

City of Elberton, Georgia

Comprehensive Annual Financial Report

For the fiscal year ended
June 30, 2010

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Part I

Introductory Section

CITY OF ELBERTON, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the fiscal year ended June 30, 2010

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Elberton

Georgia

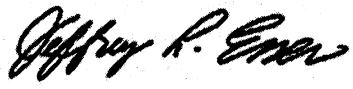
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

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





President



Executive Director

CITY OF ELBERTON, GEORGIA

CITY OFFICIALS

June 30, 2010

MAYOR
Larry L. Guest

CITY COUNCIL
Joel Seymour, Mayor Pro Tempore
Carey Butler
Bobby G. Hunt
Troy Colquitt
Bob Paul

CITY MANAGER
Lanier W. Dunn, CPA

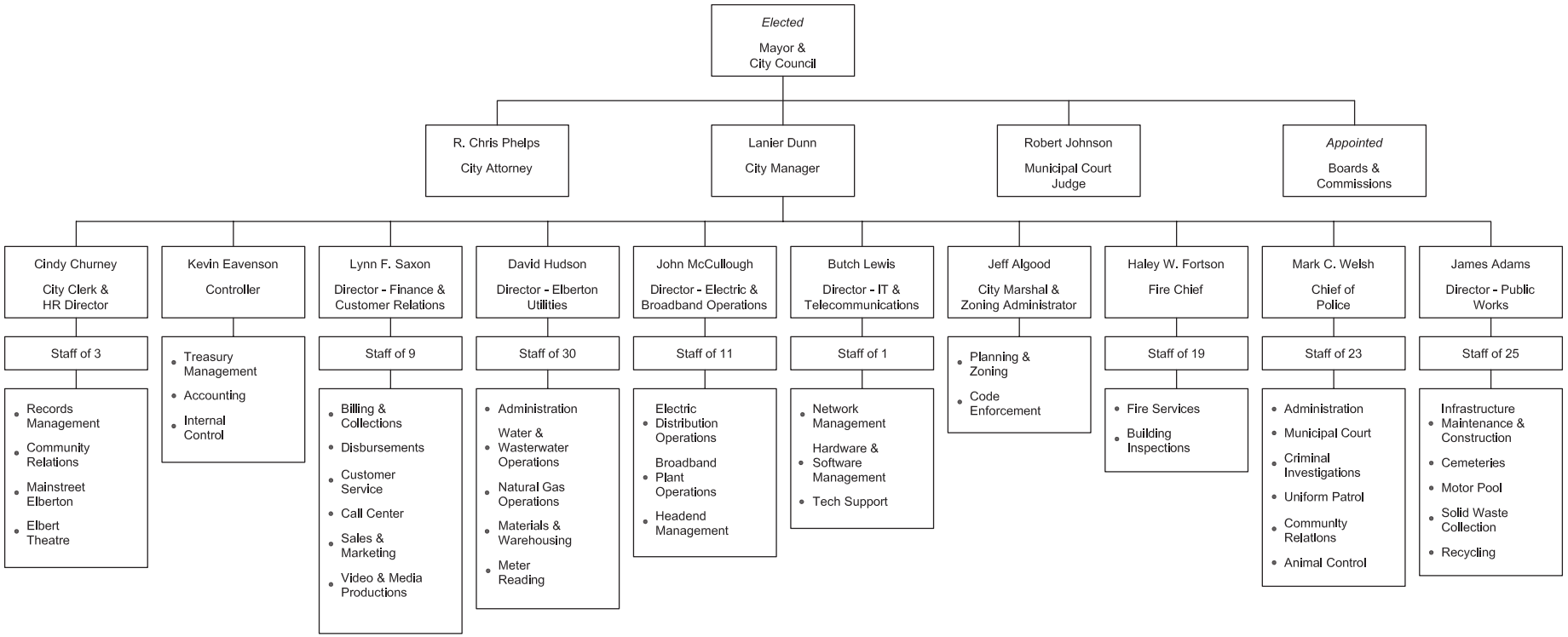
CITY ATTORNEY
R. Chris Phelps

MUNICIPAL COURT JUDGE
Robert A. Johnson

City of Elberton, Ga.

Organizational Chart

as of June 30, 2010



CITY OF ELBERTON
P. O. Box 70
Elberton, Georgia 30635-0070
(706) 213-3100
www.cityofelberton.net

November 4, 2010

The Honorable Larry L. Guest, Mayor
Members of the City Council, and
Citizens of the City of Elberton

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the City of Elberton, Georgia, for the fiscal year ended June 30, 2010, is submitted for review as mandated by both local ordinance and state statutes. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

To provide a reasonable basis for making these representations concerning the finances of the City, the City of Elberton has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Elberton's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

In the Financial Section immediately after the independent auditor's report is a management's discussion and analysis which provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis begins on page 3. The Elberton Code of Ordinances and the Official Code of Georgia, annotated, require an annual audit of the books of account, financial records and transactions of all funds and activities of the City by independent certified public accountants selected by the Mayor and Council. This requirement has been met, and the independent auditor's report has been included in the Financial Section of this report.

This report has been prepared with the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA), in accordance with generally accepted accounting principles and current financial reporting standards as set forth by the Governmental Accounting Standards Board (GASB).

PROFILE OF THE GOVERNMENT

The City of Elberton is located in the northeast part of the State of Georgia, within the boundaries of Elbert County. According to the 2000 U.S. Census, Elberton has a population of 4,743 while Elbert County has 20,511. Elberton is approximately 35 miles east of Athens, Georgia, and about 100 miles east of Atlanta. Elberton was chartered by the State of Georgia in 1803. The governing authority of the City is composed of a Mayor and five Council Members, who appoint a Manager to administer the daily operations of the City.

The City of Elberton provides a full range of governmental and utility services. These include general government administration, police and fire protection, sanitation and recycling services, animal control, streets and public works, cemetery services, parks and recreation, planning and zoning, and a municipal court system. Elberton Utilities, a department of the City of Elberton, provides electric, natural gas, water and wastewater services to customers in the City as well as a large portion of Elbert County. ElbertonNET Technology Services, a department of the City, provides telecommunications, cable television, and Internet services to customers in the City and parts of Elbert County.

The annual budget serves as the foundation for the City of Elberton's financial planning and control. All agencies of the City of Elberton are required to submit requests for appropriation to the City Manager in April of each year. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager then presents this proposed budget to the council for review during the month of May. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of the City of Elberton's fiscal year. The appropriated budget is prepared by fund, function, and department. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

This report includes all the funds of the City of Elberton. Following standards established by the Governmental Accounting Standards Board and others, the City of Elberton has reviewed the relationship between itself and other local agencies to determine the amount of control or dependency on the City. The procedures to determine the amount of control or dependency have been outlined in the notes in the Financial Section. As stated in the notes to the basic financial statements, the City of Elberton Housing Authority has not been included in the City's financial statements. The City has included the Downtown Development Authority in this financial report as a discretely presented component unit because that legally separate entity has a high level of financial dependency from the City, and the authority board members are appointed by the Mayor of the City and confirmed by a majority vote of the Council.

