828,612	-
Unrestricted	(417,491)	4,963,644	4,546,153	612,862
Total Net Assets	$ 38,567,208	$ 13,905,427	$ 52,472,635	$ 625,933

See accompanying notes to the basic financial statements

City of East Point, Georgia
Statement of Activities
For the Year Ended June 30, 2010

Function/Program	Expenses	Program Revenues: Charges for Services and Fines	Program Revenues: Operating Grants, Contributions and Interest	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Total	Component Units
Primary Government								
Governmental Activities								
General government	$ 8,629,459	$ 1,501,209	$ 180,920	$ -	$ (6,947,330)	$ -	$ (6,947,330)	$ -
Judicial	555,392	-	-	-	(555,392)	-	(555,392)	-
Public safety	22,031,258	3,164,425	385,760	-	(18,481,073)	-	(18,481,073)	-
Public works	1,697,948	21,806	-	-	(1,676,142)	-	(1,676,142)	-
Culture and recreation	1,480,927	47,991	-	-	(1,432,936)	-	(1,432,936)	-
Economic and community development	1,126,834	-	-	-	(1,126,834)	-	(1,126,834)	-
Interest and fiscal charges	3,276,950	-	-	-	(3,276,950)	-	(3,276,950)	-
Total Governmental Activities	38,798,768	4,735,431	566,680	-	(33,496,657)	-	(33,496,657)	-
Business-type Activities								
Water and Sewer	14,664,979	13,946,968	-	-	-	(718,011)	(718,011)	-
Electric System	29,246,770	33,645,100	-	-	-	4,398,330	4,398,330	-
Sanitation	3,814,490	3,814,636	-	-	-	146	146	-
Total Business-type Activities	47,726,239	51,406,704	-	-	-	3,680,465	3,680,465	-
Total Primary Government	$ 86,525,007	$ 56,142,135	$ 566,680	$ -	(33,496,657)	3,680,465	(29,816,192)	-
Component Units								
East Point Business & Industrial Development Authority	17,960	-	-	-	-	-	-	(17,960)
Keep East Point Beautiful	72,046	-	-	-	-	-	-	(72,046)
Total - Component Units	$ 90,006	$ -	$ -	$ -	-	-	-	(90,006)
General Revenues								
Property taxes levied for general government purposes					13,802,488	-	13,802,488	-
Property taxes levied for debt service					4,390,260	-	4,390,260	-
Local option sales taxes					9,508,234	-	9,508,234	-
Franchise taxes					986,221	-	986,221	-
Insurance premium taxes					2,195,270	-	2,195,270	-
Alcholic beverage taxes					651,358	-	651,358	-
Hotel/motel taxes					961,040	-	961,040	-
Unrestricted investment earnings					114,321	19,543	133,864	364
Miscellaneous					4,225,150	4,205,808	8,430,958	62,823
Total General Revenues					36,834,342	4,225,351	41,059,693	63,187
Transfers					3,809,809	(3,809,809)	-	-
Total General Revenues and Transfers					40,644,151	415,542	41,059,693	63,187
Change in Net Assets					7,147,494	4,096,007	11,243,501	(26,819)
Net Assets Beginning of Year -					31,419,714	9,809,420	41,229,134	652,752
Net Assets End of Year					$ 38,567,208	$ 13,905,427	$ 52,472,635	$ 625,933

See accompanying notes to the basic financial statements

City of East Point, Georgia
Balance Sheet
Governmental Funds
June 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	$ 7,237,066	$ -	$ 7,237,066
Restricted cash	191,660	8,783,592	8,975,252
Receivables:			
Accounts	616,436	150,073	766,509
Property taxes	1,815,677	-	1,815,677
Sales taxes	766,616	-	766,616
Intergovernmental	-	255,410	255,410
Component units	175,528	-	175,528
Interfund	4,617,664	-	4,617,664
Inventory	177,794	-	177,794
Prepaid items	31,887	-	31,887
Total Assets	$ 15,630,328	$ 9,189,075	$ 24,819,403
Liabilities and Fund Balances			
Liabilities			
Accounts payable	$ 1,895,338	$ 179,321	$ 2,074,659
Accrued expenditures payable	802,667	23,551	826,218
Intergovernmental payable	-	10,500	10,500
Interfund payable	1,278	4,357,149	4,358,427
Deposits payable	70,282	-	70,282
Tax anticipation notes	8,000,000	-	8,000,000
Unearned revenue	-	239,421	239,421
Deferred revenue	1,543,345	-	1,543,345
Total Liabilities	12,312,910	4,809,942	17,122,852
Fund Balances			
Reserved for:			
Prepaid items	31,887	-	31,887
Debt service	-	3,828,612	3,828,612
Public safety	-	550,521	550,521
Unreserved:			
Undesignated, reported in:			
General fund	3,285,531	-	3,285,531
Total Fund Balances	3,317,418	4,379,133	7,696,551
Total Liabilities and Fund Balances	$ 15,630,328	$ 9,189,075	$ 24,819,403

See accompanying notes to the basic financial statements

City of East Point, Georgia
Reconciliation of the Balance Sheet of Governmental Funds
to the Government-wide Statement of Net Assets
June 30, 2010

Total Governmental Fund Balances			$ 7,696,551
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.			
Cost of capital assets	$	115,017,951	
Less accumulated depreciation		(54,872,914)	60,145,037
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds.			
Property taxes			1,543,345
Interfund receivables and payables between governmental funds are reported on the governmental fund's balance sheet but eliminated on the government-wide statement of net assets.			
Interfund receivables	$	(4,358,427)	
Interfund payables		4,358,427	-
Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net assets.			
Bonds payable	$	(22,975,000)	
Capital leases payable		(2,564,471)	
Workers' compensation payable		(743,927)	
Claims payable		(3,055,000)	
Other post employment benefits payable		(597,210)	
Compensated absences payable		(882,117)	(30,817,725)
Net Assets of Governmental Activities			$ 38,567,208

See accompanying notes to the basic financial statements

City of East Point, Georgia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
Revenues			
Taxes	$ 26,617,235	$ 5,351,300	$ 31,968,535
Intergovernmental	-	566,680	566,680
Licenses and permits	1,359,044	-	1,359,044
Charges for services	318,515	710,030	1,028,545
Fines and forfeitures	1,397,035	902,722	2,299,757
Investment earnings	109,523	4,798	114,321
Miscellaneous	4,227,532	-	4,227,532
Total Revenues	34,028,884	7,535,530	41,564,414
Expenditures			
Current:			
General government	8,378,786	-	8,378,786
Judicial	544,693	-	544,693
Public safety	16,571,226	1,257,901	17,829,127
Public works	1,135,406	-	1,135,406
Culture and recreation	1,315,907	-	1,315,907
Economic and community development	1,167,948	182,500	1,350,448
Capital Outlay	-	669,543	669,543
Debt Service:			
Principal retirement	2,730,520	505,000	3,235,520
Interest and fiscal charges	929,125	2,107,470	3,036,595
Total Expenditures	32,773,611	4,722,414	37,496,025
Excess of Revenues Over Expenditures	1,255,273	2,813,116	4,068,389
Other Financing Sources (Uses)			
Transfers in	4,481,137	476,403	4,957,540
Transfers out	(186,691)	(961,040)	(1,147,731)
Total Other Financing Sources (Uses)	4,294,446	(484,637)	3,809,809
Net Change in Fund Balances	5,549,719	2,328,479	7,878,198
Fund Balances Beginning of Year,	(2,232,301)	2,050,654	(181,647)
Fund Balances End of Year	$ 3,317,418	$ 4,379,133	$ 7,696,551

See accompanying notes to the basic financial statements

City of East Point, Georgia
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended June 30, 2010

Net Changes In Fund Balances - Total Governmental Funds		$ 7,878,198
Amounts reported for governmental activities in the statement of activities are different because		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	$ (2,623,782)	
Capital outlay	1,114,384	(1,509,398)
The internal service fund used by management to charge the costs of the operation and maintenance of the vehicle fleet, to individual funds are not reported in the government-wide statement of activities on the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated.		704,401
The increase in other post employment benefits obligation are reported on the government-wide statement of activities but not at the governmental fund's operating statement.		
Balance @ 6/30/2010	$ (597,210)	
Balance @ 6/30/2009	347,450	(249,760)
Property taxes reported in the statement of activities that do not provide current financial resources are not reported as revenues at the fund financial reporting level.		
Deferred @ 6/30/2010	$ 1,543,345	
Deferred @ 6/30/2009	(1,017,009)	526,336
Transfers between governmental funds are reported in the governmental funds operating statement but are eliminated on the government-wide statement of activities:		
Transfers in	$ (858,019)	
Transfers out	858,019	-
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		3,350,868
Deferred bond issue related costs are reported in the governmental fund's operating statement because these transactions require the use of current financial resources but are not capitalized on the government-wide statement of net assets.		(310,000)
Workers compenation payable reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 6/30/2010	$ (743,927)	
Liability @ 6/30/2009	574,363	(169,564)
Claims payable reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 6/30/2010	(4,055,000)	
Liability @ 6/30/2009	1,000,000	(3,055,000)
Compensated absences reported in the statement of activities, do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability @ 6/30/2010	$ (882,117)	
Liability @ 6/30/2009	863,530	(18,587)
Change In Net Assets of Governmental Activities		$ 7,147,494

See accompanying notes to the basic financial statements

City of East Point, Georgia
General Fund
Statement of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes	$ 27,350,200	$ 27,350,200	$ 26,617,235	$ (732,965)
Licenses and permits	1,416,600	1,416,600	1,359,044	(57,556)
Charges for services	300,040	300,040	318,515	18,475
Fines and forfeitures	2,130,000	2,130,000	1,397,035	(732,965)
Investment earnings	-	-	109,523	109,523
Miscellaneous	98,200	98,200	4,227,532	4,129,332
Total Revenues	31,295,040	31,295,040	34,028,884	2,733,844
Expenditures				
Current:				
General government				
City Council	749,550	749,550	633,244	116,306
Executive	2,693,867	2,693,867	2,194,098	499,769
Administrative	5,728,596	5,794,035	5,551,444	242,591
Judicial	609,575	609,575	544,693	64,882
Public safety				
Police and code enforcement	11,994,163	11,994,163	10,850,706	1,143,457
Fire	5,773,543	5,773,543	5,720,520	53,023
Public works	1,799,220	1,771,999	1,135,406	636,593
Culture and recreation	1,307,948	1,307,948	1,315,907	(7,959)
Economic and community development				
Community services	1,036,117	1,036,117	855,207	180,910
Economic development	419,473	419,473	312,741	106,732
Debt Service:				
Principal	2,815,876	2,835,097	2,730,520	104,577
Interest and fiscal charges	975,621	918,182	929,125	(10,943)
Total Expenditures	35,903,549	35,903,549	32,773,611	3,129,938
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,608,509)	(4,608,509)	1,255,273	5,863,782
Other Financing Sources (Uses)				
Transfer in	4,608,509	4,608,509	4,481,137	(127,372)
Transfer out	-	-	(186,691)	(186,691)
Total Other Financing Sources (Uses)	4,608,509	4,608,509	4,294,446	(314,063)
Net Change in Fund Balances	$ -	$ -	5,549,719	$ 5,549,719
Fund Balances Beginning of Year			(2,232,301)	
Fund Balances End of Year			$ 3,317,418	

See accompanying notes to the basic financial statements

Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business-type Activities - Enterprise Funds				Business-type Activities
	Water & Sewerage System	Electric System	Solid Waste	Total	Internal Service Fund
Assets					
Current Assets					
Cash and cash equivalents	$ 2,471,611	$ 1,235,019	$ 6,167	$ 3,712,797	$ -
Restricted assets					
Cash and cash equivalents	920,339	1,389,137	-	2,309,476	-
Investments	-	1,998,797	-	1,998,797	-
Receivables					
Accounts	595,546	2,152,439	351,037	3,099,022	-
Accrued revenue	391,125	1,190,998	395,590	1,977,713	-
Liens	437,526	-	-	437,526	-
Interfund	1,930,709	-	-	1,930,709	-
Inventory	66,369	2,511,918	286	2,578,573	-
Prepaid items	-	3	-	3	-
Total Current Assets	6,813,225	10,478,311	753,080	18,044,616	-
Noncurrent Assets					
Investments	17,223,396	-	-	17,223,396	-
Deferred charges	1,540,559	-	-	1,540,559	-
Capital assets					
Nondepreciable	17,072,135	2,639,898	-	19,712,033	-
Depreciable, net	43,276,355	5,106,678	883,354	49,266,387	338,950
Total Noncurrent Assets	79,112,445	7,746,576	883,354	87,742,375	338,950
Total Assets	85,925,670	18,224,887	1,636,434	105,786,991	338,950
Liabilities					
Current Liabilities					
Accounts payable	2,483,985	1,100,016	186,569	3,770,570	98,332
Contracts retainage payable	341,401	-	-	341,401	-
Accrued expenses	2,205,487	2,839,820	95,675	5,140,982	81,743
Interfund payable	-	1,641,061	333,222	1,974,283	158,875
Compensated absences payable	100,455	151,902	70,591	322,948	-
Revenue bonds payable	1,415,000	-	-	1,415,000	-
Capital leases payable	-	1,207,691	117,747	1,325,438	-
Total Current Liabilities	6,546,328	6,940,490	803,804	14,290,622	338,950
Current Liabilities Payable From Restricted Assets					
Accrued interest payable	951,555	-	-	951,555	-
Customer deposits	151,737	1,336,345	-	1,488,082	-
Total Current Liabilities Payable From Restricted Assets	1,103,292	1,336,345	-	2,439,637	-
Long-Term Liabilities (net of current portion)					
Other post employment benefits payable	89,694	132,753	70,313	292,760	-
Capital leases payable	-	2,603,787	207,942	2,811,729	-
Revenue bonds payable	72,046,816	-	-	72,046,816	-
Total Long-Term Liabilities	72,136,510	2,736,540	278,255	75,151,305	-
Total Liabilities	79,786,130	11,013,375	1,082,059	91,881,564	338,950
Net Assets					
Invested in capital assets, net of related debt	4,110,070	3,935,098	557,665	8,602,833	338,950
Unrestricted	2,029,470	3,276,414	(3,290)	5,302,594	(338,950)
Total Net Assets	$ 6,139,540	$ 7,211,512	$ 554,375	$ 13,905,427	$ -

See accompanying notes to the basic financial statements

City of East Point, Georgia
Statement of Revenues,
Expenses and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds				Business-type Activities
	Water & Sewerage System	Electric System	Solid Waste	Total	Internal Service Fund
Operating Revenues					
Charges for services, net	$ 13,946,968	$ 33,645,100	$ 3,814,636	$ 51,406,704	$ 1,424,220
Miscellaneous	5,197	38,611	142,632	186,440	-
Total Operating Revenues	13,952,165	33,683,711	3,957,268	51,593,144	1,424,220
Operating Expenses					
Personal services	2,707,714	2,157,184	1,780,974	6,645,872	416,128
Purchased services	2,589,770	1,439,551	1,690,226	5,719,547	83,307
Materials and supplies	549,768	293,563	65,070	908,401	495,466
Wholesale electric	-	24,071,231	-	24,071,231	-
Sanitary sewers	4,044,349	-	-	4,044,349	-
Depreciation	3,557,626	981,843	274,161	4,813,630	23,847
Other	195,123	21,710	-	216,833	-
Total Operating Expenses	13,644,350	28,965,082	3,810,431	46,419,863	1,018,748
Operating Income	307,815	4,718,629	146,837	5,173,281	405,472
Non-Operating Revenues (Expenses)					
Proceeds from the liquidation of bond reserve	-	4,019,368	-	4,019,368	-
Amortization of bond issuance costs	(371,759)	-	-	(371,759)	-
Interest expense	(670,160)	(302,977)	(25,348)	(998,485)	-
Investment earnings	18,928	615	-	19,543	-
Total Non-Operating Revenues (Expenses)	(1,022,991)	3,717,006	(25,348)	2,668,667	-
Income (Loss) Before and Transfers Out	(715,176)	8,435,635	121,489	7,841,948	405,472
Transfers Out	-	(3,809,809)	-	(3,809,809)	-
Change in Net Assets	(715,176)	4,625,826	121,489	4,032,139	405,472
Net Assets Beginning of Year	6,854,716	2,585,686	432,886	9,873,288	(405,472)
Net Assets End of Year	$ 6,139,540	$ 7,211,512	$ 554,375	$ 13,905,427	$ -
Net Assets Beginning of Year - Per Above				$ 9,873,288	
Fiscal Year 2009 Adjustment				(63,868)	
Net Assets Beginning of Year , June 30, 2009				$ 9,809,420	

See accompanying notes to the basic financial statements

City of East Point, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

	Business-type Activities - Enterprise Funds				Business-type Activities
	Water & Sewerage System	Electric System	Solid Waste	Total	Internal Service Fund
Cash Flows from Operating Activities					
Cash received from customers	$ 14,988,641	$ 33,655,009	$ 3,957,983	$ 52,601,633	$ -
Cash payments for personal services	(2,661,336)	(2,005,281)	(1,774,193)	(6,440,810)	(416,128)
Cash payments for goods and services	(5,997,057)	(25,945,520)	(1,740,215)	(33,682,792)	(498,336)
Cash payments for interfund services used	-	-	-	-	1,424,220
Net Cash Provided by (Used in) Operating Activities	6,330,248	5,704,208	443,575	12,478,031	509,756
Cash Flows from Noncapital Financing Activities					
Decrease in interfund loan payable	-	-	(378,489)	(378,489)	(509,756)
Decrease in interfund receivable	10,079	-	-	10,079	-
Increase in OPEB liability	37,511	55,518	29,406	122,435	-
Transfers out	-	(3,809,809)	-	(3,809,809)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	47,590	(3,754,291)	(349,083)	(4,055,784)	(509,756)
Cash Flows from Capital and Related Financing Activities					
Proceeds from liquidation of bond reserve	-	4,019,368	-	4,019,368	-
Principal paid on revenue bonds	(2,391,000)	-	-	(2,391,000)	-
Interest paid on revenue bonds	(2,767,843)	-	-	(2,767,843)	-
Principal paid on notes and leases	-	(986,742)	(103,291)	(1,090,033)	-
Interest paid on notes and leases	-	(302,976)	(25,348)	(328,324)	-
Payments for capital acquisitions	(4,954,289)	(257,560)	-	(5,211,849)	-
Net Cash (Used in) Capital and Related Financing Activities	(10,113,132)	2,472,090	(128,639)	(7,769,681)	-
Cash Flows from Investing Activities					
Maturities of investments	4,074,620	-	-	4,074,620	-
Purchase of investments	-	(1,998,797)	-	(1,998,797)	-
Investment earnings	990,303	615	-	990,918	-
Net Cash Provided by (Used in) Investing Activities	5,064,923	(1,998,182)	-	3,066,741	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,329,629	2,423,825	(34,147)	3,719,307	-
Cash and Cash Equivalents Beginning of Year	2,062,321	200,331	40,314	2,302,966	-
Cash and Cash Equivalents End of Year	$ 3,391,950	$ 2,624,156	$ 6,167	$ 6,022,273	$ -
Cash and Cash Equivalents	$ 2,471,611	$ 1,235,019	$ 6,167	$ 3,712,797	$ -
Restricted Cash	920,339	1,389,137	-	2,309,476	-
Total	$ 3,391,950	$ 2,624,156	$ 6,167	$ 6,022,273	$ -

(continued)

City of East Point, Georgia
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2010

(continued)

	Business-type Activities - Enterprise Funds				Business-type Activities
	Water & Sewerage System	Electric System	Solid Waste	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities					
Operating Income (Loss)	$ 307,815	$ 4,718,629	$ 146,837	$ 5,173,281	$ 405,472
Adjustments					
Depreciation	3,557,626	981,843	274,161	4,813,630	23,847
(Increase) Decrease in Assets					
Accounts receivable and accrued revenues	1,036,476	(108,604)	715	928,587	-
Inventory	(17,796)	(458,057)	23,183	(452,670)	20,150
Increase (Decrease) in Liabilities					
Accounts payable and accrued liabilities	534,099	338,592	(8,102)	864,589	57,442
Contracts retainage payable	34,570	-	-	34,570	-
Accrued expenses	831,080	-	7,290	838,370	2,845
Deposits payable	-	79,903	-	79,903	-
Compensated absences	46,378	151,902	(509)	197,771	-
Net Cash Provided by (Used in) Operating Activities	$ 6,330,248	$ 5,704,208	$ 443,575	$ 12,478,031	$ 509,756

See accompanying notes to the basic financial statements

City of East Point, Georgia
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	Pension Trust	Agency
Assets		
Restricted cash	$ -	$ 307,440
Investments:		
Corporate bonds	5,625,600	-
U.S. government securities	16,075,013	-
Equity securities	24,130,775	-
Money market funds	1,642,920	-
Receivables:		
Interest	149,869	-
Interfund	-	1,278
Other	290,904	-
Total Assets	47,915,081	308,718
Liabilities		
Interfund payable	-	58,066
Deposits	-	250,652
Total Liabilities	-	$ 308,718
Net Assets Held in Trust for Pension Benefits	$ 47,915,081	

See accompanying notes to the basic financial statements

City of East Point, Georgia
Statement of Changes in Fiduciary Net Assets
Pension Trust Fund
For the Fiscal Year Ended June 30, 2010

Additions		
Contributions:		
Employer	$	6,172,206
Employee		1,123,880
Investment earnings:		
Interest		1,427,836
Net increase (decrease) in the fair value of investments		3,898,905
Less investment expense		(386,799)
Total Additions		12,236,028
Deductions		
Administration expenses		106,794
Benefits		8,207,992
Total Deductions		8,314,786
Change in Net Assets		3,921,242
Net Assets Beginning of Year		43,993,839
Net Assets End of Year	$	47,915,081

See accompanying notes to the basic financial statements.

City of East Point, Georgia
Combining Statement of Net Assets
Component Units
June 30, 2010

	East Point Business and Industrial Development Authority	Keep East Point Beautiful	Total
Assets			
Current:			
Cash and cash equivalents	$ 261,430	$ 41,188	$ 302,618
Non-current Assets			
Capital assets for resale	537,543	-	537,543
Capital assets:			
Depreciable capital assets, net	-	13,071	13,071
Total Assets	798,973	54,259	853,232
Liabilities			
Current Liabilities:			
Accounts payable	2,313	-	2,313
Due to primary government	175,528	-	175,528
Customer deposits	49,458	-	49,458
Total Liabilities	227,299	-	227,299
Net Assets			
Invested in capital assets	-	13,071	13,071
Unrestricted	571,674	41,188	612,862
Total Net Assets	$ 571,674	$ 54,259	$ 625,933

See accompanying notes to the basic financial statements

City of East Point, Georgia
Combining Statement of Activities
Component Units
For the Year Ended June 30, 2010

	East Point Business and Industrial Development Authority	Keep East Point Beautiful	Total
Expenses			
Economic development	$ 17,960	$ 72,046	$ 90,006
General Revenues			
Investment earnings	342	22	364
Miscellaneous	-	62,823	62,823
Total General Revenues	342	62,845	63,187
Change in Net Assets	(17,618)	(9,201)	(26,819)
Net Assets Beginning of Year	589,292	63,460	652,752
Net Assets End of Year	$ 571,674	$ 54,259	$ 625,933

See accompanying notes to the basic financial statements

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The City of East Point, Georgia (the "City") was incorporated on August 10, 1887 under the provisions of Georgia Law 133, as amended. The City operates under a Council-Manager form of government and provides the following services: general government, judicial, public safety, public works, culture and recreation, economic and community development, water and sewer, electricity and solid waste disposal..

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting. The City also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities at the government-wide financial reporting level and to its proprietary funds at the fund reporting level, provided they do not conflict with or contradict GASB pronouncements. For its enterprise funds, the City applies any FASB statements and interpretations issued after November 30, 1989, unless they conflict with or contradict GASB pronouncements.

The most significant of the City's accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City, this entity includes component units as described below.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The City's component units are presented either as "blended" or "discretely presented." If blended, it is reported as if it were a fund of the City throughout the year. It is included at both the government-wide and fund financial reporting levels.

Discretely presented component units are reported only at the government-wide financial reporting level. The component unit columns included on the government-wide financial statements identify the financial data of the City's discretely presented component units. They are reported separately to emphasize that they are legally separate from the City.

A brief description of the blended component unit follows:

East Point Building Authority (The Authority) - The Authority was established to acquire, construct and equip capital projects for the City. The Mayor and City Council appoint members of the Authority. The City has lease agreements that require it makes lease payments to the Authority in amounts equivalent to the principal and interest on the Authority's outstanding debt. Capital assets owned by the Authority are included in capital assets; related debt and debt service are included in long-term debt in the government-wide financial statements and in the debt service fund. Assets owned by the Authority and leased for use by enterprise funds are included in the enterprise funds, along with the related capital debt. The Authority does not issue separate financial statements.

Note 1 - Summary of Significant Accounting Policies (Continued)

The following component units are discretely presented in the reporting entity:

East Point Business and Industrial Development Authority (EPBIDA) and the Downtown Development Authority of East Point (DDAEP) - The EPBIDA and the DDAEP were established to assist in the promotion, rejuvenation and commercial development of the City. The board members of the Authorities are appointed by the City Council. The Authorities receive a substantial portion of their operating revenues and all of their office facilities from the City. While these entities are legally established as two separate authorities, they are operated and reported on as one entity. During fiscal year 2010, DDAEP was inactive. The EPBIDA and the DDAEP do not issue separate financial statements.

Keep East Point Beautiful - Keep East Point Beautiful (KEPB), formally known as East Point Clean Community System, was established to promote public interest in the general improvement of the environment of the City of East Point. It receives substantially all of its operating revenues from the City. The directors of the System are appointed by the City Council. The KEPB does not issue separate financial statements.

1-B. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net assets, a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the City as a whole. The primary government and the discretely presented component units are presented separately within these financial statements with the focus on the primary government. Fiduciary activities are not included at the government-wide reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and City general revenues, from business-type activities, generally financed in whole or in part with fees charged to external customers. The operating activity of the internal service funds is eliminated to avoid duplicating revenues and expenses.

The statement of net assets presents the financial position of the governmental and business-type activities of the City and it's discretely presented component units at year-end.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities, for each identifiable activity of the business-type activities of the City and for each major component unit. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses.

For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which functions the revenues are *restricted.*

Taxes and other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary, and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns with composite columns for nonmajor funds. The internal service funds are presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses three categories of funds: governmental, proprietary and fiduciary.

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

General Fund - The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of Georgia.

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position and cash flows. Proprietary funds are classified as either enterprise or internal service. The following are the City's major enterprise funds.

Water and Sewer Fund – This fund provides water and sewer services to City residents.

Electrical Fund – This fund provides electrical services to City residents.

Solid Waste Fund – This fund provides sanitation services to City residents.

Internal Service Fund – The internal service fund accounts for the operation and administration activity of the motor transport programs of the City.

Fiduciary Funds - Fiduciary fund reporting focuses on net assets. The City's fiduciary funds include a pension trust funds and an agency fund. The pension trust fund provides pensions to City employees and City elected officials. The agency fund collects municipal court fines and forwards them to the general fund. The agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

1-C. Measurement Focus

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, governmental funds use the modified accrual basis of accounting and fiduciary funds use the accrual basis of accounting. Proprietary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred revenue, and in the presentation of expenses versus expenditures.

Revenues - Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the calendar year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current calendar year. For the City, the phrase "available for exchange transactions" means expected to be received within 60 days of year-end.

Revenues - Non-exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales tax, property taxes, grants, and donations. On an accrual basis, revenue from sales tax is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied, (Note 3-B). Revenue from grants and donations is recognized in the calendar year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days subsequent to year end) before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes and federal and state grants.

Deferred/Unearned Revenue - Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied (Note 3-D).

On governmental fund financial statements (i.e., on the modified accrual basis), receivables that will not be collected within the available period have been reported as deferred revenue (i.e., they are measurable but not available) rather than as revenue.

Note 1 - Summary of Significant Accounting Policies (Continued)

Property taxes receivable not collected by year-end has been recorded as deferred revenue. On both the government-fund financial statements and the government-wide financial statements, revenues are deferred for:

- Grants and entitlements received before the eligibility requirements are met (e.g., cash advances)
- Property taxes

Deferred revenue is reclassified as "*unearned revenue*" on the government-wide statement of net assets.

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred, if measurable. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. Assets, Liabilities and Fund Equity

1-E-1. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents - Cash and cash equivalents include amounts in demand and time deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. Cash and cash equivalents are reported on balance sheets, statements of net assets and in cash flow statements.

Cash balances of most City funds are pooled and invested. Interest earned from investments purchased with pooled cash is allocated to each fund based on the fund's average equity balance in the pooled fund.

Investments - The City is authorized by the City charter and Georgia statutes to invest in:

- Obligations of the State of Georgia or of any other states
- Obligations of the United States Government
- Obligations fully insured or guaranteed by the United States Government or United States Government Agency
- Obligations of any corporation of the United States Government
- Prime bankers' acceptances
- The State of Georgia local government investment pool (i.e., Georgia Fund I)
- Repurchase agreements
- Obligations of the other political subdivisions of the State of Georgia

Assets of the City's pension plans are invested in accordance with Georgia statutes. These statutes authorize the City to invest these assets in:

- Obligations of the United States Treasury or its agencies and instrumentalities,
- Bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions,
- Certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations,
- Common stocks,
- Money market instruments, and
- Corporate bonds and debentures, which are not in default as to principal and interest.

Investments of the City are stated at fair value based upon quoted market prices.

Note 1 - Summary of Significant Accounting Policies (Continued)

For the City's pension plan, securities traded on the national securities markets are valued at the last reported sales price on the last business day of the fiscal year. Investments traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at fair value determined by the trustee on the last reported bid and asked prices. Short term investments, corporate bonds, U.S. Government agency obligations and corporate stock are reported at their market value as of June 30, 2010.

1-E-2. Receivables

All trade and property tax receivables are reported net of an allowance for uncollectibles, where applicable.

1-E-3. Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net assets, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

1-E-4. Consumable Inventories

On the government-wide financial statements, inventories are presented at a moving average cost basis and are expensed when used (i.e., the consumption method).

On the fund financial statements, inventories of governmental funds and proprietary funds are stated a moving average cost basis. For all funds, cost is determined on a first-in, first-out basis. The cost of inventory items is recorded as an expenditure in the governmental fund types when consumed. Inventories of the proprietary funds are expensed when consumed.

1-E-5. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items using the consumption method by recording an asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed. At the fund reporting level, an equal amount of fund balance is reserved, as this amount is not available for general appropriation.