ECONOMIC CONDITION AND OUTLOOK

The City's economy continues to be based on the granite industry, which began operation in 1898. In 1951 the Elberton Granite Association, Inc., was formed to encourage cooperation between quarries and manufacturers. A total of 130 separate firms and quarries are operating businesses in granite production or its allied services in Elbert County. Approximately 1,800 persons are employed in the granite industry, with an annual payroll of $57 million. Statistics indicate that Georgia's stone industry, centered in the Elberton granite district, continues to lead

the nation in total production. The financial well being of Elberton is heavily dependent on a stable granite industry. However, the industry is composed primarily of small firms with thirty employees or less. This results in a more stable business climate in Elberton despite fluctuations in the state or national economy.

The City's purchase of and continuing investment in the Elberton Industrial Park underscores the City's commitment to economic growth in the area. The City works closely with, and continues to assist in funding, the Chamber of Commerce and the Development Authority of Elbert County, Elberton and Bowman to attract new industry to the community. Elberton Utilities and ElbertonNET will continue to work closely with local industry to provide needed infrastructure for expansion at local plants. Elberton's Industrial Park is home to the nationally famous "Bubba Burger." All "Bubba Burgers" are made in Elberton and shipped all over the eastern seaboard and Midwestern U.S.

The Downtown Development Authority has operated the Mainstreet Elberton organization for over fifteen years. The City employs a full time director to manage the Mainstreet program and to work with businesses in the historic downtown area to plan and promote events that attract commerce to the downtown area. Mainstreet also recruits small businesses to occupy vacant commercial spaces in the area. Annually, Mainstreet Elberton is recognized as an "Accredited National Main Street Program" by the National Trust for Historic Preservation.

MAJOR EVENTS OR INITIATIVES

The City continued to provide daily services to 5,000 citizens in the City as well as over 6,100 utility accounts in the City and Elbert County. The impact the City has on this community is evident on a daily basis in the majority of homes, businesses, and organizations in the area. Following are highlights of major projects or events in fiscal year 2010.

The City of Elberton began receiving proceeds from the 2006 special purpose local option sales tax in fiscal year 2007. This special sales tax, approved by Elbert County voters, is budgeted to fund $2.9 million of capital projects over the next five years in the City of Elberton. Several capital projects during fiscal year 2010 were funded by this sales tax including the construction of the Granite City Walking Trail extension project and the continued construction of the brick sidewalk paving project on the west side of North Oliver Street near the downtown square. Another major SPLOST project during the year has been the rehabilitation of a major section of wastewater collection main at the intersection of Lake Forest Drive and Arnold Street.

Elberton public works completed the construction of the parking lot behind the courthouse with a new entrance from College Avenue.

The divisions of Elberton Utilities initiated several projects in fiscal year 2010 that are part of long term renewal plans. The electric division completed the conversion of the 4 kV circuit to 12.5 kV project as well as the Rhodes Drive and Jones Street total electric line replacement project. Another significant project of the electric division was the completion of the residential automated meter reading change out program. The natural gas division completed the final phase of the PVC natural gas replacement project in fiscal year 2010, as mandated by the state Public Service Commission. Additionally, the gas division has initiated the process of

implementing a Geographical Information System (GIS) for the purpose of documenting the infrastructure of the natural gas system.

ElbertonNET constructed a major expansion of its system in the northeast area of Elbert County to include about 460 potential new customers. This expansion added six new nodes to the existing network. Additionally, ElbertonNET installed significant headend equipment upgrades during the fiscal year to accommodate higher bandwidth needs and internet usage growth.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Elberton for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009, for the seventh consecutive year. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, the contents of which conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA for review.

We would like to thank the Mayor and the members of the City Council for their interest and support in this report on the financial condition of the City. The Mayor and Council should also be acknowledged for their valuable contributions in the planning and conducting of the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

Lanier W. Dunn

Lanier W. Dunn, CPA
City Manager

Kevin Eavenson

Kevin Eavenson
Controller

Part II

Financial Section

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Independent Auditor's Report

Honorable Mayor and
Members of the City Council
City of Elberton, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely present component unit, each major fund, and the aggregate remaining fund information of the City of Elberton, Georgia, 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 the City of Elberton, Georgia, management. Our responsibility is to express opinions on these financial statements based on our audit.

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

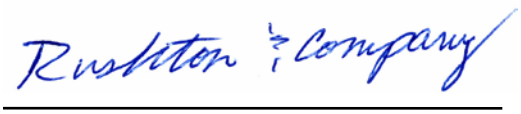
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elberton, Georgia, as of June 30, 2010, and the respective changes in financial position and where applicable, cash flows, and the 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 *Government Auditing Standards*, we have also issued our report dated November 4, 2010, on our consideration of the City of Elberton, Georgia internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Elberton, Georgia, basic financial statements. The introductory section, combining and individual fund financial statements and schedules, the special local option sales tax schedule of expenditures, and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund financial statements, and the special local option sales tax schedule of expenditures are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Certified Public Accountants

Gainesville, Georgia
November 4, 2010

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CITY OF ELBERTON
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Elberton, Georgia 30635-0070
(706) 213-3100
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MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the City of Elberton is pleased to provide this narrative discussion and analysis of the City's financial activities 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.

FINANCIAL HIGHLIGHTS

- The assets of the City of Elberton exceeded its liabilities at the close of the fiscal year by $27.3 million (reported as "*net assets*"). Of this amount, $6.8 million (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net assets increased by $3,317,176 as a result of this year's activities.
- The City's governmental funds report combined ending fund balances of $1,860,921. Approximately 92 percent of this amount, $1,716,577, is available for spending at the City's discretion (*unreserved fund balance*), within the purposes of the funds.
- The City's proprietary funds report net assets of $22.0 million at the end of the fiscal year, an increase of $3,137,351 as a result of the current year's operations.
- The City's liabilities totaled $16.3 million on June 30, 2010. Most of these liabilities (82 percent or $13.4 million) consist of revenue bonds, capital leases, or interest on those obligations to finance improvements or extensions of the City's utility systems.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements. The *government-wide financial statements* include the *statement of net assets* and the *statement of activities*. One of the most important questions asked about the City's finances is "Is the City as a whole better off or worse off as a result of the year's activities?" The *statement of net assets* and the *statement of activities* report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. The City's *net assets*, which is the difference between assets, what the citizens own, and liabilities, what the citizens owe, is one way to measure the City's *financial position*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other non-financial factors, however, such as changes in the City's property tax base and the condition of the City's capital assets (roads, buildings, and utility systems) must be considered to assess the *overall health* of the City.

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

Both of the government-wide financial statements divide the City into two kinds of activities:

- Governmental activities: most of the City's basic services are reported here, including police, fire, infrastructure maintenance, parks and recreation, cemetery, and general administration. Taxes, grants, and interfund transfers from the utility system finance most of these activities.
- Business-type activities: the City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's utility and solid waste services are reported here.

The government-wide financial statements can be found on pages 14-16 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by state law. The City of Elberton uses three categories of funds: governmental funds, proprietary funds, and a fiduciary fund.

In fund financial statements, information is presented in separate columns for each of the major funds. Data from non-major funds are combined into a single, aggregated column for presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements elsewhere in this report.

Governmental funds. Most of the City's basic *governmental activities* reported in the government-wide statements are accounted for in *governmental funds*, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. The relationship (or differences) between *governmental activities* (reported in the *statement of net assets* and the *statement of activities*) and *governmental funds* is described in a reconciliation following the fund financial statements. The City uses four governmental funds, of which the general fund is considered a major fund, whose basic financial statements can be found on pages 17-22 of this report.

Proprietary funds. When the City charges customers for the full or partial cost of the services it provides whether to outside customers or to other units of the City, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *statement of net assets* and the *statement of activities* using the accrual basis of accounting. *Enterprise funds* are a type of proprietary fund used to account for functions reported as *business-type activities* in the government-wide statements. The City uses four enterprise funds to account for separate business-type activities. The combined public utility fund and the ElbertonNET technology services fund are considered the major enterprise funds and are reported in the basic proprietary fund financial statements on pages 23-27 of this report.

Fiduciary fund. The City is a trustee, or fiduciary, for the municipal court agency fund. The City's fiduciary activity is reported in a separate Statement of Fiduciary Assets and Liabilities on page 28. This activity is excluded from the City's other financial statements because the City cannot use these assets to finance its operations.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-62 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information including combining financial statements for non-major funds referred to earlier. Individual fund statements and schedules are presented following the required supplementary information. These statements and schedules contain much more detailed financial information about individual services or divisions of the City.

This report includes two schedules (pages 18 and 20) that reconcile the amounts reported on the governmental fund financial statements (modified accrual basis of accounting) with the governmental activities reported on the government-wide financial statements (accrual basis of accounting). The following summarizes the impact of transitioning from modified accrual to accrual accounting:

- Capital assets used in governmental activities on the government-wide statements are not reported on the fund financial statements.
- Unless due and payable, long-term liabilities appear only in the government-wide statements.
- Capital outlay spending results in capital assets on the government-wide statements but is reported as expenditures on the governmental fund financial statements.
- Some expenses reported in the government-wide statements represent increases in liabilities on the government-wide statements but are not reported as expenditures in governmental funds because they do not require the use of current financial resources.

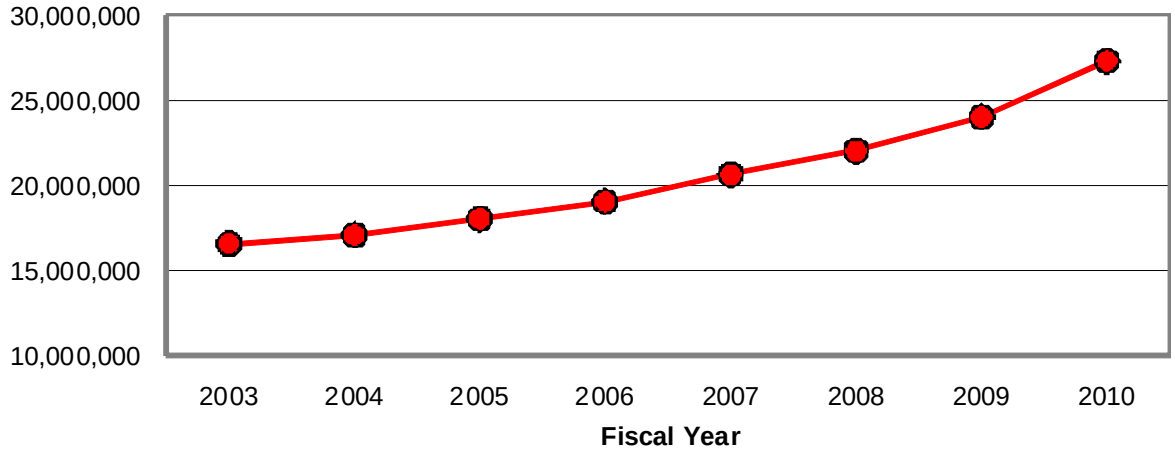
GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Elberton, assets exceeded liabilities by $27,340,456 at the close of the most recent fiscal year.

City of Elberton
Net Assets as of June 30, 2010 and 2009
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and Other Assets	$ 2,093	$ 1,643	$ 9,186	$ 7,368	$ 11,279	$ 9,011
Net Capital Assets	3,942	4,519	28,455	27,344	32,397	31,863
Total Assets	6,035	6,162	37,641	34,712	43,676	40,874
Long-term Liabilities	378	451	11,919	12,257	12,297	12,708
Other Liabilities	364	598	3,675	3,545	4,039	4,143
Total Liabilities	742	1,049	15,594	15,802	16,336	16,851
Invested in Capital Assets, net of related debt	3,924	3,935	15,483	14,316	19,407	18,251
Restricted Net Assets	852	731	284	305	1,136	1,036
Unrestricted Net Assets	517	447	6,280	4,289	6,797	4,736
Total Net Assets	$ 5,293	$ 5,113	$ 22,047	$ 18,910	$ 27,340	$ 24,023

Total Net Asset Balances – Eight Fiscal Years



The largest portion of the City's net assets (70 percent) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Restricted net assets totaling $1,135,614 are constrained by legal requirements and are not available for day-to-day operations of the City. The remaining balance of *unrestricted net assets* ($6,797,446) may be used to meet the City's ongoing obligations to citizens and creditors. The portion of unrestricted net assets from business-type activities was $6,280,127 at the end of the fiscal year. The portion of unrestricted net assets resulting from the City's governmental activities was $517,319 at the close of the fiscal year.

The City's net assets increased by $3,317,176 during the current fiscal year. Governmental activities resulted in an increase in net assets of $179,825, while business-type activities resulted in an increase of net assets of $3,137,351. The following table was derived from the government-wide Statement of Activities and reflects how the City's net assets changed during the fiscal year.