1-E-6. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Restricted assets in the governmental funds relate to specific programs for which cash is restricted for use by the donor or the nature of the program, debt service payments and for capital projects.

1-E-7. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds or contributions. The City reports these assets in the governmental activities column of the government-wide statement of net assets but does not report these assets in the governmental fund financial statements. Capital assets utilized by proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the proprietary fund's statement of net assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of $5,000. The City's infrastructure consists of roads, bridges, storm sewers, traffic islands, street lights, traffic signals and street signs. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Interest incurred during the construction of capital assets utilized by the enterprise funds is capitalized, less the amount of interest earned during the same qualifying period.

The City has elected not to capitalize works of art and historical treasures based on its policy that these items are not held for financial gain, they will be preserved and any proceeds from the sale of the items will be used to acquire other collections.

All reported capital assets are depreciated except for land, right-of-ways, water rights and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

	Estimated Useful Lives		
Description	Governmental Activities	Business-type Activities	KEPB
Buildings	20-50 years	20-50 years	-
Building improvements	20 years	20 years	-
Machinery and equipment	3-10 years	5-20 years	7 years
Vehicles	5-8 years	5-8 years	-
Infrastruction	25-50 years	10-50 years	-

1-E-8. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the employer will compensate the employees for the benefits through paid time off or some other means.

All compensated absence liabilities include salary-related payments, where applicable.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only "*when due.*"

1-E-9. Workers' Compensation

The reserves for claims are determined when a probable loss has occurred and the amount of the loss can be reasonably estimated. The reserves are conservatively estimated with no interest imputed in determining the amount of the claims or reserves (Note 4-A).

The total workers' compensation liability is reported on the government-wide financial statements. Proprietary funds report the total workers' compensation liability in each individual fund at the fund reporting level. Governmental funds report the workers' compensation liability at the fund reporting level only "*when due.*"

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-10. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations 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. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are "due for payment" during the current year. Bonds and capital leases are recognized as liabilities in the governmental fund financial statements "*when due.*"

1-E-11. Bond Premiums, Discounts, Issuance Costs and Bond Refunding Gains and Losses

On the government-wide statement of net assets and the proprietary fund type statement of net assets, bond premiums and discounts and refunding gains and losses are netted against bonds payable and bond issuance costs are reported as deferred charges. On the government-wide and proprietary fund type statement of activities, bond premiums and discounts, bond issuance costs are deferred and amortized over the life of the bonds using the effective interest method and bond refunding gains and losses are deferred and amortized over the shorter of the life of refunding debt or the refunded debt using the straight-line method. Bond issuance costs are reported as deferred charges and premiums, discounts and bond refunding gains and losses are offset against the applicable bonds payable.

At the government fund reporting level, bond premiums and discounts are reported as other financing sources and uses, separately from the face amount of the bonds issued. Bond issuance costs are reported as debt service expenditures.

1-E-12. Fund Equity

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. The City reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available, spendable resources and therefore are not available for general appropriation or expenditure. Unreserved fund balance indicates that portion of fund balance that is available for appropriation in future periods. Designations are management's intent to set aside these resources for specific services.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has not spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. All other net assets are reported as unrestricted.

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

1-E-13. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are charges for water and sewer, electric and sanitation services.

Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of each fund. All other revenues and expenses are classified as non-operating including investment earnings, withdrawals from the Municipal Competitive Trust, interest expense and the gain or loss on the disposition of capital assets.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-E-14. Contributions of Capital

Contributions of capital in proprietary fund financial statements arise from outside contributions of capital assets (e.g. developers), and grants or outside contributions of resources restricted to capital acquisition and construction.

1-E-15. Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. On the government-wide statement of activities, the exchange transactions between the internal service funds and the user funds are eliminated. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-E-16. Estimates

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

1-E-17. Comparative Data/Reclassifications

Comparative data for the prior year have been presented throughout the financial statements in order to provide an understanding of the changes in the financial position and results of operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation, primarily due to changes in major funds.

Note 2 –Stewardship, Compliance and Accountability

2-A. Budgetary Information

The City adopts an annual operating budget for all governmental funds except the capital projects fund, which have an adopted project budget. Budgets are adopted on a basis consistent with GAAP with the exception of the capital projects funds, which have project length budgets, rather than annual budgets. The City adopts budgets for its enterprise funds and internal service fund, however, the reporting of the budget to actual comparison is not required.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the department level as defined in the adopted budget, within each individual fund. The City manager is authorized to transfer appropriations within a single department from one line to another. Any change in total to a fund or departmental appropriation within a fund requires approval of the City Council.

The original 2010 budget was amended during the year. All unexpended annual appropriations lapse at year-end.

2-B. Excess of Expenditures and Other Financing Uses over Appropriations

The following departments overspent the final 2010 annual budget:

Culture and recreation	$7,959

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Deposits - State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

Custodial Credit Risk – Deposits – the custodial credit risk for deposits is the risk that, in the event of a bank failure, the City's deposits or the securities collateralizing these deposits may not be recovered.

All of the bank balances were covered by federal depository insurance, the FDIC's Transaction Account Guarantee (TAG) Program, or by collateral held by the City's agent or pledging financial institution. Under the TAG program, through June 30, 2011, all noninterest-bearing transaction accounts are fully guaranteed by the FDIC for the entire amount in the account. Coverage under the TAG Program is in addition to and separate from the coverage available under the FDIC's general deposit insurance rules.

Georgia Fund 1, created by OCGA 36-83-8, is a stable net asset value investment pool which follows Standard and Poor's criteria for AAAm rated money market funds. However, Georgia Fund 1 operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940 and is considered to be a 2a-7 like pool. The pool is not registered with the SEC as an investment company. The pool's primary objectives are safety of capital, investment income, liquidity and diversification while maintaining principal ($1.00 per share value). Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on a $1.00 per share value. The fair value of the School System's position in the pool is the same as the value of pool shares ($1 per share value). The regulatory oversight agency for Georgia Fund 1 is the Office of Treasury and Fiscal Services of the State of Georgia.

Funds included in this Pool are not required to be collateralized.

The fair value of the City's position in the pool approximates the value of the City's pool shares. Credit risk, value, and interest risk at June 30, 2010 are as follows:

Credit Risk	Value		Interest Risk
AAAm rated	$	3,392	46 day WAM

The City classifies its investments in Georgia Fund I as cash and cash equivalents.

Also, the Keep East Point Beautiful' deposits and the East Point Business and Industrial Development Authority's deposits were covered either by FDIC coverage or were entirely insured or collateralized with securities held by the component unit's agent in the component unit's name.

Investments (Governmental and Enterprise Funds)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from volatility of interest rates.

Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2010, the City had the following investments and maturities:

Investment Type	Maturity Period Fair Value	1 - 5 Years
U.S. Government Obligations	$ 17,218,045	$17,218,045
Money Market Funds	5,351	
Total	$ 17,223,396	

Credit Quality Risk – Credit quality risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy does not address custodial credit risk. The above U.S. Government Obligations and money market funds are both rated "AAA."

Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the City's investments may not be recovered. The City's investment policy does not address custodial credit risk

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City does not have a formally adopted investment policy for managing concentration of credit risk. The only investments in excess of 5% of the City's investment portfolio are federal securities and money market funds.

Deposits (Pension Trust Fund)

Custodial Credit Risk – Deposits – As of June 30, 2010, all of the Pension Trust Fund's deposits were covered either by FDIC coverage or collateralized by the financial institution or a combination of the two.

Investments (Pension Trust Fund)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from volatility of interest rates.

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Note 3 - Detailed Notes on All Funds (Continued)

At June 30, 2010, the Pension Trust Fund had the following investments and maturities:

Investment Type	Fair Value	Maturity Period: Less Than One Year	1 - 3 Years	3 - 5 Years	6 - 10 Years	Over 10 Years
U.S. Treasury Obligations	$ 3,211,890	$ -	$ -	$ 532,345	$ 2,310,452	$ 369,093
U.S. Agency Obligations	12,863,123	1,621,663	-	1,104,499	1,506,350	8,630,611
Corporate Debt	5,625,600	151,075	1,311,980	1,557,033	2,352,364	253,148
Total	21,700,613	$ 1,772,738	$ 1,311,980	$ 3,193,877	$ 6,169,166	$ 9,252,852
Equity Securities	24,130,775					
Money Market Funds	1,642,920					
Total	$ 47,474,308					

Credit Quality Risk – Credit quality risk is that an issuer or other counterparty to an investment will not fulfill its obligations. The City's pension investment policy does not address custodial credit risk. The above U.S. Agency Obligations and money market funds are both rated "AAA." The corporate debt is rated A-.

Cash and investment reconciliation:

Fund Reporting Level:	Pooled Cash and Cash Equivalents	Investments	Total
Governmental Fund Type - Balance Sheet			
Unrestricted	$ 7,237,066	$ -	$ 7,237,066
Restricted	8,975,252	-	8,975,252
Proprietary Fund Type Statement of Net Assets:			
Enterprise Funds			
Unrestricted	3,712,797	17,223,396	20,936,193
Restricted	2,309,476	1,998,797	4,308,273
Statement of Fiduciary Net Assets - Restricted	307,440	47,474,308	47,781,748
Total	$ 22,542,031	66,696,501	$ 89,238,532

3-B. Receivables

Receivables at June 30, 2010, consisted of taxes, accounts (billings for user charges) and intergovernmental receivables arising from grants.

Receivables and payables are recorded on the City's financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Note 3 - Detailed Notes on All Funds (Continued)

The allowance for uncollectibles is follows:

• General fund	$1,325,536
• Water and sewerage system fund	1,220,016
• Electric system fund	3,062,029
• Solid waste fund	338,053

3-C. Property Taxes

Property taxes for the June 30, 2010 fiscal year were levied on July 1, 2009, based on property values assessed as of January 1, 2009. The taxes were billed October 1, 2009 and were payable within 60 days of the billing date. An interest penalty of 10% per annum is charged on property taxes not paid within 90 days of the due date. Property taxes become an enforceable lien on January 31, 2010.

3-D. Deferred/Unearned Revenue

The balance of deferred revenues in the fund financial statements (includes both the deferred and unearned amounts disclosed below) and unearned revenues in the government-wide financial statements at year-end are:

Type	Deferred Revenue	Unearned	Total
Property taxes	$ 1,543,345	$ -	$ 1,543,345
Non-judicated confiscated assets	-	239,421	239,421
Total	$ 1,543,345	$ 239,421	$ 1,782,766

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Note 3 - Detailed Notes on All Funds (Continued)

3-E. Capital Assets

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

Asset Class	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
Governmental activities:				
Nondepreciable capital assets:				
Land	$ 4,246,066	$ -	$ -	$ 4,246,066
Depreciable capital assets:				
Land improvements	4,908,933	7,301	-	4,916,234
Buildings	12,380,978	234,636	-	12,615,614
Furniture	516,493	-	-	516,493
Machinery and equipment	14,749,267	582,735	-	15,332,002
Vehicles	14,698,934	289,712	-	14,988,646
Infrastructure	62,402,896	-	-	62,402,896
Total depreciable capital assets	109,657,501	1,114,384	-	110,771,885
Total capital assets	113,903,567	1,114,384	-	115,017,951
Accumulated depreciation:				
Land improvements	2,348,590	186,494	-	2,535,084
Buildings	4,689,780	300,918	-	4,990,698
Furniture	482,995	3,696	-	486,691
Machinery and equipment	11,510,523	669,965	-	12,180,488
Vehicles	11,587,932	427,730	-	12,015,662
Infrastructure	21,629,312	1,034,979	-	22,664,291
Total accumulated depreciation	52,249,131	2,623,782	-	54,872,914
Governmental activities capital assets, net	$ 61,654,435	$ (1,509,398)	$ -	$ 60,145,037

Governmental activities depreciation expense

	Governmental Funds
General government	$ 239,362
Public safety	956,020
Public works	1,284,591
Culture and recreation	143,809
Total governmental activities depreciation expense	$ 2,623,782

Note 3 - Detailed Notes on All Funds (Continued)

The following are the changes in the capital assets for the City's three enterprise funds and the internal service fund:

	Balance 7/1/2009	Additions	Deletions	Balance 6/30/2010
Business-type activities				
Nondepreciable capital assets:				
Construction in progress	$ 13,869,286	$ 5,842,747	$ -	$ 19,712,033
Depreciable capital assets:				
Buildings and other structures	97,177,562	154,148	163,148	97,168,562
Machinery and equipment	8,866,338	29,842	-	8,896,180
Vehicles	4,740,726	134,868	-	4,875,594
Total depreciable capital assets	110,784,626	318,858	163,148	110,940,336
Total capital assets	124,653,912	6,161,605	163,148	130,652,369
Accumulated depreciation:				
Buildings and other structures	46,312,434	3,935,275	66,818	50,180,891
Machinery and equipment	6,656,267	538,187	-	7,194,454
Vehicles	3,595,639	364,015	-	3,959,654
Total accumulated depreciation	56,564,340	4,837,477	66,818	61,334,999
Business-type activities capital assets, net	$ 68,089,572	$ 1,324,128	$ 96,330	$ 69,317,370

Interest expense was capitalized in the Water and Sewerage System Fund totaling $1,042,604 (i.e., interest expense of $2,013,979 less investment earnings of $971,375).

Capital asset activity for the component units for the year ended June 30, 2010, was as follows:

	Balance 7/1/2009	Additions	Deductions	Balance 6/30/2010
East Point Business and Industrial Development Authority				
Nondepreciable:				
Assets held for resale	537,543	-	-	537,543
Depreciable capital assets:				
Buildings and machinery and equipment	36,136	-	-	36,136
Total capital assets	573,679	-	-	573,679
Less accumulated depreciation:				
Buildings and machinery and equipment	26,202	9,934	-	36,136
East Point Business and Industrial Development Authority				
Capital assets - net	$ 547,477	$ (9,934)	$ -	$ 537,543

Note 3 - Detailed Notes on All Funds (Continued)

	Balance 7/1/2009	Additions	Deductions	Balance 6/30/2010
Keep East Point Beautiful				
Capital assets being depreciated:				
Machinery and equipment	$ 69,456	$ -	$ -	$ 69,456
Less accumulated depreciation	52,092	4,293	-	56,385
Keep East Point Beautiful				
Capital assets, net	$ 17,364	$ (4,293)	$ -	$ 13,071

3-F. - Interfund Balances and Transfers

Interfund balances at June 30, 2010, consisted of interfund loans between funds for cash flow purposes and the reclassification of cash overdrafts in the City's cash and investment pool.

	Payable from:						
Payable to:	General Fund	Nonmajor Governmental Funds	Electrical Fund	Solid Waste Fund	Internal Service Fund	Agency Fund	Total
General Fund	$ -	$ 4,357,149	$ -	$ 43,574	$ 158,875	$ 58,066	$ 4,617,664
W & S Fund	-	-	1,641,061	289,648	-	-	1,930,709
Agency Fund	1,278	-	-	-	-	-	1,278
Total	$ 1,278	$ 4,357,149	$ 1,641,061	$ 333,222	$ 158,875	$ 58,066	$ 6,549,651

Interfund transfers for the year ended June 30, 2010, consisted of the following:

	Transfers in			
Transfers out	General Fund	Nonmajor Governmental Funds	Electric Fund	Total
General Fund	$ -	$ 961,040	$ 3,520,097	$ 4,481,137
Nonmajor Governmental Funds	186,691	-	289,712	476,403
Total	$ 186,691	$ 961,040	$ 3,809,809	$ 4,957,540

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide additional resources for current operations and to return money to the fund from which it was originally provided once a project is completed. More specifically, the transfer from the nonmajor governmental funds to the general fund costs of the hotel/motel taxes collected in the hotel/motel tax fund.