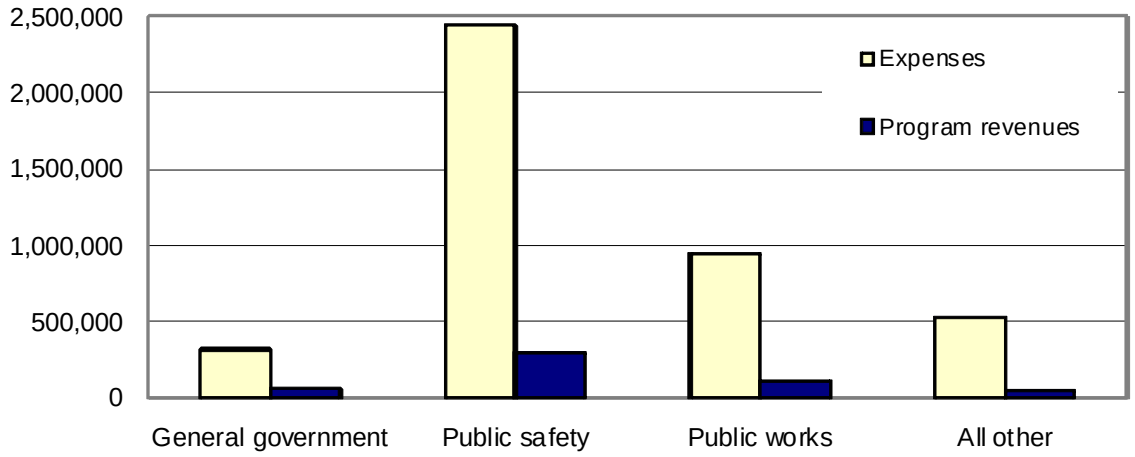
City of Elberton
Changes in Net Assets for the Fiscal Years ended June 30, 2010 and 2009
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for Services	$ 406	$ 391	$ 25,973	$ 25,035	$ 26,379	$ 25,426
Operating Grants and Contributions	100	72	0	0	100	72
Capital Grants and Contributions	22	877	11	0	33	877
General Revenues:						
Taxes	1,992	1,853	0	0	1,992	1,853
Interest and Investment Earnings	4	3	67	91	71	95
Miscellaneous	19	50	31	36	50	86
Total Revenues	2,543	3,247	26,082	25,162	28,625	28,409
Expenses:						
General Government	319	308	0	0	319	308
Judicial	102	101	0	0	102	101
Public Safety	2,442	2,355	0	0	2,442	2,355
Public Works	953	1,093	0	0	953	1,093
Health and Welfare	10	10	0	0	10	10
Culture and Recreation	161	151	0	0	161	151
Housing and Development	247	415	0	0	247	415
Interest on long-term debt	3	5	0	0	3	5
Combined Public Utilities	0	0	18,022	19,178	18,022	19,178
ElbertonNET Technology Services	0	0	2,215	1,993	2,215	1,993
Industrial Park	0	0	7	7	7	7
Solid Waste	0	0	827	789	827	789
Total Expenses	4,237	4,440	21,071	21,967	25,308	26,407
Increase (Dec) in Net Assets Before Transfers	(1,694)	(1,193)	5,011	3,195	3,317	2,002
Transfers	1,874	2,038	(1,874)	(2,038)	0	0
Change in Net Assets	180	845	3,137	1,158	3,317	2,003
Net Assets - July 1	5,113	4,268	18,910	17,752	24,023	22,020
Net Assets - June 30	$ 5,293	$ 5,113	$ 22,047	$ 18,910	$ 27,340	$ 24,023

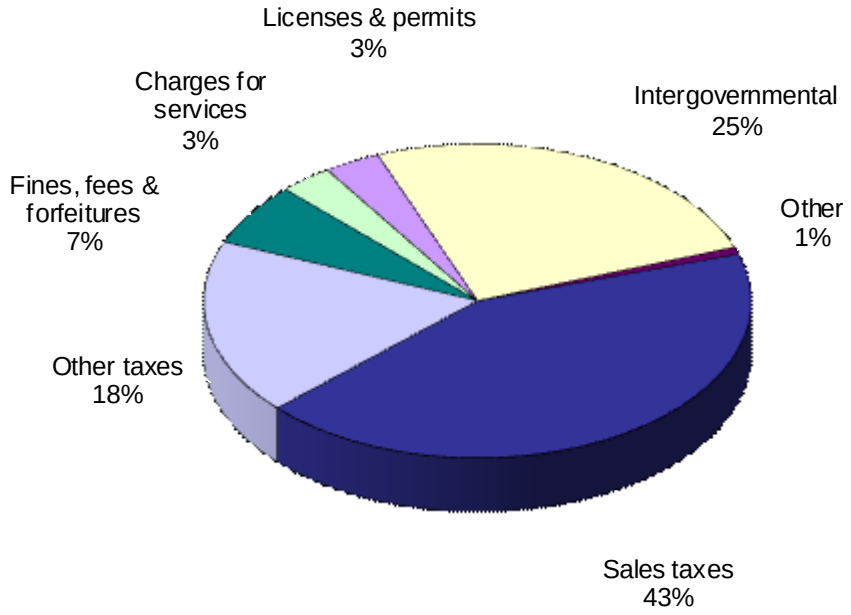
Governmental Activities. Governmental activities increased the net assets of the City by $179,825. Revenues for the City's governmental activities decreased by 21.7 percent ($703,420) under fiscal year 2009. Expenses for governmental activities decreased by 4.6 percent ($202,156) during fiscal year 2010.

The primary reason for the large percentage decrease in governmental revenues was the receipt of a $500,000 redevelopment fund grant for the W.O. Jones Building Renovation project received in fiscal year 2009. Most of these funds ($480,000) were loaned to the Downtown Development Authority to finance the project for 20 years, with the remainder ($20,000) being expended for project administration fees. During fiscal year 2010, there were no substantial grant revenues received, resulting in a decrease in overall governmental revenues under fiscal year 2009.

Expenses and Program Revenues – Governmental Activities



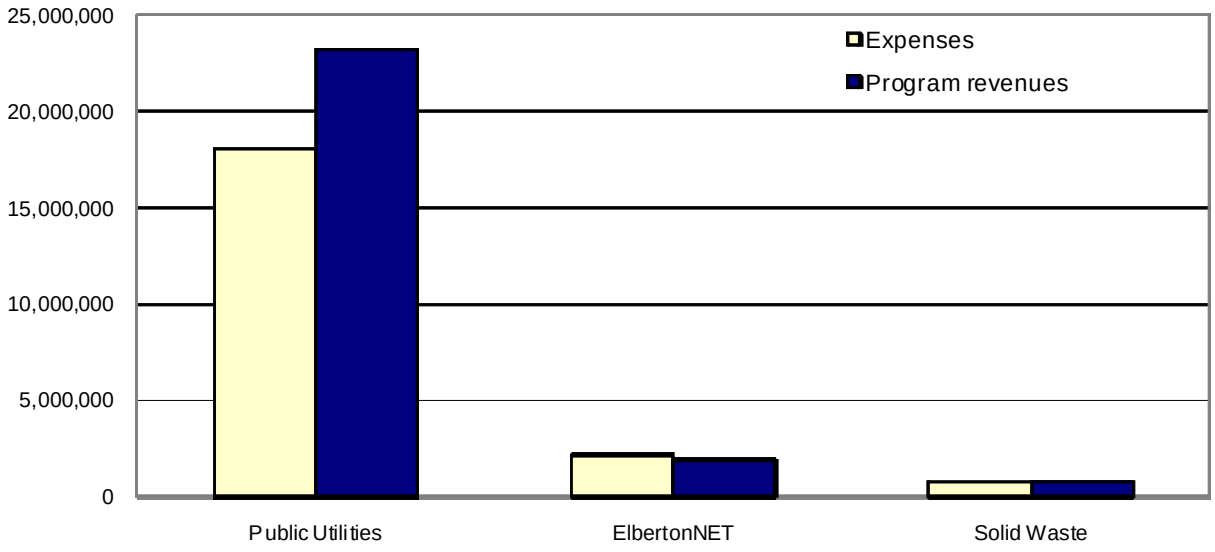
Revenues by Source – Governmental Activities



Business-type activities. Business-type activities increased the City's net assets by $3,137,351. Key elements of this increase are as follows:

- Sales for business-type activities were $26.0 million, an increase of 3.8 percent from the prior fiscal year sales of $25.0 million.
- Sales in the combined public utility fund for electric, water, sewer, and natural gas services increased by $601,160 or 2.7 percent over last fiscal year. Electric sales increased 7.7%, natural gas sales declined by 0.9%, and water/sewer sales declined by 0.9%. Electric sales increased primarily due to an increase in large commercial consumption.
- Income in the combined public utility fund before transfers to the general fund was $5.3 million, or 49 percent higher than last year's income of $3.6 million. This is a result of two primary factors. (1) The electric utility began receiving credits to its monthly power supply bill from MEAG Power from the competitive trust established in the late 1990s to offset wholesale power increases. These credits resulted in a lower cost of purchased power. The City set aside most of the credits, about 75%, for future electric generation projects that will be required to meet future demand, such as the Plant Vogtle nuclear generation expansion. (2) The winter of fiscal year 2010 was abnormally cold, and natural gas units sold increased as a result.
- The ElbertonNET technology services enterprise fund experienced sales of $1,956,461, an increase of 16.3 percent over the prior year sales of $1,682,283.
- Solid waste operations increased sales by $50,961, a 6.9 percent increase from last fiscal year.

Expenses and Program Revenues – Business-type Activities



FINANCIAL ANALYSIS OF THE GOVERNMENT'S INDIVIDUAL FUNDS

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

Governmental funds. The City uses governmental funds to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The City of Elberton uses four governmental funds: the general fund, the 2006 special purpose local option sales tax (SPLOST) capital projects fund, the hotel/motel tax special revenue fund, and the revolving loan special revenue fund.

At the end of the current fiscal year, the City's general fund reported an ending fund balance of $1,009,392, an increase of $46,522 or 4.9 percent in comparison with the prior year. Approximately 86 percent of this amount ($865,048) constitutes *unreserved fund balance*, which is available for spending at the City's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed for other restricted purposes.

As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents only 18.4 percent of total general fund expenditures for the current fiscal year.

As in previous fiscal years, the City of Elberton levied no property tax to finance current operations. Therefore, the City's general fund relied heavily on operating transfers from the proprietary funds (or business-type activities) to finance the governmental activities of the City such as public safety and public works. The operating transfer from the combined public utility enterprise fund was $2,255,015, which is 2.0% or $44,125 less than the transfer in fiscal year 2009.

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

The change in net assets in the proprietary funds is depicted in the following table. Factors concerning the performance of the proprietary funds have already been addressed in the discussion of the City of Elberton's business-type activities.

City of Elberton Proprietary Funds
Net Assets as of June 30, 2010

	Combined Public Utility System	ElbertonNET Tech Services	Solid Waste	Industrial Park	Total
Operating Revenues	$ 23,244,892	$ 1,956,461	$ 793,269	0	$ 25,994,622
Operating Expenses	17,542,823	2,026,837	824,674	7,047	20,401,381
Operating income (loss)	5,702,069	(70,376)	(31,405)	(7,047)	5,593,241
Non-operating income (loss)	(392,287)	(187,416)	(2,091)	0	(581,794)
Transfers in (out)	(2,324,096)	450,000	0	0	(1,874,096)
Change in net assets	2,985,686	192,208	(33,496)	(7,047)	3,137,351
Net Assets, July 1	19,834,840	(1,841,972)	229,763	687,403	18,910,034
Net Assets, June 30	$ 22,820,526	$ (1,649,764)	$ 196,267	$ 680,356	$ 22,047,385

GENERAL FUND BUDGETARY HIGHLIGHTS

There was one budget amendment approved during the fiscal year to account for revenues and expenditures that were not planned in the original budget. Total appropriations increased by $70,626 between the original budget and the final amended budget and are briefly summarized as follows:

- $2,500 increase to expenditures for Human Resources for employee vaccinations
- $27,100 increase to expenditures for the purchase of land at the Municipal Complex
- $13,150 increase to expenditures for the police department detention center per diem jail fees
- $19,400 increase to expenditures to various departments for group health insurance
- $10,100 increase to expenditures for dilapidated housing disposal costs
- $1,600 increase to expenditures for Elbert Theatre equipment
- $3,224 decrease to non-departmental expenditures on the contingency line item

General fund revenues ended the year at 11%, or $291,154, below budget. However, expenditures in the general fund were $312,051, or 6%, under budget for the fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City of Elberton's investment in capital assets for its governmental and business-type activities as of June 30, 2010, amounts to $32,397,534 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, infrastructure, and distribution systems for electricity, natural gas, water, sewer, and broadband services. This total also includes $377,692 in intangible assets, primarily for the City's raw water storage rights at Lake Richard B. Russell. More detailed information about the city's capital assets is presented in the notes to the basic financial statements.