The majority of the transfer from the electric fund to the general fund consists of a portion of the liquidation of the bond reserve.

Note 3 - Detailed Notes on All Funds (Continued)

All City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

3-G. Short-Term Debt

On March 12, 2009, the City issued $12,000,000 in aggregate principal amount of tax anticipation notes. On December 30, 2009, the City retired these notes in full with interest costs of $99,383. The purpose of the notes was for operating cash flow purposes.

On January 28, 2010, the City issued $8,000,000 in tax anticipation notes. The tax anticipation notes are due on December 29, 2010 and bear an interest rate of 3%. The purpose of the notes was for operating cash flow purposes.

Changes in the short-term obligations consisted of the following for the year ended June 30, 2010:

	Outstanding 7/1/2009	Additions	Reductions	Outstanding 6/30/2010
Tax anticipation note	$ 12,000,000	$ 8,000,000	$ 12,000,000	$ 8,000,000

3-H. Long-Term Debt

Governmental Activities Bonds and Capital Leases - The following is a summary of the outstanding long-term bonds and capital leases at June 30, 2010.

1996 Building Authority Revenue Refunding Bonds – In 1996, the City issued revenue refunding bonds in the amount of $3,765,000 at an interest rate ranging from 3.7% - 5.125%, to advance refund outstanding bonds. Annual principal installments range from $52,000 to $455,000 with principal maturing February 1, 2011.

Annual debt service requirements to amortize this debt, as of June 30, 2010 follow:

Fiscal Year	Principal	Interest	Total
2011	$ 455,000	$ 23,319	$ 478,319

2002A Tax Allocation Bonds – In 2002, the City issued tax allocation bonds, Series A, in the amount of $16,305,000 at an interest rate of 8%. Annual principal installments range from $70,000 to $1,665,000 with principal maturing February 1, 2026.

Annual debt service requirements to amortize this debt, as of June 30, 2010 follow:

Fiscal Year	Principal	Interest	Total
2011	$ 480,000	$ 1,247,200	$ 1,727,200
2012	540,000	1,208,800	1,748,800
2013	590,000	1,165,600	1,755,600
2014	635,000	1,118,400	1,753,400
2015	690,000	1,067,600	1,757,600
2016-2020	4,410,000	4,413,200	8,823,200
2021-2025	6,580,000	2,329,200	8,909,200
2026	1,665,000	133,200	1,798,200
Total	$ 15,590,000	$ 12,683,200	$ 28,273,200

Note 3 - Detailed Notes on All Funds (Continued)

2002B Tax Allocation Bonds – In 2002, the City issued tax allocation bonds, Series B, in the amount of $5,695,000 at an interest rate of 8%. Annual principal installments range from $25,000 to $805,000 with principal maturing February 1, 2026.

Annual debt service requirements to amortize this debt, as of June 30, 2010 follow:

Fiscal Year	Principal	Interest	Total
2011	$ 170,000	$ 435,600	$ 605,600
2012	190,000	442,000	632,000
2013	205,000	406,800	611,800
2014	225,000	390,400	615,400
2015	240,000	372,400	612,400
2016-2020	1,540,000	1,539,200	3,079,200
2021-2025	2,295,000	812,000	3,107,000
2026	580,000	46,400	626,400
Total	$ 5,445,000	$ 4,444,800	$ 9,889,800

2004 Building Authority Revenue Refunding Bonds – In 2004, the City issued revenue refunding bonds in the amount of $9,480,000 at an interest rate of 3.45%, to advance refund outstanding bonds. Annual principal installments range from $1,320,000 to $1,485,000 with principal maturing February 1, 2011.

Annual debt service requirements to amortize this debt, as of June 30, 2010 follow:

Fiscal Year	Principal	Interest	Total
2011	$ 1,485,000	$ 51,233	$ 1,536,233

(This page continued on the subsequent page)

Note 3 - Detailed Notes on All Funds (Continued)

Capital Leases – The City has entered into numerous lease agreements relative to its governmental activities with Koch and Company. The following equipment and improvements were included in these capital leases:

Lease Number	Lease Date	Lease Purpose	Interest Rate	Initial Lease Amount
5	March 1, 2004	Fire trucks	5.00%	$ 580,008
12	March 1, 2006	Road project	4.94%	1,202,212
13	April 1, 2006	Storage area network	4.85%	126,737
15	June 30, 2006	Public works vehicles	5.14%	136,697
16	June 30, 2006	Pedestrian bridge	5.21%	123,000
17	June 30, 2006	Construction equipment	5.15%	414,847
18	June 30, 2006	Pothole repair equipment	5.15%	350,841
19	June 30, 2006	Telephone equipment	5.15%	437,600
21	June 30, 2006	Roof replacement	5.15%	261,109
22	August 18, 2006	Fire pumper apparatus	4.98%	338,704
23	September 20, 2006	Tractor and equipment	4.93%	183,632
24	September 29, 2006	Community room	4.84%	122,569
27	December 29, 2006	Ladder truck and equipment	4.90%	738,824
28	January 12, 2007	Generators and equipment	4.95%	204,956
29	March 15, 2007	Trucks and equipment	4.92%	245,230
30	March 15, 2007	Road project	4.89%	484,236

Annual debt service requirements to amortize the capital leases, as of June 30, 2010 follow:

Year	Principal	Interest	Total
2011	$ 786,671	$ 108,349	$ 895,020
2012	583,653	74,756	658,409
2013	604,428	45,701	650,129
2014	334,401	19,712	354,113
2015	143,194	9,399	152,593
2016	112,124	2,320	114,444
	$ 2,564,471	$ 260,237	$ 2,824,708

Business-type Activity Debt – The City reports three building authority debt issuances and a variety of capital leases for business-type activities:

1996 Building Authority Revenue Refunding Bonds – In 1996, the City issued revenue refunding bonds in the amount of $13,420,000 at an interest rate ranging from 3.7% - 5.1%, to advance refund outstanding bonds. Annual principal installments range from $333,000 to $1,546,000 with principal maturing February 1, 2010. These bonds were retired in fiscal year 2010.

2006 Building Authority Revenue Bonds – In June 2006, the City issued revenue bonds in the amount of $50,195,000 at an interest rate ranging from 4% - 5%, to fund a water and sewer project. Annual principal installments range from $790,000 to $3,190,000 with principal maturing 2035.

Note 3 - Detailed Notes on All Funds (Continued)

Annual debt service requirements to amortize this debt, as of June 30, 2010 follow:

Fiscal Year	Principal	Interest	Total
2011	$ 1,055,000	$ 2,283,733	$ 3,338,733
2012	1,100,000	2,238,895	3,338,895
2013	1,150,000	2,183,895	3,333,895
2014	1,210,000	2,126,395	3,336,395
2015	1,260,000	2,077,995	3,337,995
2016-2020	7,130,000	9,549,425	16,679,425
2021-2025	8,975,000	7,710,208	16,685,208
2026 -2030	11,360,000	5,324,688	16,684,688
2031-2035	14,500,000	1,479,800	15,979,800
Total	$ 47,740,000	$ 34,975,034	$ 82,715,034

2007 Building Authority Revenue Refunding Bonds — In 2007, the City issued revenue refunding bonds in the amount of $27,595,000 at an interest rate ranging from 4% - 5%, to advance refund the $22,923,407 of outstanding 2000 series building authority revenue bonds. Annual principal installments range from $360,000 to $3,610,000 with principal maturing 2020.

Annual debt service requirements to amortize this debt, as of June 30, 2010 follow:

Fiscal Year	Principal	Interest	Total
2011	$ 360,000	$ 1,230,750	$ 1,590,750
2012	2,540,000	1,216,350	3,756,350
2013	2,640,000	1,114,750	3,754,750
2014	2,750,000	1,009,150	3,759,150
2015	2,860,000	899,150	3,759,150
2016-2020	16,445,000	2,333,250	18,778,250
Total	$ 27,595,000	$ 7,803,400	$ 35,398,400

Note 3 - Detailed Notes on All Funds (Continued)

Capital Leases - The City has entered into numerous lease agreements relative to its business-type activities with Koch and Company. The following equipment and improvements were included in these capital leases

Lease Number	Lease Date	Lease Purpose	Interest Rate	Initial Lease Amount
7	2/11/2005	Heil truck	5.00%	$ 192,204
8	7/29/2005	Electrical project	5.00%	1,668,953
10	12/19/2005	Electrical project	5.00%	907,917
11	3/1/2009	Freightliners	5.00%	421,494
14	5/5/2006	Equipment	5.00%	751,961
20	6/30/2006	Electrical project	5.00%	117,819
25	11/15/2006	Sanitation trucks	4.86%	165,259
26	12/29/2006	Electrical project	4.90%	536,864
31	5/18/2007	Electrical project	5.01%	1,067,937
32	7/30/2007	Electrical project	5.15%	2,130,312

Annual debt service requirements for these capital leases payable as of June 30, 2010 follow:

Year Ended June	Principal	Interest	Total
2011	$ 1,325,438	$ 177,047	$ 1,502,485
2012	1,224,340	112,037	1,336,377
2013	932,783	56,372	989,155
2014	594,465	18,832	613,297
2015	60,141	387	60,528
Total	$ 4,137,167	$ 364,675	$ 4,501,842

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Note 3 - Detailed Notes on All Funds (Continued)

Changes in Long-term Debt - Changes in the City's governmental activities long-term obligations consisted of the following for the year ended June 30, 2010 follow:

	Outstanding 7/1/2009	Additions	Reductions	Outstanding 6/30/2010	Amounts Due in One Year
Governmental Activities					
Limited obligation bonds:					
2004 Building Authority revenue refunding bonds	$ 2,925,000	$ -	$ 1,440,000	$ 1,485,000	$ 1,485,000
2002 Tax Allocation bonds-Series A	15,965,000	-	375,000	15,590,000	480,000
2002 Tax Allocation bonds-Series B	5,575,000	-	130,000	5,445,000	170,000
1996 Building Authority revenue refunding bonds	889,000	-	434,000	455,000	455,000
Total bonded debt reported	25,354,000	-	2,379,000	22,975,000	2,590,000
Capital leases:	3,536,339	-	971,868	2,564,471	786,871
Compensated absences	863,530	666,235	647,648	882,117	661,588
Workers' compensation	574,363	744,191	574,627	743,927	607,627
Claims	1,000,000	2,105,000	-	3,105,000	355,000
Net pension obligation	347,450	249,760	-	597,210	-
Total Governmental Activities	$ 31,675,682	$ 3,765,186	$ 4,573,143	$ 30,867,725	$ 5,001,086

Changes in the City's business-type activities long-term obligations consisted of the following for the year ended June 30, 2010 follow:

	Outstanding 7/1/2009	Additions	Reductions	Outstanding 6/30/2010	Amounts Due in One Year
Business-type Activities					
Limited obligation bonds:					
1996 Building Authority revenue refunding bonds	$ 1,546,000	$ -	$ 1,546,000	$ -	$ -
2006 Building Authority revenue bonds	48,585,000	-	845,000	47,740,000	1,055,000
2007 Building Authority revenue refunding bonds	27,595,000	-	-	27,595,000	360,000
Unamortized bond premiums	1,671,871	-	134,459	1,537,412	-
Deferred bond refunding loss	(3,789,551)	-	(378,955)	(3,410,596)	-
Total bonded debt reported	75,608,320	-	2,146,504	73,461,816	1,415,000
Net OPEB obligation	170,325	122,435	-	292,760	-
Capital leases	5,227,200	-	1,090,033	4,137,167	1,325,438
Total Business-type Activities	$ 81,005,845	$ 122,435	$ 3,236,537	$ 77,891,743	$ 2,740,438

Note 3 - Detailed Notes on All Funds (Continued)

The general fund services the governmental activities Building Authority bonds and capital leases. The tax allocation bonds are being serviced by the tax allocation district funds 2002A and 2002B. The business-type activities revenue bonds are serviced by the water fund and the business-type activities capital leases are being serviced by the electric fund. Compensated absences are being paid by the fund in which the employee works, primarily the general fund, the enterprise funds and the internal service fund. The liabilities for worker's compensation and claims are being paid by the general fund.

Defeasance of Debt - In 1996, 2006 and 2007 the City defeased certain Building Authority revenue bonds by placing the proceeds of refunding bonds in an irrevocable trust to provide for all future debt service payments on the refunded bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. Approximately $17,388,000 is considered defeased as of June 30, 2010.

Arbitrage Rebate – The arbitrage rebate liability is treated as a claim or judgment upon occurrence, on all City obligations. Certain City long-term debt obligations are subject to Internal Revenue Code Section 148, which requires that interest earned on proceeds from the issuance of tax-exempt debt be rebated to the Federal government to the extent that those earnings exceed the interest costs on the related tax-exempt debt. At June 30, 2010, the City has no arbitrage rebate liability on any of its tax-exempt debt issuances.

3-I. Operating Leases

The City has entered to various operating lease agreements financing corporations, primarily for copiers. The following payments are due to the various lessors on an annual basis for the term of the lease as follows:

Year	Annual Payment
2011	$ 405,943
2012	418,121
2013	430,664
Total	$ 1,254,728

The 2010 rental payments totaled $394,119.

3-J. Pension Plan –The City provides pension benefits to its employee through the City of East Point Employees Retirement Plan (the Plan). The Retirement Committee for the Employees of the City of East Point administers the Plan. The cost of administering the Plan is primarily paid by the Plan, with the City paying some indirect costs.

Plan Description – The Plan is a single employer, contributory defined benefit pension plan. Effective July 1, 1998, the Plan covers all City employees employed prior to April 1, 1992. Also, effective July 1, 1998, the City established an additional class of eligible employees or class 5 for employees hired subsequent to March 31, 1992. These benefit provisions and all other requirements are established by State statute and City ordinance.

Benefits vest differently for each class of employee. The Plan defines each class as follows:

- Class 1 - transferred from old plan on June 19, 1975.
- Class 2 - general employees and elected officials hired before April 1, 1992.
- Class 3 - police and fire employees hired before April 1, 1992.
- Class 5 - Eligible full-time employees hired on or after April 1, 1992 (Mayor and City Council).

Note 3 - Detailed Notes on All Funds (Continued)

Vesting for each class is as follows:

- Class 1 - vesting begins after 8 years of service.
- Classes 2 and 3 - vesting begins after 10 years of service.
- Class 5 - police and firefighters - vesting begins after 10 years of service, elected officials - vesting begins after 5 years of service.

Normal retirement ages plus years of service required in order to receive benefits for each class are as follows:

- Class 1 - 50 years of age, plus 8 years of service.
- Class 2 - full-time employees - 65 years of age, plus 10 years of service.
- Class 3 - 55 years of age, plus 10 years of service.
- Class 5 - 65 years of age (55 for police officers and firefighters), plus 10 years of service; elected officials – 60 years of age plus 5 years of service.

Early retirement is allowed for Class 2 and Class 3 employees if they are 50 years of age and have 10 years of service. The benefit payable immediately is the accrued benefit reduced by 3% for each year retirement precedes normal retirement date. Class 5 participants may retire as early as Age 55 (50 for Police Officers and Firefighters) with ten years of credited service using the applicable percentage. The Plan also provides death and disability benefits. These benefit provisions and all other requirements are established by State statute and City ordinance.