During the fiscal year, the City invested $2,420,799 in new capital assets. Investment for business-type activities totaled $2,162,835 while $257,964 was for governmental activities. Major capital asset events during the current fiscal year included the following:

Governmental Activities - $257,964 total

- $26,901 to purchase land at the Municipal Complex on Elbert Street
- $50,509 to purchase two new patrol cars for the police department
- $16,225 to purchase five new in-car computers for the police department
- $9,054 to purchase a police radio repeater at the 911 Center tower
- $14,405 to purchase a new car for the building inspector
- $36,500 to purchase a used dump truck for the public works department
- $18,539 to purchase a new truck for the public works department
- $56,187 to complete construction on the College Avenue parking lot project
- $21,964 to begin construction of the Granite City Walking Trail extension project
- $7,680 to begin architectural plans for renovation of the Elberton Arts Center

Business-type Activities – $2,162,835 total

- $105,928 to complete the final phase of PVC natural gas main replacement
- $28,994 to construct new service mains for poultry farm customers
- $49,228 for the purchase of a new ditch witch trencher for the gas department
- $13,833 for the purchase of equipment and software for the Geographical Information System (GIS) for the gas department
- $25,502 for wastewater treatment pump stations and projects
- $70,500 for paving of driveway at the Falling Creek wastewater treatment plant
- $18,942 for construction of the Martin Grove Drive water main extension
- $269,621 to replace a sewer main on Arnold Street and Lake Forest Drive
- $71,252 to complete a water main replacement on Crestview Drive
- $4,250 to begin construction on the water plant dam removal project
- $20,151 to purchase a pickup truck for use by the water/sewer department
- $120,292 to begin construction on the Rhodes Drive and Jones Street electric line replacement
- $8,118 to begin construction on the Mill Street to Seaboard Street electric line replacement
- $40,989 to complete the Allen Logan electric line and right of way rehabilitation project
- $84,416 to install electric services to new commercial customers
- $177,955 to complete the electric conversion project to convert the 4 kV circuit to 12.5 kV in the area of Church, South McIntosh, Thomas, Edwards, Park, and Tusten Streets
- $117,606 for the purchase of new electric meters for the automated meter reading and residential change out program
- $9,079 for the purchase of a metal building for use as a wire shelter in the electric department
- $9,290 to purchase a new bush hog in the electric division
- $804,497 for the construction of the broadband system expansion in the northeastern area of Elbert County, and the areas west of Elberton along the Athens Highway
- $112,392 for the purchase and installation of headend equipment upgrades

Additional information on the City's capital assets can be found in Note 9 on pages 46-47 of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of $9,110,000. This entire amount was for the Series 2001 Combined Public Utility System Revenue Bonds secured solely by the specified revenue sources of the water and sewer, electric, and natural gas systems. There was no outstanding general obligation debt backed by the full faith and credit of the City.

In addition to revenue bonds, the City has entered into several capital lease-purchase agreements to finance the construction of a manufacturing facility in the industrial park, to finance the construction of a broadband and cable television distribution system, and to purchase vehicles. The balance of these leases at June 30, 2010 was $4,100,721.

Moody's rated the City's combined utility system as A-3 in 2001 for revenue bonds. Other long-term obligations of the City include accrued vacation pay and contractual liability for the Elberton-Elbert County landfill post-closure care. More detailed information about the City's long-term liabilities is presented in the notes to the basic financial statements.

Additional information on the City's long-term debt can be found in Note 11 on pages 49-51 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The national and state economy did not improve in fiscal year 2010 after the sharp declines in the prior year. However, there was an increase in the City's overall sales tax revenues of 14 percent as compared to the prior year when sales taxes declined. The local unemployment rate increased to 12.4 percent.

During 2010 the City's utility system did not experience any losses of its top customers as happened during the year 2009. Additionally, the City has added a commercial customer who has located business in the Industrial Park, and there have been additions to the electric grid from expansions at other commercial customers such as Athens Technical College and Bubba Foods.

Pilgrim's Pride, the City's largest customer, emerged from bankruptcy reorganization in December, 2009, and has resumed normal operations in Elberton. The business at the Elberton plant continues to be strong, and they are changing out equipment at the Elberton plant and re-investing in the production lines.

Lack of economic growth in the area continues to affect the operations of the City. Stagnant population growth and slow real growth in utility sales are two key economic indicators that underscore the difficulty in maintaining the City's current level of service. The City's annual budget has been approximately the same amount for three fiscal periods including fiscal year 2010 and the new fiscal year 2011.

The overall City budget for FY2011 increased by less than one percent over fiscal year 2010. No fee increases were included for the general fund, and utility rate structures remained the same as the prior year with small increases in the outside city limits water rates and inside city limits sewer rates.

Other than the rate changes outlined above and certain capital grant revenues and expenditures that might be included, the overall policy of next year's budget will remain the same as this year. Property taxes will not be levied, and the general fund will operate on transfers from business-type operations.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Elberton's finances for all of its citizens, taxpayers, customers, and investors and creditors. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the City Manager, Post Office Box 70, 203 Elbert Street, Elberton, Georgia 30635-0070.

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BASIC FINANCIAL STATEMENTS

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2010

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Current assets				
Cash	$ 661,303	$ 879,761	$ 1,541,064	$ 6,498
Certificates of deposit	0	651,639	651,639	0
Investments	0	3,757,471	3,757,471	0
Restricted assets				
Cash	50	727,387	727,437	0
Investments	0	577,871	577,871	0
Receivables (net)				
Accounts	3,539	2,311,390	2,314,929	0
Taxes	5,279	0	5,279	0
Intergovernmental	235,530	12,500	248,030	0
Interest	0	4,749	4,749	0
Notes	73,000	0	73,000	0
Prepaid items	124,219	0	124,219	313
Inventories	20,075	503,207	523,282	0
Internal balances	497,797	(497,797)	0	0
Other current assets	0	27,914	27,914	0
Total current assets	1,620,792	8,956,092	10,576,884	6,811
Noncurrent assets				
Notes receivable	472,000	0	472,000	0
Capital assets				
Non-depreciable	652,616	1,372,388	2,025,004	40,000
Depreciable (net)	3,289,557	27,082,973	30,372,530	746,513
Other assets	0	229,675	229,675	0
Total noncurrent assets	4,414,173	28,685,036	33,099,209	786,513
Total assets	6,034,965	37,641,128	43,676,093	793,324
LIABILITIES				
Current liabilities				
Payables				
Accounts	78,483	1,187,545	1,266,028	1,851
Intergovernmental	0	11,752	11,752	4,123
Sales tax	0	92,747	92,747	0
Retainages	0	12,120	12,120	0
Interest	0	7,243	7,243	0
Accrued salaries and expenses	131,814	77,810	209,624	0
Compensated absences	121,117	104,861	225,978	0
Unearned revenue	0	0	0	1,245
Other current liabilities	21,574	56,959	78,533	0
Notes payable	0	0	0	88,189
Capital lease payable	10,650	743,795	754,445	0
Liabilities payable from restricted assets				
Customer deposits payable	0	582,276	582,276	0
Interest payable	0	222,719	222,719	0
Bonds payable	0	575,000	575,000	0
Total current liabilities	363,638	3,674,827	4,038,465	95,408

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2010

	Primary Government			Component Unit Downtown Development Authority
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities				
Compensated absences	$ 51,907	$ 44,940	$ 96,847	$ 0
Contractual liability	319,049	0	319,049	0
Notes payable	0	0	0	692,832
Capital lease payable	7,300	3,338,976	3,346,276	0
Bonds payable	0	8,535,000	8,535,000	0
Total noncurrent liabilities	378,256	11,918,916	12,297,172	692,832
Total liabilities	741,894	15,593,743	16,335,637	788,240
NET ASSETS				
Invested in capital assets, net of related debt	3,924,223	15,483,173	19,407,396	5,492
Restricted for:				
Debt service	0	284,085	284,085	0
Culture and recreation	5,210	0	5,210	0
Housing and development	480,000	0	480,000	0
Capital outlay	366,319	0	366,319	0
Unrestricted	517,319	6,280,127	6,797,446	(408)
Total net assets	$ 5,293,071	$ 22,047,385	$ 27,340,456	$ 5,084

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2010

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government					
Governmental activities					
General Government	$ 319,451	$ 60,476	$ 0	$ 0	$ (258,975)
Judicial	101,982	0	0	0	(101,982)
Public Safety	2,442,237	235,767	43,135	22,584	(2,140,751)
Public Works	953,107	64,151	52,180	0	(836,776)
Health and Welfare	9,900	0	4,862	0	(5,038)
Culture and Recreation	161,416	0	0	0	(161,416)
Housing and Development	246,774	45,249	0	0	(201,525)
Interest on long-term debt	2,716	0	0	0	(2,716)
Total governmental activities	4,237,583	405,643	100,177	22,584	(3,709,179)
Business-type activities					
Combined Public Utilities					
Electric	11,565,575	15,570,785	0	0	4,005,210
Water and Sewer	2,945,952	2,854,234	0	0	(91,718)
Natural Gas	3,510,204	4,803,798	0	11,167	1,304,761
ElbertonNET Technology Services	2,214,817	1,954,681	0	0	(260,136)
Industrial Park	7,047	0	0	0	(7,047)
Solid Waste	826,813	789,409	0	0	(37,404)
Total business-type activities	21,070,408	25,972,907	0	11,167	4,913,666
Total primary government	25,307,991	26,378,550	100,177	33,751	1,204,487
Component Unit					
Downtown Development Authority	131,212	12,445	0	0	(118,767)

	Governmental Activities	Business-Type Activities	Total	Component Unit
Change in net assets				
Net (expense) revenue	$ (3,709,179)	$ 4,913,666	$ 1,204,487	$ (118,767)
General revenues				
Taxes				
Sales	1,345,161	0	1,345,161	0
Franchise	86,620	0	86,620	0
Occupational	79,349	0	79,349	0
Insurance premium	262,968	0	262,968	0
Alcoholic beverage	141,394	0	141,394	0
Hotel/Motel	72,661	0	72,661	0
Other	3,829	0	3,829	0
Interest and investment earnings	4,092	66,891	70,983	9
Payments from City of Elberton	0	0	0	57,052
Gain on sale of assets	1,800	9,175	10,975	0
Miscellaneous	17,034	21,715	38,749	20,334
Transfers	1,874,096	(1,874,096)	0	0
Total general revenues and transfers	3,889,004	(1,776,315)	2,112,689	77,395
Change in net assets	179,825	3,137,351	3,317,176	(41,372)
Net assets - beginning	5,113,246	18,910,034	24,023,280	46,456
Net assets - ending	$ 5,293,071	$ 22,047,385	$ 27,340,456	$ 5,084

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

	General	Nonmajor Governmental Funds	Totals
ASSETS			
Cash	$ 404,398	$ 256,905	$ 661,303
Restricted assets			
Cash	50	0	50
Receivables (net)			
Accounts	3,539	0	3,539
Taxes	0	5,279	5,279
Intergovernmental	107,472	128,058	235,530
Notes	65,000	480,000	545,000
Prepaid items	124,219	0	124,219
Inventory, at cost	20,075	0	20,075
Due from other funds	497,866	0	497,866
Total assets	$ 1,222,619	$ 870,242	$ 2,092,861
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	$ 59,839	$ 18,644	$ 78,483
Accrued salaries and payroll liabilities	131,814	0	131,814
Due to other funds	0	69	69
Other liabilities	21,574	0	21,574
Total liabilities	213,227	18,713	231,940
Fund balances			
Reserved for:			
Inventory	20,075	0	20,075
Prepaid items	124,219	0	124,219
Restricted assets	50	0	50
Unreserved, undesignated	865,048	0	865,048
Special Revenue Funds	0	485,210	485,210
Capital Projects Funds	0	366,319	366,319
Total fund balances	1,009,392	851,529	1,860,921
Total liabilities and fund balances	$ 1,222,619	$ 870,242	$ 2,092,861

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2010

Total fund balance - total governmental funds	$	1,860,921
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of $7,525,559, net of accumulated depreciation of ($3,583,386), are not financial resources and, therefore, are not reported in the funds.		3,942,173
Long-term liabilities are not due and payable in the current period and are not reported in the funds. These include contractual liabilities of ($319,049), capital leases of ($17,950), and compensated absences of ($173,024)		(510,023)
Net assets of governmental activities	$	5,293,071

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2010

	General	Nonmajor Governmental Funds	Totals
REVENUES			
Taxes	$ 1,244,963	$ 72,661	$ 1,317,624
Licenses and permits	103,994	0	103,994
Fines, fees and forfeitures	202,828	0	202,828
Charges for services	781,097	0	781,097
Intergovernmental	99,863	696,942	796,805
Interest	1,836	2,256	4,092
Other	17,348	0	17,348
Total revenues	2,451,929	771,859	3,223,788
EXPENDITURES			
Current			
General Government	795,652	0	795,652
Judicial	102,716	0	102,716
Public Safety	2,319,824	0	2,319,824
Public Works	1,117,742	0	1,117,742
Health and Welfare	9,900	0	9,900
Culture and Recreation	146,215	0	146,215
Housing and Development	220,001	22,833	242,834
Capital outlay	0	197,560	197,560
Total expenditures	4,712,050	220,393	4,932,443
Excess (deficiency) of revenues over (under) expenditures	(2,260,121)	551,466	(1,708,655)
Other financing sources (uses)			
Transfers in	2,304,843	0	2,304,843
Transfers out	0	(430,747)	(430,747)
Sale of capital assets	1,800	0	1,800
Total other financing sources (uses)	2,306,643	(430,747)	1,875,896
Net change in fund balance	46,522	120,719	167,241
Fund balances, July 1	962,870	730,810	1,693,680
Fund balances, June 30	$ 1,009,392	$ 851,529	$ 1,860,921

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the fiscal year ended June 30, 2010

Net change in fund balances - total governmental funds	$	167,241
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of ($322,529) exceeded capital outlays of $225,115 in the current period.		(97,414)
The proceeds of debt issuance provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which debt repayments of $86,590 exceeded proceeds of ($0).		86,590
Payments of contractual liabilities are an expenditure in the governmental funds, but the payments reduce long-term liabilities in the statements of net assets.		11,950
Some expenses reported in the statement of activities do not require the use of current financial resources and are not reported as expenditures in governmental funds. These include the net change of $11,458 in compensated absences.		11,458
Change in net assets of governmental activities	$	179,825