Fund Membership - At January 1, 2010, the date of the most recent actuarial valuation, there were 857 participants respectively, consisting of the following:

Retirees and beneficiaries currently receiving benefits	366
Terminated members entitled to but not yet receiving benefits	17
Current active employees vested	107
Non-vested	367
Total	857

Funding Policy – The contribution requirements of plan members and the City are established in accordance with the applicable pension law. The City's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, increase gradually over time so that sufficient assets will be available to pay benefits when due. The City is currently contributing 32.85% of covered payroll and the active participants are contributing 6% of their base pay.

Total City contributions to the Plan for the years ended December 31, 2007, 2008, and 2009 were $4,950,867, $4,746,605 and $4,919,867 respectively. Employee contributions for the same period were $1,172,625, $1,121,229 and $1,011,115.

Annual Pension Cost – The City's annual pension costs for the last three years are as follows:

Schedule of Employer Contributions

Actuarial Valuation Date	Annual Pension Cost	Annual Pension Contribution	Percentage Contributed	Net Pension Obligation
January 1, 2008	$ 2,461,293	$ 2,461,293	100.0%	$ -
January 1, 2009	1,845,585	1,845,585	100.0%	-
January 1, 2010	1,947,626	1,947,626	100.0%	-

Note 3 - Detailed Notes on All Funds (Continued)

Plan Funded Status – The City's funding status based upon the most recent actuarial valuation follows:

Schedule of Funding Progress

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Frozen Entry Age	(3) Unfunded AAL/(UAAL) (2)-(1)	(4) Funded Ratio (2)/(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
12/31/2009	$ 52,815,701	$ 110,322,330	$ 57,506,629	47.9%	$ 18,141,948	317.0%

The required schedule of funding progress immediately following the notes to the basic financial statements present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Information – The City's actuarial valuation information is as follows:

Current Valuation Date	January 1, 2010
Actuarial Cost Method	Individual Entry Age
Amortization Method	Level Percentage of Payroll, Closed
Remianing Amortization Period	13 years
Asset Valuation Method	Five Year Weighted Index
Actuarial Assumptions:	
Investment Rate of Return	8.00%
Projected Salary Increases	4.25%
Includes Inflation at	2.25%
Cost-of-Living Adjustment	2.25%

3K. Other Postemployment Benefits (OPEB)

The City of East Point Retiree Healthcare Plan (Plan) is a single-employer defined benefit healthcare plan which provides Other Postemployment Benefits (OPEB) to eligible retirees, dependents and their beneficiaries. The City Council have the authority to establish the benefit provisions and may amend them as necessary The Plan was established by legislative acts and functions in accordance with existing City laws. OPEB of City retirees includes health, dental, and vision care and life insurance. Separate financial statements are not prepared for the Plan.

Funding Policy – The City has not advance-funded or established a funding methodology for the annual OPEB costs or to retire the net OPEB obligation. The City Council is the authority that sets the contribution rates for active employees and retirees. Active employees do not contribute and retirees pay approximately 40% of the premium. The balance of the premium is paid by the City. The City covers the cost of administering the plan.

Note 3 - Detailed Notes on All Funds (Continued)

Annual OPEB Cost and Net OPEB Obligation – The following table includes the City's annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the City's net OPEB obligation:

	6/30/2010	6/30/2009
Normal cost	$ 884,253	$ 995,932
Interest on normal costs	26,924	-
Amortization (adjustments) of unfunded actuarial accrued liability (UAAL)	(62,749)	-
Annual required contribution (ARC)	848,428	995,932
Expected employer benefit payments	476,233	478,157
Increase in net OPEB obligation	372,195	517,775
Net OPEB obligation, beginning of year	517,775	-
Net OPEB obligation, end of year	$ 889,970	$ 517,775

The governmental activities column reports a net OPEB obligation of $597,210 and the enterprise funds report $292,760 net OPEB obligation.

Funded Status and Funding Progress – The City's funding status based upon the most recent actuarial valuation follows:

Schedule of Funding Progress

Plan Year Ending	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL/(UAAL) (2)-(1)	(4) Funded Ratio (2)/(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
6/30/2010	$ -	$ 13,958,915	$ 13,958,915	-	$ 17,237,531	81.0%

The annual OPEB cost for the last two fiscal years follows:

Schedule of Employer Contributions

Fiscal Year Ended June 30,	Annual OPEB Cost	Annual OPEB Contribution	Percentage Contributed	Net OPEB Obligation
2009	$ 995,932	$ 478,157	48.01%	$ 517,775
2010	884,253	476,233	53.86%	889,970

Note 3 - Detailed Notes on All Funds (Continued)

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

The City's actuarial valuation information is as follows:

Current Valuation Date	July 1, 2009
Actuarial Cost Method	Entry Age
Amortization Method	Closed
Remianing Amortization Period	29 years
Asset Valuation Method	Not Applicable
Actuarial Assumptions:	
Investment Rate of Return	5.20%
Projected Salary Increases	4.25%
Includes Inflation at	2.25%

3-L. Invested in Capital Assets, Net of Related Debt

The "*invested in capital assets, not of related debt*" amount as reported on the government-wide statement of net assets as of June 30, 2010 is as follows:

Invested in capital assets, net of related debt:	Governmental Activities	Business Type Activities	Component Units
Cost of capital assets	$ 115,017,951	$ 130,652,370	$ 69,456
Less accumulated depreciation	54,872,914	61,334,999	56,385
Book value	60,145,037	69,317,371	13,071
Less capital related debt	25,539,471	79,472,167	-
Add unspent bond proceeds	-	17,223,395	-
Add deferred refunding loss and bond premiums and discounts	-	1,873,184	-
Invested in capital assets, net of related debt	$ 34,605,566	$ 8,941,783	$ 13,071

Note 4 - Other Notes

4-A. Risk Management

The City is exposed to various risks of loss related to torts; theft of damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. The City established a fully self-insured program for workers' compensation (See below) whereby any claims exceeding $500,000 are paid through a private insurance carrier, and the City through a third-party administrator pays any others.
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Note 4 - Other Notes (Continued)

According to the General Assembly of the State of Georgia, Section 36-33-1 of the official Code of Georgia Annotated, as amended, municipal corporations (i.e. the City of East Point), via sovereign immunity, shall be immune from liability for damages for actions based upon tort, but not contract. This immunity is still subject to actions brought based upon federal constitutional or statutory rights. The City carries liability insurance for the types of claims and in amounts that are customary for similar entities for those categories of claims not subject to the defense of sovereign immunity. The City maintains commercial property and casualty insurance for property damage, earthquake, or flood damage. The various City assets consisting of its mechanical systems, computers, and other equipment is insured for over $3,000,000, subject to limits for the individual asset types.

The City has purchased liability insurance for its general liability, its automobiles, its employees, public safety officers, public officials, and a blanket fidelity bond. Performance surety bonds and builders' risk insurance is required of all contractors and subcontractors involved in the construction and renovation of municipal facilities or assets. Any surety bonds are to be issued by firms having a rating of "A" or better by A.M. Best & Co. and builder's risk insurance must equal the sums of the contract.

There has not been a significant reduction in insurance coverage from the previous year. Settlement claims have not exceeded commercial coverage in any of the past three (3) years.

The following represents the changes in approximate liabilities for workers' compensation from July 1, 2008 to June 30, 2010:

June 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2009	$ 566,823	$ 208,226	$ 200,686	$ 574,363
2010	574,363	744,191	574,627	743,927

The following represents the changes in approximate liabilities for general claims from July 1, 2008 to June 30, 2010:

June 30,	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2009	$ -	$ 1,000,000	$ -	$ 1,000,000
2010	1,000,000	3,055,000	-	4,055,000

Note 4 - Other Notes (Continued)

4-B. Commitments

Construction Commitments - As of June 30, 2010, the City has made the following construction commitments:

Contractor	Total Contract	Project To-date Expenditures	Remaining Commitments
Site Engineering, Inc.	$ 581,260	$ 523,104	$ 58,156
Camp Dresser & McKee	175,000	106,590	68,410
Metals & Materials Engineers, Inc.	950,000	124,938	825,062
Riley, Park, Hayden & Associates	199,220	193,513	5,707
Camp Dresser & McKee	4,446,669	3,195,698	1,250,971
Metals & Materials Engineers, Inc.	7,914,823	6,143,870	1,770,954
Wade Coots	2,656,740	2,506,740	150,000
Astra Group	1,608,326	794,622	813,704
Rudy Collins	210,761	34,426	176,335
Total	$ 18,742,800	$ 13,623,502	$ 5,119,298

Contract Commitments - Municipal Electric Authority of Georgia – The City has entered into a power sales contract with the Municipal Electric Authority of Georgia (MEAG). The contract requires the City to purchase from MEAG all of the City's bulk power supply, other than power supplied by Federally-owned generation projects. MEAG is authorized to establish rates and charges so as to produce revenues sufficient to cover its costs. The City's future minimum payment obligations to MEAG will be based on MEAG's costs and the City's yearly demand for bulk power supply. The City's payment obligations under this contract are general obligations for which the City's full faith, credit and taxing powers are pledged. In order to continue to purchase from MEAG, the City is contingently liable for MEAG liabilities in the event of a default by MEAG. The City is current on all of its obligations to MEAG for power sales contracts. The flexible operating trust account includes funds that are available for withdrawal at the discretion of the City. This amount is included in restricted cash and totals $1,264,369 at June 30, 2010.

Consent Order for Sanitary Sewer System - The City is subject to a consent order entered into December 2004 to resolve alleged violations of the Federal Clean Water Act and the Georgia Water Quality Control Act, relative to its permits issued by the Georgia Environmental Protection Division (EPD), which authorize discharge of wastewater from the City's sanitary sewer system. The consent order relates to allegations of unpermitted waste disposal from the City's sanitation sewer system, and measures to address such problems, both long and short term.
For the sanitary sewer system, the consent decree requires the City to perform, on timelines set forth in the order, the following:

- Designate a "compliance administrator" as the primary point person relative to the consent order;
- Submit to EPD a staffing evaluation plan;
- Complete a supplemental project plan to conduct restoration of a park;
- Submit to EPD for review and approval a scope of audit of the City's sanitation sewer system and thereafter conduct an audit of the system on the schedule approved by EPD;
- Submit to EPD the results of the audit and a Remedial Measures Plan;
- Submit to EPD for review and approval a revised set of standard operating procedures;
- Submit to EPD an enacted sewer use ordinance and grease management program;
- Repair and replace a portion of an existing eight inch sanitary sewer line;
- Make permanent repairs or replacements to specified sections of the sanitary sewer line where sanitary sewer overflows have occurred;
- Submit to EPD for review existing inter-jurisdictional agreements with boundary sewer systems;
- Submit to EPD semi-annual progress reports on specified items set forth in the consent order;

Note 4 - Other Notes (Continued)

- Complete the approved Remedial Measures Plan projects by December 31, 2010 relative to the most pressing needs for preventing further sanitary sewer overflows; and,
- Pay to the Georgia Department of Natural Resources a fine in the amount of $100,000 for previous unpermitted discharges and violations of previous EPD orders.

The City of East Point is currently in compliance with the requirements of the consent order and continues to address these environmental issues in a fiscally responsible manner.

4-C. Contingent Liabilities

Various claims and lawsuits are pending against the City. After consideration of applicable insurance policy coverage, and the relative merits of each claim or lawsuit, it is the opinion of the City Attorney and City Management that the potential ultimate liability resulting from these actions, if any, will not have a material adverse financial effect on the City.

The City is a co-plaintiff with the City of College Park, Georgia in action against Fulton County, Georgia alleging breach of contract and duties relative to agreements entered into by the parties for the construction, maintenance, operation and expansion of a sewage treatment plant intended to serve all parties. According to the plaintiffs, the agreements set forth provisions for sharing the cost of construction of the plant and methods for allocating operations and maintenance costs. At some point subsequent to executing the agreements, the County, according to the complaint filed by the plaintiffs, assumed sole ownership rights to the plant, subsequently sold excess capacity to other municipalities within the county and billed the plaintiffs under methods inconsistent with the proportional use of the facility. The plaintiffs are seeking declaratory judgment on several issues, including that the various agreements entered into by the parties are valid and enforceable contracts; that the County wrongly sold portions of the plant to other municipalities; that the County has improperly billed the plaintiffs; that they are entitled to shares of the monies received from the other municipalities utilizing the plant and that the percentages used in allocating operations and maintenance costs should be adjusted due to the additional users of the plant. They are currently pursuing settlement negotiations.

4-D. Joint Venture

The City participates in the following joint venture.

Atlanta Regional Commission (ARC) – Under Georgia law, the City, in conjunction with other counties and cities within the metropolitan Atlanta area, is a member of the Atlanta Regional Commission (ARC), the regional development center (RDC) for the metropolitan Atlanta area. By agreement with the ARC, dues for cities within Fulton County, outside the City of Atlanta, are paid by Fulton County on a per capita basis. Also by agreement with ARC, Board representation for cities within South Fulton County is determined by the mayors of the cities in south Fulton County. The mayor of East Point is not the south Fulton County representative on the ARC.

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).

Separately issued financial statements are available at the ARC's administrative office, 40 Courtland Street, N.E., Atlanta, Georgia 30303.

4-E. Related Organization – The City has a limited relationship with the following organization:

Housing Authority of the City of East Point – The Housing Authority of the City of East Point (the "Housing Authority") is considered a related organization and not incorporated into the reporting entity. The Housing Authority is a legally separate entity from the City, having a board composed of members originally appointed by the mayor of the City. The City is not able to impose its will upon the Housing Authority and a financial burden/benefit relationship does not exist between them. Therefore, based on these criteria, the Housing Authority is a related organization. The Housing Authority issues separate financial statements.

Note 4 - Other Notes (Continued)

Atlanta Housing Authority – the City Council appoints one member of the Atlanta Housing Authority and that is the extent of their involvement.

4-F. Subsequent Events

Purchase of Former Wachovia Building

On August 18, 2010, the City entered into an agreement to purchase a 10,410 square foot building (known as the Wachovia Building) located on 1.3 acres of land at 2791 East Point Street, East Point, Georgia, at a cost of $900,000. The purchase is not finalized as of the date of this report.

Power Cost Adjustment

On November 8, 2010, the City Council approved Ordinance 017-10 to provide for certain electric utility policies including the imposition of a power cost adjustment and also established a discount for senior citizens. More specifically:

- The power cost adjustment is 7.1 mills per kilowatt hour or $.0071 effective immediately.
- Implement a procedure to make power cost adjustments in the future to accurately reflect the total cost of providing electric service.
- Utilize the $1,795,000 of refunds from MEAG for the 2009 and 2010 payment of electric utility requirements.

Finally, this ordinance authorized electric utility customers, age 65 or older, to receive a $7 discount on electric service.

Tax Anticipation Notes

On January 28, 2010, the City issued $8,000,000 in aggregate principal amount of tax anticipation notes. On December 29, 2010, the City retired these notes in full with interest costs of $222,000. On January 27, 2011, the City issued $8,000,000 in tax anticipation notes. The tax anticipation notes are due on December 30, 2011 and bear an interest rate of 1.15%.

4-G. Hotel-Motel Lodging Tax

The City has levied a 3% lodging tax in accordance with O.C.G.A. 48-13-51 and transfers 100% of the hotel/motel tax collections from the hotel/motel tax fund to the general fund for the purpose of operating general government, without restrictions. In fiscal year 2010, the City transferred $961,040 to the general fund.

City of East Point, Georgia
Schedule of Funding Progress and the Schedule of Employer Contributions
For the Year Ended June 30, 2010

City of East Point Employees Retirement Plan - Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value Assets (a)	Frozen Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (c) (b - a)	Funded Ratio (a/b)	Covered Payroll (d)	UAAL as a Percentage of Covered Payroll [(b - a)(d)]
January 1, 2005	$ 51,903,054	$ 101,088,251	$ 49,185,197	51.3%	$ 18,316,832	268.5%
January 1, 2006	53,415,122	105,614,057	52,198,935	50.6%	19,701,757	264.9%
January 1, 2007	55,645,262	105,625,551	49,980,289	52.7%	21,163,964	236.2%
January 1, 2008	57,782,237	108,091,103	50,308,866	53.5%	21,146,659	237.9%
January 1, 2009	53,310,907	106,468,681	53,157,774	50.1%	17,248,956	308.2%
January 1, 2010	52,815,701	110,322,330	57,506,629	47.9%	18,141,948	317.0%

City of East Point Employees Retirement Plan - Schedule of Employer Contributions

Actuarial Valuation Date	Annual Required Cost (ARC)	Annual City Contribution	Percentage Contributed	Net Pension Obligation
January 1, 2005	$ 1,805,227	$ 1,805,227	100.0%	$ -
January 1, 2006	1,908,567	1,908,567	100.0%	-
January 1, 2007	2,143,508	2,143,508	100.0%	-
January 1, 2008	2,461,293	2,461,293	100.0%	-
January 1, 2009	1,845,585	1,845,585	100.0%	-
January 1, 2010	1,947,626	1,947,626	100.0%	-

City of East Point Healthcare Plan - Schedule of Funding Progress

Plan Year Ending	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry Age	(3) Unfunded AAL/(UAAL) (2)-(1)	(4) Funded Ratio (2)/(1)	(5) Annual Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
6/30/2009	$ -	$ 15,583,856	$ 15,583,856	-	$ 21,006,644	74.2%
6/30/2010	-	13,958,915	13,958,915	-	17,237,531	81.0%

City of East Point Healthcare Plan - Schedule of Employer Contributions

Fiscal Year Ended June 30,	Annual OPEB Cost	Annual OPEB Contribution	Percentage Contributed	Net OPEB Obligation
2009	$ 995,932	$ 478,157	48.01%	$ 517,775
2010	884,253	476,233	53.86%	889,970

See notes to the basic financial statements for actuarial assumptions used in the above calculations.

Combining Balance Sheet
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2010

	Special Revenue Funds						
	Restricted Grants	Police Grants	Camp Creek Tax Allocation District	East Point Corridors Tax Allocation District	Confiscated Assets	Enhanced 911	Total Nonmajor Special Revenue Funds
Assets							
Restricted cash	$ 375,057	$ -	$ 4,065,594	$ 1,070,872	$ 831,985	$ 2,440,084	$ 8,783,592
Receivables:							
Accounts	-	-	-	-	-	150,073	150,073
Intergovernmental	-	255,410	-	-	-	-	255,410
Total Assets	$ 375,057	$ 255,410	$ 4,065,594	$ 1,070,872	$ 831,985	$ 2,590,157	$ 9,189,075
Liabilities and Fund Balances							
Liabilities							
Accounts payable	$ 40,497	$ 8,375	$ 107,126	$ -	$ 20,929	$ 2,394	$ 179,321
Accrued expenditures	-	-	-	-	-	23,551	23,551
Intergovernmental payable	10,500	-	-	-	-	-	10,500
Interfund payable	324,060	247,035	1,200,728	-	21,114	2,564,212	4,357,149
Unearned revenue	-	-	-	-	239,421	-	239,421
Total Liabilities	375,057	255,410	1,307,854	-	281,464	2,590,157	4,809,942
Fund Balances							
Reserved for:							
Debt service	-	-	2,757,740	1,070,872	-	-	3,828,612
Public safety	-	-	-	-	550,521	-	550,521
Total Fund Balances	-	-	2,757,740	1,070,872	550,521	-	4,379,133
Total Liabilities and Fund Balances	$ 375,057	$ 255,410	$ 4,065,594	$ 1,070,872	$ 831,985	$ 2,590,157	$ 9,189,075

City of East Point, Georgia
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2010

	Special Revenue Funds									
	Restricted Grants	Hotel Motel Tax	Police Grants	Camp Creek Tax Allocation District	East Point Corridors Tax Allocation District	Confiscated Assets	Enhanced 911	Total Nonmajor Special Revenue Funds	Capital Projects Fund	Total Nonmajor Governmental Funds
Revenues										
Property taxes	$ -	$ -	$ -	$ 3,642,091	$ 748,169	$ -	$ -	$ 4,390,260	$ -	$ 4,390,260
Hotel-motel taxes	-	961,040	-	-	-	-	-	961,040	-	961,040
Intergovernmental	180,920	-	385,760	-	-	-	-	566,680	-	566,680
Charges for services	-	-	-	-	-	-	710,030	710,030	-	710,030
Fines and forfeitures	-	-	-	-	-	902,722	-	902,722	-	902,722
Investment earnings	1,580	-	-	168	-	369	2,681	4,798	-	4,798
Total Revenues	182,500	961,040	385,760	3,642,259	748,169	903,091	712,711	7,535,530	-	7,535,530
Expenditures										
Current:										
Public safety	-	-	98,860	-	-	259,639	899,402	1,257,901	-	1,257,901
Economic and community development	182,500	-	-	-	-	-	-	182,500	-	182,500
Capital Outlay	-	-	286,900	-	-	92,931	-	379,831	289,712	669,543
Debt Service:						-				
Principal	-	-	-	505,000	-	-	-	505,000	-	505,000
Interest and fiscal charges	-	-	-	2,107,470	-	-	-	2,107,470	-	2,107,470
Total Expenditures	182,500	-	385,760	2,612,470	-	352,570	899,402	4,432,702	289,712	4,722,414
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	961,040	-	1,029,789	748,169	550,521	(186,691)	3,102,828	(289,712)	2,813,116
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	-	-	186,691	186,691	289,712	476,403
Transfers out	-	(961,040)	-	-	-	-	-	(961,040)	-	(961,040)
Total Other Financing Sources (Uses)	-	(961,040)	-	-	-	-	186,691	(774,349)	289,712	(484,637)
Net Change in Fund Balances	-	-	-	1,029,789	748,169	550,521	-	2,328,479	-	2,328,479
Fund Balances Beginning of Year	-	-	-	1,727,951	322,703	-	-	2,050,654	-	2,050,654
Fund Balances End of Year	$ -	$ -	$ -	$ 2,757,740	$ 1,070,872	$ 550,521	$ -	$ 4,379,133	$ -	$ 4,379,133

City of East Point, Georgia
General Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ 7,237,066	$ 9,194,019
Restricted cash	191,660	-
Receivables:		
Accounts	616,436	708,755
Property taxes	1,815,677	1,186,115
Sales taxes	766,616	737,826
Interfund	4,617,664	2,484,028
Component units	175,528	175,528
Inventory	177,794	513,214
Prepaid items	31,887	31,887
Total Assets	$ 15,630,328	$ 15,031,372
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 1,895,338	$ 3,398,896
Accrued expenditures	802,667	577,768
Intergovernmental payable	-	270,000
Interfund payable	1,278	-
Deposits payable	70,282	-
Deferred revenue	1,543,345	1,017,009
Tax anticipation notes payable	8,000,000	12,000,000
Total Liabilities	12,312,910	17,263,673
Fund Balances		
Reserved for prepaid items	31,887	31,887
Unreserved	3,285,531	(2,264,188)
Total Fund Balances	3,317,418	(2,232,301)
Total Liabilities and Fund Balances	$ 15,630,328	$ 15,031,372

City of East Point, Georgia
General Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended June 30, 2010 and 2009

	2010	2009
Revenues		
Taxes	$ 26,617,235	$ 27,861,413
Intergovernmental	-	5,040
Licenses and permits	1,359,044	1,264,537
Charges for services	318,515	34,588
Fines and forfeitures	1,397,035	2,119,186
Investment earnings	109,523	23,264
Miscellaneous	4,227,532	585,890
Total Revenues	34,028,884	31,893,918
Expenditures		
Current:		
General government	8,378,786	9,157,015
Judicial	544,693	498,712
Public safety	16,571,226	16,811,448
Public works	1,135,406	1,586,590
Culture and recreation	1,315,907	1,047,067
Economic and community development	1,167,948	1,245,575
Debt Service:		
Principal	2,730,520	-
Interest and fiscal charges	929,125	465,367
Total Expenditures	32,773,611	30,811,774
Excess of Revenues Over Expenditures	1,255,273	1,082,144
Other Financing Sources (Uses)		
Transfer in	4,481,137	2,884,519
Transfer out	(186,691)	-
Other Financing Sources (Uses)	4,294,446	2,884,519
Net Change in Fund Balances	5,549,719	3,966,663
Fund Balances Beginning of Year	(2,232,301)	(6,251,857)
Fund Balances End of Year	$ 3,317,418	$ (2,285,194)

City of East Point, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues				
Taxes				
Real property				
Current	$ 12,000,000	$ 12,000,000	$ 9,402,601	$ (2,597,399)
Motor vehicle tax	680,000	680,000	643,965	(36,035)
Mobile home	200	200	580	380
Intangibles	130,000	130,000	96,127	(33,873)
Personal property	300,000	300,000	1,769,839	1,469,839
Public utility	315,000	315,000	397,481	82,481
Real estate transfer tax	30,000	30,000	26,325	(3,675)
Delinquent:				
Current year	200,000	200,000	741,530	541,530
Prior year	80,000	80,000	40,192	(39,808)
FIFA	15,000	15,000	18,220	3,220
Franchise taxes				
Electric	400,000	400,000	351,460	(48,540)
Gas	200,000	200,000	198,829	(1,171)
Cable Television	250,000	250,000	282,425	32,425
Telephone	175,000	175,000	153,507	(21,493)
Local option sales and use tax	9,500,000	9,500,000	9,508,234	8,234
Alcoholic beverage excise tax	500,000	500,000	461,986	(38,014)
Local option mixed drink tax	150,000	150,000	189,372	39,372
Insurance premium tax	2,200,000	2,200,000	2,195,270	(4,730)
Interest and penalties-current year	150,000	150,000	125,180	(24,820)
Interest and penalties-prior year	75,000	75,000	14,112	(60,888)
Total Taxes	27,350,200	27,350,200	26,617,235	(732,965)
Licenses and Permits				
Zoning and land use	70,000	70,000	-	(70,000)
Community services:				
Business licenses	175,000	175,000	198,331	23,331
Occupational licenses	500,000	500,000	467,315	(32,685)
Administrative fee	200,000	200,000	274,007	74,007
Building permits	350,000	350,000	305,248	(44,752)
Electrical permits	45,000	45,000	40,347	(4,653)
Heating permits	25,000	25,000	23,879	(1,121)
Plumbing permits	28,000	28,000	30,500	2,500
Zoning permits	12,000	12,000	17,752	5,752
Other	11,600	11,600	1,665	(9,935)
Total Licenses and Permits	1,416,600	1,416,600	1,359,044	(57,556)
Totals carried forward	28,766,800	28,766,800	27,976,279	(790,521)

City of East Point, Georgia
General Fund
Schedule of Revenues and Other Financing Sources - Budget and Actual
For the Year Ended June 30, 2010

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Brought forward	$ 28,766,800	$ 28,766,800	$ 27,976,279	$ (790,521)
Revenues				
Charges for Services				
General government				
Election qualifying fees	10,000	10,000	5,250	(4,750)
Notary fees	10,000	10,000	-	(10,000)
Rent-SW Creek Park	5,040	5,040	5,040	-
Bad check fees	10,000	10,000	15,044	5,044
Cell tower rental	40,000	40,000	-	(40,000)
Clerk's office	-	-	50,787	50,787
Police administration				
Services	90,000	90,000	144,320	54,320
Reimbursements	40,000	40,000	10,318	(29,682)
Public works				
Recycling	-	-	-	-
Grease management fees	25,000	25,000	21,806	(3,194)
Parks and recreation				
Program fees	60,000	60,000	47,991	(12,009)
Activity fees	10,000	10,000	-	(10,000)
Miscellaneous	-	-	17,959	17,959
Total Charges for Services	300,040	300,040	318,515	18,475
Fines and Forfeitures				
Court	2,130,000	2,130,000	1,397,035	(732,965)
Investment Earnings	-	-	109,523	109,523
Miscellaneous				
Rents and royalties	-	-	48,085	48,085
Other	98,200	98,200	4,179,447	4,081,247
Total Miscellaneous	98,200	98,200	4,227,532	4,129,332
Total Revenues	31,295,040	31,295,040	34,028,884	2,733,844
Other Financing Sources:				
Transfers in	4,608,509	4,608,509	4,481,137	(127,372)
Total Revenues and Other Financing Sources	$ 35,903,549	$ 35,903,549	$ 38,510,021	$ 2,606,472

City of East Point, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
General Government				
City Council				
Personal services	$ 120,696	$ 120,696	$ 116,701	$ 3,995
Purchased/contracted services	111,091	106,120	204,919	(98,799)
Supplies	2,640	7,611	4,033	3,578
Total City Council	234,427	234,427	325,653	(91,226)
Mayor				
Personal services	81,518	83,102	67,582	15,520
Purchased/contracted services	17,062	14,972	17,189	(2,217)
Supplies	850	1,356	1,356	-
Total Mayor	99,430	99,430	86,127	13,303
City Clerk				
Personal services	263,207	263,207	240,970	22,237
Purchased/contracted services	241,816	241,816	59,708	182,108
Supplies	10,100	10,100	6,913	3,187
	-			
Total City Clerk	515,123	515,123	307,591	207,532
City Manager				
Personal services	399,615	410,716	311,332	99,384
Purchased/contracted services	201,200	190,099	139,487	50,612
Supplies	2,500	2,500	1,971	529
Total City Manager	603,315	603,315	452,790	150,525
Legal				
Personal services	443,809	444,337	404,696	39,641
Purchased/contracted services	1,515,713	1,518,685	1,229,286	289,399
Supplies	31,600	28,100	21,199	6,901
		-		
Total Legal	1,991,122	1,991,122	1,655,181	335,941
Totals carried forward	3,443,417	3,443,417	2,827,342	616,075

City of East Point, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2010

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 3,443,417	$ 3,443,417	$ 2,827,342	$ 616,075
General Government (Continued)				
Planning and Zoning				
Personal services	5,400	5,400	523	4,877
Finance and Accounting				
Personal services	828,191	768,475	587,685	180,790
Purchased/contracted services	187,156	239,154	218,965	20,189
Supplies	7,600	15,318	15,985	(667)
Total Finance and Accounting	1,022,947	1,022,947	822,635	200,312
Property Tax Division				
Personal services	162,994	163,114	140,703	22,411
Purchased/contracted services	54,059	54,059	45,030	9,029
Supplies	1,216	117	69	48
Total Property Tax Division	218,269	217,290	185,802	31,488
Purchasing				
Personal services	369,267	372,055	421,420	(49,365)
Purchased/contracted services	21,007	17,661	9,175	8,486
Supplies	15,400	15,958	25,322	(9,364)
Total Purchasing	405,674	405,674	455,917	(50,243)
Information Services				
Personal services	330,991	300,241	295,604	4,637
Purchased/contracted services	421,901	479,437	732,812	(253,375)
Supplies	30,000	10,614	16,599	(5,985)
Capital outlay	150,000	142,600	147,108	(4,508)
Total Information Services	932,892	932,892	1,192,123	(259,231)
Totals carried forward	6,028,599	6,027,620	5,484,342	543,278

City of East Point, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2010

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 6,028,599	$ 6,027,620	$ 5,484,342	$ 543,278
General Government (Continued)				
Human Resources				
Personal services	969,897	974,397	968,846	5,551
Purchased/contracted services	59,134	54,634	33,657	20,977
Supplies	22,350	22,350	9,460	12,890
Total Human Resources	1,051,381	1,051,381	1,011,963	39,418
Building and Grounds				
Personal services	640,183	664,570	656,952	7,618
Purchased/contracted services	76,000	53,065	177,285	(124,220)
Supplies	19,000	25,548	25,799	(251)
Total Building and Grounds	735,183	743,183	860,036	(116,853)
Administration (Non-departmental)				
Purchased/contracted services	1,356,500	1,411,488	1,018,665	392,823
Supplies	350	3,780	3,780	-
Total Administration (Non-departmental)	1,356,850	1,415,268	1,022,445	392,823
Total General Government	9,172,013	9,237,452	8,378,786	858,666
Judicial				
Municipal Court				
Personal services	501,567	514,331	438,709	75,622
Purchased/contracted services	105,808	92,641	103,382	(10,741)
Supplies	2,200	2,603	2,602	1
Total Municipal Court	609,575	609,575	544,693	64,882
Total Judicial	609,575	609,575	544,693	64,882
Public Safety				
Police				
Personal services	9,890,183	9,891,355	8,933,984	957,371
Purchased/contracted services	271,072	273,627	485,838	(212,211)
Supplies	362,050	358,323	283,915	74,408
Miscellaneous	75,000	75,000	33,554	41,446
Total Police	10,598,305	10,598,305	9,737,291	861,014
Totals carried forward	20,379,893	20,445,332	18,660,770	1,784,562

City of East Point, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2010

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 20,379,893	$ 20,445,332	$ 18,660,770	$ 1,784,562
Public Safety				
Jail				
Personal services	969,930	974,293	763,604	210,689
Purchased/contracted services	69,381	59,266	35,423	23,843
Supplies	75,500	78,500	67,843	10,657
Total Jail	1,114,811	1,112,059	866,870	245,189
Code Enforcement				
Personal services	275,446	275,928	240,799	35,129
Purchased/contracted services	5,601	7,871	5,746	2,125
Total Code Enforcement	281,047	283,799	246,545	37,254
Fire				
Personal services	5,364,010	5,172,140	5,015,388	156,752
Purchased/contracted services	222,366	258,795	337,069	(78,274)
Supplies	128,667	194,201	204,485	(10,284)
Capital outlay	55,000	64,748	155,143	(90,395)
Miscellaneous	3,500	83,659	8,435	75,224
Total Fire	5,773,543	5,773,543	5,720,520	53,023
Total Public Safety	17,767,706	17,767,706	16,571,226	1,196,480
Public Works				
Highways and Streets				
Personal services	194,978	196,185	135,914	60,271
Purchased/contracted services	30,900	10,472	20,887	(10,415)
Supplies	750	750	656	94
Total Highways and Streets	226,628	207,407	157,457	49,950
Roadways and Walkways				
Personal services	405,661	465,107	448,468	16,639
Purchased/contracted services	192,750	117,969	70,418	47,551
Supplies	223,600	230,935	72,300	158,635
Cost allocation	653,535	653,535	356,055	297,480
Miscellaneous	97,046	97,046	30,708	66,338
Total Roadways and Walkways	1,572,592	1,564,592	977,949	586,643
Total Public Works	1,799,220	1,771,999	1,135,406	636,593
Totals carried forward	29,348,514	29,386,732	26,630,111	2,756,621

City of East Point, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2010

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 29,348,514	$ 29,386,732	$ 26,630,111	$ 2,756,621
Culture and Recreation				
Parks and Recreation				
Personal services	811,064	817,929	788,348	29,581
Purchased/contracted services	167,947	58,912	105,306	(46,394)
Supplies	328,937	9,951	10,538	(587)
Total Parks and Recreation	1,307,948	886,792	904,192	(17,400)
Park Facilities				
Purchased/contracted services	-	142,284	94,057	48,227
Supplies	-	44,235	73,124	(28,889)
Capital outlay	-	234,637	244,534	(9,897)
Total Park Facilities	-	421,156	411,715	9,441
Total Culture and Recreation	1,307,948	1,307,948	1,315,907	(7,959)
Economic and Community Services				
Community Services				
Personal services	912,267	917,762	805,515	112,247
Purchased/contracted services	112,600	104,105	38,817	65,288
Supplies	11,250	14,250	10,875	3,375
Total Community Services	1,036,117	1,036,117	855,207	180,910
Economic Development				
Personal services	295,789	295,789	275,954	19,835
Purchased/contracted services	112,934	110,434	32,618	77,816
Supplies	10,750	13,250	4,169	9,081
Total Economic Development	419,473	419,473	312,741	106,732
Total Economic and Community Development	1,455,590	1,455,590	1,167,948	287,642
Totals carried forward	32,112,052	32,150,270	29,113,966	3,036,304

City of East Point, Georgia
General Fund
Schedule of Expenditures and Other Financing Uses - Budget and Actual
For the Year Ended June 30, 2010

(continued)

	Original Budget	Final Budget	Actual	Variance With Final Budget
Totals brought forward	$ 32,112,052	$ 32,150,270	$ 29,113,966	$ 3,036,304
Debt Service:				
Principal retirement	2,815,876	2,835,097	2,730,520	104,577
Interest and fiscal charges	975,621	918,182	929,125	(10,943)
Total Debt Service:	3,791,497	3,753,279	3,659,645	93,634
Total Expenditures	35,903,549	35,903,549	32,773,611	3,129,938
Other Financing Uses				
Transfers out	-	-	186,691	(186,691)
Total Expenditures and Other Financing Uses	$ 35,903,549	$ 35,903,549	$ 32,960,302	$ 2,943,247

City of East Point, Georgia
Restricted Grants Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
Assets		
Restricted cash	$ 375,057	$ 373,754
Receivables:		
Intergovernmental	-	79,694
Interfund	-	461,167
Total Assets	$ 375,057	$ 914,615
Liabilities		
Accounts payable	$ 40,497	$ 36,515
Intergovernmental payable	10,500	750,000
Interfund payable	324,060	-
Deferred revenue	-	128,100
Total Liabilities	$ 375,057	$ 914,615

City of East Point, Georgia
Restricted Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 1,559,465	$ 1,559,465	$ 180,920	$ (1,378,545)	$ 79,694
Investment earnings	-	-	1,580	1,580	3,719
Total Revenues	1,559,465	1,559,465	182,500	(1,376,965)	83,413
Expenditures					
Current:					
Economic and community development	1,546,548	1,546,548	182,500	1,364,048	79,694
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 12,917	$ 12,917	-	$ (12,917)	3,719
Fund Balances Beginning of Year			-		(3,719)
Fund Balances End of Year			$ -		$ -

City of East Point, Georgia
Hotel-Motel Tax Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Hotel-motel taxes	$ -	$ 1,000,000	$ 961,040	$ (38,960)	$ 1,139,224
Other Financing Uses					
Transfers out	-	(1,000,000)	(961,040)	38,960	(1,139,224)
Net Change in Fund Balances	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of East Point, Georgia
Police Grants Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
Assets		
Intergovernmental receivable	$ 255,410	$ 77,386
Liabilities		
Accounts payable	$ 8,375	$ 3,254
Interfund payable	247,035	74,132
Total Liabilities	$ 255,410	$ 77,386

City of East Point, Georgia
Police Grants Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Intergovernmental	$ 471,008	$ 471,008	$ 385,760	$ (85,248)	$ 77,386
Expenditures					
Current:					
Public safety	92,436	92,436	98,860	(6,424)	77,386
Capital Outlay	391,491	391,491	286,900	104,591	-
Total Expenditures	483,927	483,927	385,760	98,167	77,386
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (12,919)	$ (12,919)	-	$ 12,919	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of East Point, Georgia
Camp Creek Tax Allocation District Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ -	$ 1,965,307
Restricted cash	4,065,594	-
Total Assets	$ 4,065,594	$ 1,965,307
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 107,126	$ 107,131
Interfund payable	1,200,728	130,225
Total Liabilities	1,307,854	237,356
Fund Balances		
Reserved for debt service	2,757,740	1,727,951
Total Liabilities and Fund Balances	$ 4,065,594	$ 1,965,307

City of East Point, Georgia
Camp Creek Tax Allocation District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Property taxes	$ -	$ 3,642,090	$ 3,642,091	$ 1	$ 3,027,682
Investment earnings	-	-	168	168	982
Total Revenues	-	3,642,090	3,642,259	169	3,028,664
Expenditures					
Debt Service					
Principal	-	1,019,810	505,000	514,810	-
Interest and fiscal charges	-	2,622,280	2,107,470	514,810	-
Total Expenditures	-	3,642,090	2,612,470	1,029,620	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	1,029,789	1,029,789	3,028,664
Other Financing Uses					
Transfers out	-	-	-	-	(2,658,476)
Net Change in Fund Balances	$ -	$ -	1,029,789	$ 1,029,789	370,188
Fund Balances Beginning of Year			1,727,951		1,357,763
Fund Balances End of Year			$ 2,757,740		$ 1,727,951

Thomas County, Georgia
East Point Corridors Tax Allocation District Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ -	$ 125,318
Restricted cash	1,070,872	-
Interfund receivables	-	197,385
Total Assets	$ 1,070,872	$ 322,703
Fund Balances		
Reserved for debt service	$ 1,070,872	$ 322,703

City of East Point, Georgia
East Point Corridors Tax Allocation District Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010				2009
:	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Property taxes	$ -	$ 748,168	$ 748,169	$ 1	$ 262,115
Expenditures					
Debt Service					
Principal	-	748,168	-	748,168	-
Excess of Revenues Over Expenditures	$ -	$ -	748,169	$ 748,169	262,115
Fund Balances Beginning of Year			322,703		60,588
Fund Balances End of Year			$ 1,070,872		$ 322,703

City of East Point, Georgia
Confiscated Assets Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ -	$ 578,961
Restricted cash	831,985	-
Total Assets	$ 831,985	$ 578,961
Liabilities and Fund Balances		
Liabilities		
Accounts payable	$ 20,929	$ 7,701
Interfund payable	21,114	10,001
Unearned revenue	239,421	561,259
Total Liabilities	281,464	578,961
Fund Balances		
Reserved for public safety	550,521	-
Total Liabilities and Fund Balances	$ 831,985	$ 578,961

City of East Point, Georgia
Confiscated Assets Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Fines and forfeitures	$ 578,961	$ 578,961	$ 902,722	$ 323,761	$ 236,224
Investment earnings	1,796	1,796	369	(1,427)	1,796
Total Revenues	580,757	580,757	903,091	322,334	238,020
Expenditures					
Current:					
Public safety	580,757	485,612	259,639	225,973	155,546
Capital Outlay	-	95,145	92,931	2,214	-
Total Expenditures	580,757	580,757	352,570	228,187	155,546
Excess of Revenues Over Expenditures	$ -	$ -	550,521	$ 550,521	82,474
Fund Balances Beginning of Year			-		(82,474)
Fund Balances End of Year			$ 550,521		$ -

City of East Point, Georgia
E-911 Fund
Comparative Balance Sheet
June 30, 2010 and 2009

	2010	2009
Assets		
Cash and cash equivalents	$ -	$ 1,767,240
Restricted cash	2,440,084	-
Accounts receivable	150,073	110,207
Total Assets	$ 2,590,157	$ 1,877,447
Liabilities		
Accounts payable	$ 2,394	$ 7,594
Accrued expenditures	23,551	22,246
Interfund payable	2,564,212	1,847,607
Total Liabilities	$ 2,590,157	$ 1,877,447

City of East Point, Georgia
E-911 Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010
(With Comparative Actual Amounts for the Year Ended June 30, 2009)

	2010				2009
	Original Budget	Final Budget	Actual	Variance With Final Budget	Actual
Revenues					
Charges for services	$ 1,047,034	$ 1,047,034	$ 710,030	$ (337,004)	$ 607,178
Investment earnings	-	-	2,681	2,681	7,485
Total Revenues	1,047,034	1,047,034	712,711	(334,323)	614,663
Expenditures					
Current:					
Public safety	1,047,034	1,047,034	899,402	147,632	817,629
(Deficiency) of Revenues (Under) Expenditures	-	-	(186,691)	(186,691)	(202,966)
Other Financing Sources					
Transfers in	-	-	186,691	186,691	202,966
Net Change in Fund Balance	$ -	$ -	-	$ -	-
Fund Balances Beginning of Year			-		-
Fund Balances End of Year			$ -		$ -

City of East Point, Georgia
Capital Projects Fund
Schedule of Revenues, Expenditures and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2010

	Original Budget	Final Budget	Actual	Variance With Final Budget
Expenditures				
Capital Outlay	$ 285,000	$ 285,000	$ 289,712	$ (4,712)
Other Financing Sources				
Transfers in	285,000	285,000	289,712	4,712
Net Change in Fund Balance	$ -	$ -	-	$ -
Fund Balances Beginning of Year			-	
Fund Balances End of Year			$ -	

City of East Point, Georgia
Water & Sewerage System Fund
Comparative Statements of Net Assets
June 30, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Cash and cash equivalents	$ 2,471,611	$ 2,062,321
Restricted cash	920,339	-
Receivables (net)		
Accounts	595,546	1,651,379
Accrued revenue	391,125	369,520
Leins	437,526	439,774
Interfund	1,930,709	1,940,788
Inventory	66,369	48,573
Total Current Assets	6,813,225	6,512,355
Noncurrent Assets		
Investments	17,223,396	21,298,016
Deferred charges	1,540,559	1,667,823
Capital assets		
Nondepreciable	17,072,135	11,229,388
Depreciable, net	43,276,355	46,679,834
Total Noncurrent Assets	79,112,445	80,875,061
Total Assets	85,925,670	87,387,416
Liabilities		
Current Liabilities		
Accounts payable	2,483,985	1,949,886
Contracts retainage payable	341,401	306,831
Accrued expenses	2,205,487	1,374,407
Compensated absences payable	100,455	54,077
Revenue bonds payable	1,415,000	2,391,000
Total Current Liabilities	6,546,328	6,076,201
Current Liabilities Payable from Restricted Assets		
Accrued interest payable	951,555	1,035,259
Customer deposits	151,737	151,737
Total Current Liabilities Payable from Restricted Assets	1,103,292	1,186,996
Total Current Liabilities	7,649,620	7,263,197
Long-Term Liabilities (net of current portion)		
Other post employment benefits payable	89,694	52,183
Revenue bonds payable (net of current portion)	72,046,816	73,217,320
Long-Term Liabilities	72,136,510	73,269,503
Total Liabilities	79,786,130	80,532,700
Net Assets		
Invested in capital assets, net of related debt	4,110,070	3,598,918
Unrestricted	2,029,470	3,255,798
Total Net Assets	$ 6,139,540	$ 6,854,716

City of East Point, Georgia
Water & Sewerage System Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
Operating Revenues		
Charges for services	$ 13,946,968	$ 13,482,469
Miscellaneous	5,197	-
Total Operating Revenues	13,952,165	13,482,469
Operating Expenses		
Personal services	2,707,714	2,587,366
Purchased services	2,589,770	648,829
Materials and supplies	549,768	590,851
Sanitary sewers	4,044,349	4,358,608
Depreciation	3,557,626	3,521,546
Other	195,123	-
Total Operating Expenses	13,644,350	11,707,200
Operating Income	307,815	1,775,269
Non-Operating Revenues (Expenses)		
Interest and fiscal charges	(670,160)	(2,741,975)
Amortization of bond issuance costs	(371,759)	(129,838)
Investment earnings	18,928	1,300,376
Total Non-Operating Revenues (Expenses)	(1,022,991)	(1,571,437)
Income (Loss) Before Transfers In	(715,176)	203,832
Transfers in	-	867,365
Change in Net Assets	(715,176)	1,071,197
Net Assets Beginning of Year	6,854,716	5,783,519
Net Assets End of Year	$ 6,139,540	$ 6,854,716

City of East Point, Georgia
Water & Sewerage System Fund
Comparative Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Cash received from customers	$ 14,988,641	$ 12,714,065
Cash payments to employees for services	(2,661,336)	(927,108)
Cash payments for goods and services	(5,997,057)	(6,862,855)
Net Cash Provided by Operating Activities	6,330,248	4,924,102
Cash Flows from Noncapital Financing Activities		
Increase in interfund receivables	-	814,740
Decrease in interfund receivable	10,079	-
Increase in OPEB liability	37,511	52,183
Transfers in	-	867,365
Total Cash Flows from Noncapital Financing Activities	47,590	1,734,288
Cash Flows from Capital and Related Financing Activities		
Principal paid on revenue bonds	(2,391,000)	(2,016,695)
Interest paid on revenue bonds	(2,767,843)	(2,860,087)
Payments for capital acquisitions	(4,954,289)	(8,549,320)
Net Cash (Used in) Capital and Related Financing Activities	(10,113,132)	(13,426,102)
Cash Flows from Investing Activities		
Investments earnings	990,303	1,300,376
Maturities of investments	4,074,620	5,639,192
Net Cash Provided by Investing Activities	5,064,923	6,939,568
Net Increase (Decrease) in Cash and Cash Equivalents	1,329,629	171,856
Cash and Cash Equivalents Beginning of Year	2,062,321	1,890,465
Cash and Cash Equivalents End of Year	$ 3,391,950	$ 2,062,321
Cash and Cash Equivalents	$ 2,471,611	$ 2,062,321
Restricted Cash	920,339	-
Total	$ 3,391,950	$ 2,062,321

(continued)

City of East Point, Georgia
Water and Sewerage System Fund
Comparative Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

(continued)

	2010	2009
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 307,815	$ 1,775,269
Adjustments		
Depreciation	3,557,626	3,521,546
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues	1,036,476	(972,324)
Inventories	(17,796)	-
Increase (Decrease) in Liabilities		
Accounts payable	534,099	(1,112,830)
Contracts retainage payable	34,570	-
Accrued expenses	831,080	1,712,441
Compensated absences	46,378	-
Net Cash Provided by Operating Activities	$ 6,330,248	$ 4,924,102

City of East Point, Georgia
Electric System Fund
Comparative Statements of Net Assets
June 30, 2010 and 2009

	2010	2009
Assets		
Current Assets		
Cash and cash equivalents	$ 1,235,019	$ 200,331
Restricted assets		
Cash and cash equivalents	1,389,137	-
Investments	1,998,797	-
Receivables		
Accounts	2,152,439	2,341,594
Accrued revenue	1,190,998	893,238
Inventories	2,511,918	2,053,861
Prepaid items	3	3
Total Current Assets	10,478,311	5,489,027
Noncurrent Assets		
Capital assets		
Nondepreciable	2,639,898	2,639,898
Depreciable, net	5,106,678	6,020,139
Total Noncurrent Assets	7,746,576	8,660,037
Total Assets	18,224,887	14,149,064
Liabilities		
Current Liabilities		
Accounts payable	1,100,016	753,312
Accrued expenses	2,839,820	3,037,109
Compensated absences	151,902	-
Interfund payable	1,641,061	1,641,061
Capital leases payable	1,207,691	1,028,783
Total Current Liabilities	6,940,490	6,460,265
Current Liabilities Payable From Restricted Assets		
Customer deposits	1,336,345	1,256,442
Long-term Liabilities (net of current portion)		
Other post employment benefits payable	132,753	77,235
Capital leases payable	2,603,787	3,769,436
Long-term Liabilities	2,736,540	3,846,671
Total Liabilities	11,013,375	11,563,378
Net Assets		
Invested in capital assets, net of related debt	3,935,098	3,861,818
Unrestricted	3,276,414	(1,276,132)
Total Net Assets	$ 7,211,512	$ 2,585,686

City of East Point, Georgia
Electric System Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
Operating Revenues		
Charges for services	$ 33,645,100	$ 32,768,469
Indirect cost recovery	-	
Miscellaneous	38,611	-
Total Operating Revenues	33,683,711	32,768,469
Operating Expenses		
Personal services	2,157,184	2,543,268
Wholesale electric	24,071,231	24,281,014
Purchased services	1,439,551	477,420
Supplies	293,563	491,227
Depreciation	981,843	962,552
Other	21,710	-
Total Operating Expenses	28,965,082	28,755,481
Operating Income	4,718,629	4,012,988
Non-Operating Revenues (Expenses)		
Investment earnings	615	121
Proceeds from the liquidation of bond reserve	4,019,368	2,279,500
Interest expense	(302,977)	(280,654)
Total Non-Operating Revenues	3,717,006	1,998,967
Income Before Transfers Out	8,435,635	6,011,955
Transfers out	(3,809,809)	(5,011,798)
Change in Net Assets	4,625,826	1,000,157
Net Assets Beginning of Year	2,585,686	1,585,529
Net Assets End of Year	$ 7,211,512	$ 2,585,686

City of East Point, Georgia
Electric System Fund
Comparative Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Cash received from customers	$ 33,655,009	$ 30,257,866
Cash payments for personal services	(2,005,281)	(2,848,742)
Cash payments for goods and services	(25,945,520)	(23,564,470)
Net Cash Provided by Operating Activities	5,704,208	3,844,654
Cash Flows From Noncapital Financing Activities		
Increase in OPEB liability	55,518	77,235
Transfers out	(3,809,809)	(5,011,798)
Net Cash Flows From Noncapital Financing Activities	(3,754,291)	(4,934,563)
Cash Flows from Capital and Related Financing Activities		
Proceeds from the liquidation of bond reserve	4,019,368	2,279,500
Capital lease principal payments	(986,742)	(826,920)
Payments for interest on capital leases	(302,976)	(280,652)
Payments for capital acquisitions	(257,560)	(323,346)
Net Cash (Used in) Capital and Related Financing Activities	2,472,090	848,582
Cash Flows from Investing Activities		
Investment earnings	615	121
Purchase of investments	(1,998,797)	-
Sale of investments	-	441,225
Net Cash Provided by Investing Activities	(1,998,182)	441,346
Net Increase (Decrease) in Cash and Cash Equivalents	2,423,825	200,019
Cash and Cash Equivalents Beginning of Year	200,331	312
Cash and Cash Equivalents End of Year	$ 2,624,156	$ 200,331
Cash and Cash Equivalents	$ 1,235,019	$ 200,331
Restricted Cash	1,389,137	-
Total	$ 2,624,156	$ 200,331

(continued)

City of East Point, Georgia
Electric System Fund
Comparative Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

(continued)

	2010	2009
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 4,718,629	$ 4,012,988
Adjustments		
Depreciation	981,843	962,552
(Increase) Decrease in Assets		
Accounts receivable and accrued revenues	(108,604)	(496,858)
Inventories	(458,057)	(72,697)
Interfund receivables	-	(2,294,756)
Increase (Decrease) in Liabilities		
Accounts payable and accrued liabilities	338,592	1,733,425
Deposits payable	79,903	-
Compensated absences payable	151,902	-
Net Cash Provided by Operating Activities	$ 5,704,208	$ 3,844,654

City of East Point, Georgia
Solid Waste Fund
Comparative Statements of Net Assets
June 30, 2010 and 2009

	2010	2009
Current Assets		
Cash and cash equivalents	$ 6,167	$ 40,314
Receivables:		
Accounts	351,037	356,607
Accrued revenue	395,590	390,734
Inventories	286	23,469
Total Current Assets	753,080	811,124
Noncurrent Assets		
Capital assets		
Depreciable capital assets, net	883,354	1,157,516
Total Assets	1,636,434	1,968,640
Liabilities		
Current Liabilities		
Accounts payable	186,569	194,671
Accrued expenses	95,675	88,385
Interfund payable	333,222	711,711
Capital leases payable	117,747	103,291
Compensated absences payable	70,591	71,100
Total Current Liabilities	803,804	1,169,158
Long-Term Liabilities (net of current portion)		
Other post employment benefits payable	70,313	40,907
Capital leases payable	207,942	325,689
Long-Term Liabilities	278,255	366,596
Total Liabilities	1,082,059	1,535,754
Net Assets (Deficit)		
Invested in capital assets	557,665	728,536
Unrestricted (deficit)	(3,290)	(295,650)
Total Net Assets (Deficit)	$ 554,375	$ 432,886

City of East Point, Georgia
Solid Waste Fund
Comparative Statements of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
Operating Revenues		
Charges for services	$ 3,814,636	$ 3,718,732
Miscellaneous	142,632	94,224
Total Revenues	3,957,268	3,812,956
Operating Expenses		
Personal services	1,780,974	1,598,881
Purchased services	1,690,226	1,616,607
Supplies	65,070	59,356
Depreciation	274,161	273,171
Total Operating Expenses	3,810,431	3,548,015
Operating Income	146,837	264,941
Non-Operating Revenues		
Interest expense	(25,348)	(24,803)
Income Before Transfers In	121,489	240,138
Transfers in	-	192,748
Change in Net Assets	121,489	432,886
Net Assets Beginning of Year	432,886	-
Net Assets End of Year	$ 554,375	$ 432,886

City of East Point, Georgia
Solid Waste Fund
Comparative Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Cash Flows from Operating Activities		
Cash received from customers	$ 3,957,983	$ 3,908,100
Cash payments for personal services	(1,774,193)	(1,582,929)
Cash payments for goods and services	(1,740,215)	(1,466,798)
Net Cash (Used in) Operating Activities	443,575	858,373
Cash Flows from Noncapital Financing Activities		
Interfund receivable	-	(966,886)
Decrease in interfund payable	(378,489)	-
Increase in OPEB liability	29,406	40,907
Transfers in	-	192,748
Total Cash Flows from Noncapital Financing Activities	(349,083)	(733,231)
Cash Flows from Capital and Related Financing Activities		
Debt principal payments	(103,291)	(4,133)
Interest payments on capital leases	(25,348)	(24,803)
Capital assets acquisitions	-	(112,467)
Total Cash Flows from Capital and Related Financing Activities	(128,639)	(141,403)
Cash Flows from Investing Activities		
Sale of investments	-	56,575
Net Increase in Cash and Cash Equivalents	(34,147)	40,314
Cash and Cash Equivalents Beginning of Year	40,314	-
Cash and Cash Equivalents End of Year	$ 6,167	$ 40,314

(continued)

City of East Point, Georgia
Solid Waste Fund
Comparative Statements of Cash Flows
For the Years Ended June 30, 2010 and 2009

(continued)

	2010	*2009*
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income	$ 146,837	$ 264,941
Adjustments		
Depreciation	274,161	273,171
(Increase) Decrease in Assets		
Accounts receivable and accrued revenue	715	54,237
Inventories	23,183	-
Increase (Decrease) in Liabilities		
Accounts payables and accrued expenses	(8,102)	209,165
Accrued expenses	7,290	56,859
Compensated absences payable	(509)	-
Net Cash Provided by Operating Activities	$ 443,575	$ 858,373

City of East Point, Georgia
Motor Transport Fund
Comparative Statement of Net Assets
June 30, 2010 and 2009

	2010	2009
Assets		
Current Assets:		
Inventories	$ -	$ 20,150
Non-current Assets		
Capital assets:		
Depreciable, net	338,950	362,797
Total Assets	338,950	382,947
Liabilities		
Current Liabilities:		
Accounts payable	98,332	40,890
Accrued expenses	81,743	78,898
Interfund payable	158,875	668,631
Total Current Liabilities	338,950	788,419
Net Assets		
Invested in capital assets	338,950	362,797
Unrestricted	(338,950)	(768,269)
Total Net Assets	$ -	$ (405,472)

City of East Point, Georgia
Motor Transport Fund
Comparative Statement of Revenues,
Expenses and Changes in Fund Net Assets
For the Years Ended June 30, 2010 and 2009

	2010	2009
Operating Revenues		
Charges for services	$ 1,424,220	$ 1,103,529
Operating Expenses		
Personnel services	416,128	420,010
Purchased services	83,307	159,003
Commodities	495,466	531,893
Depreciation	23,847	34,159
Total Expenses	1,018,748	1,145,065
Operating Income (Loss)	405,472	(41,536)
Net Assets (Deficits) Beginning of Year	(405,472)	(363,936)
Net Assets (Deficits) End of Year	$ -	$ (405,472)

City of East Point, Georgia
Motor Transport Fund
Comparative Statement of Cash Flows
For the Years Ended June 30, 2010 and 2009

	2010	2009
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from interfund services provided	$ 1,424,220	$ 5,439,913
Cash payments for personal services	(416,128)	(421,643)
Cash payments for goods and services	(498,336)	(5,018,270)
Net Cash Provided by (Used in) Operating Activities	509,756	-
Cash Flows from Noncapital Financing Activities		
Decrease in interfund loan payable	(509,756)	-
Net Increase in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents Beginning of Year	-	-
Cash and Cash Equivalents End of Year	$ -	$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	$ 405,472	$ (41,536)
Adjustments		
Depreciation	23,847	34,159
(Increase) Decrease in Assets		
Inventory	20,150	-
Increase (Decrease) in Liabilities		
Accounts payables	57,442	18,757
Accrued expenses	2,845	-
Interfund payable	-	(11,380)
Net Cash Provided by Operating Activities	$ 509,756	$ -

City of East Point, Georgia
Comparative Statement of Plan Net Assets
Pension Trust Fund
June 30, 2010 and 2009

	2010	2009
Assets		
Investments:		
Corporate bonds	$ 5,625,600	$ 3,886,538
U.S. government securities	16,075,013	16,587,333
Equity securities	24,130,775	21,216,331
Money market funds	1,642,920	1,929,982
Receivables:	-	-
Interest	149,869	164,966
Other	290,904	208,689
Total Assets	47,915,081	43,993,839
Net Assets Held in Trust for Pension Benefits	$ 47,915,081	$ 43,993,839

City of East Point, Georgia
Comparative Statement of Changes in Fiduciary Net Assets
Pension Trust Fund
For the Fiscal Years Ended June 30, 2010 and 2009

	2010	2009
Additions		
Contributions:		
Employer	$ 6,172,206	$ 4,790,499
Employee	1,123,880	1,116,269
Investment earnings:		
Interest	1,427,836	1,515,947
Net increase (decrease) in the fair value of investments	3,898,905	(6,780,372)
Less investment expense	(386,799)	(289,428)
Total Additions	12,236,028	352,915
Deductions		
Administration expenses	106,794	201,061
Benefits	8,207,992	9,300,473
Total Deductions	8,314,786	9,501,534
Change in Net Assets	3,921,242	(9,148,619)
Net Assets Beginning of Year	43,993,839	53,142,458
Net Assets End of Year	$ 47,915,081	$ 43,993,839