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2010

	Budget			Variance with Final
	Original	Final	Actual	Budget
REVENUES				
Taxes	$ 1,125,000	$ 1,303,150	$ 1,244,963	$ (58,187)
Licenses and permits	283,650	105,500	103,994	(1,506)
Fines, fees and forfeitures	241,200	239,600	202,828	(36,772)
Charges for services	786,833	786,833	781,097	(5,736)
Intergovernmental	193,274	253,900	99,863	(154,037)
Interest	15,000	15,000	1,836	(13,164)
Other	7,500	39,100	17,348	(21,752)
Total revenues	2,652,457	2,743,083	2,451,929	(291,154)
EXPENDITURES				
Current				
General Government				
Mayor and Council	167,636	167,636	159,826	7,810
City Manager's Office	161,238	161,238	155,733	5,505
Finance	287,112	288,547	288,123	424
Human Resources	42,530	45,030	44,984	46
City Clerk	39,928	39,928	38,661	1,267
Elections	2,100	2,100	1,165	935
City Attorney	26,550	26,550	12,767	13,783
City Hall Maintenance	67,323	94,423	94,393	30
Judicial				
Municipal Court	106,835	106,835	102,716	4,119
Public Safety				
Police - Administration	349,160	349,160	345,133	4,027
Police - Uniform Division	847,528	847,528	833,832	13,696
Police - Criminal Investigations	126,996	126,996	123,217	3,779
Police - Community Relations	58,104	58,104	55,816	2,288
Police - Detention	45,000	58,150	58,122	28
Fire	842,673	854,473	854,430	43
Animal Control	44,202	49,302	49,274	28
Public Works				
Administrative	132,440	132,439	127,139	5,300
Infrastructure Construction	200,000	200,000	75,518	124,482
Infrastructure Maintenance	343,748	343,748	321,295	22,453
Parks and Rights-of-Way	77,982	77,982	58,782	19,200
Motor Pool	380,032	380,032	330,200	49,832
Street Lighting	29,968	29,968	10,993	18,975
Street Sweeper	39,408	39,408	39,274	134
Cemetery	161,296	161,296	154,541	6,755
Health and Welfare				
Agency allocations	9,900	9,900	9,900	0
Culture and Recreation				
Elbert Theatre	79,133	80,733	80,715	18
Agency allocations	65,500	65,500	65,500	0
Housing and Development				
Zoning/Special Projects	67,939	67,939	64,107	3,832
Code Enforcement	79,475	104,575	101,342	3,233
Economic Development	67,081	54,581	54,552	29
Total expenditures	4,948,817	5,024,101	4,712,050	312,051

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET (GAAP) AND ACTUAL
For the fiscal year ended June 30, 2010

	Budget			Variance with Final
	Original	Final	Actual	Budget
Excess (deficiency) of revenues over (under) expenditures	$ (2,296,360)	$ (2,281,018)	$ (2,260,121)	$ 20,897
Other financing sources (uses)				
Transfers in (out)				
Transfers in	2,284,015	2,284,015	2,304,843	20,828
Sales of capital assets	20,000	0	1,800	1,800
Contingency	(7,655)	(2,997)	0	2,997
Total other financing sources (uses)	2,296,360	2,281,018	2,306,643	25,625
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	46,522	46,522
Fund balances, July 1	0	0	962,870	962,870
Fund balances, June 30	$ 0	$ 0	$ 1,009,392	$ 1,009,392

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Enterprise Funds	Totals
ASSETS				
Current assets				
Cash	$ 870,398	$ 0	$ 9,363	$ 879,761
Certificates of deposit	651,639	0	0	651,639
Investments	3,757,471	0	0	3,757,471
Restricted assets				
Cash	506,804	220,583	0	727,387
Investments	577,871	0	0	577,871
Receivables (net)				
Accounts	1,996,298	249,119	65,973	2,311,390
Intergovernmental	12,500			12,500
Interest	4,749	0	0	4,749
Inventories	390,134	113,073	0	503,207
Due from other funds	0	0	7,214	7,214
Other current assets	27,914	0	0	27,914
Total current assets	8,795,778	582,775	82,550	9,461,103
Noncurrent assets				
Capital assets				
Non-depreciable	771,221	136,767	464,400	1,372,388
Depreciable (net)	21,011,054	5,649,045	422,874	27,082,973
Other assets				
Bond issuance costs (net)	203,446	26,229	0	229,675
Advances to other funds	3,862,947	0	0	3,862,947
Total noncurrent assets	25,848,668	5,812,041	887,274	32,547,983
Total assets	34,644,446	6,394,816	969,824	42,009,086
LIABILITIES				
Current liabilities				
Payables				
Accounts	1,074,298	91,979	21,268	1,187,545
Intergovernmental	0	11,752	0	11,752
Sales tax	92,747	0	0	92,747
Retainages	3,205	8,915	0	12,120
Interest	0	7,171	72	7,243
Accrued salaries	60,164	8,459	9,187	77,810
Compensated absences	84,662	13,005	7,194	104,861
Other current liabilities	56,959	0	0	56,959
Due to other funds	505,011	0	0	505,011
Capital leases payable	0	712,707	31,088	743,795
Liabilities payable from restricted assets:				
Customer deposits payable	577,871	4,405	0	582,276
Interest payable	222,719	0	0	222,719
Bonds payable	575,000	0	0	575,000
Total current liabilities	3,252,636	858,393	68,809	4,179,838

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2010

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Enterprise Funds	Total Proprietary Funds
Noncurrent liabilities				
Compensated absences	$ 36,284	$ 5,573	$ 3,083	$ 44,940
Advances from other funds	0	3,862,947	0	3,862,947
Bonds payable	8,535,000	0	0	8,535,000
Capital lease payable	0	3,317,667	21,309	3,338,976
Total noncurrent liabilities	8,571,284	7,186,187	24,392	15,781,863
Total liabilities	11,823,920	8,044,580	93,201	19,961,701
NET ASSETS				
Invested in capital assets, net of related debt	12,672,275	1,976,021	834,877	15,483,173
Restricted for debt service	284,085	0	0	284,085
Unrestricted	9,864,166	(3,625,785)	41,746	6,280,127
Total net assets	$ 22,820,526	$ (1,649,764)	$ 876,623	$ 22,047,385

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2010

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Enterprise Funds	Totals
OPERATING REVENUES				
Charges for sales and services	$ 23,228,817	$ 1,954,681	$ 793,269	$ 25,976,767
Miscellaneous revenues	16,075	1,780	0	17,855
Total operating revenues	23,244,892	1,956,461	793,269	25,994,622
OPERATING EXPENSES				
Costs of sales and services	14,165,496	1,503,331	379,599	16,048,426
Personal services	2,216,876	291,382	370,795	2,879,053
Depreciation	1,103,428	223,746	79,495	1,406,669
Other	57,023	8,378	1,832	67,233
Total operating expenses	17,542,823	2,026,837	831,721	20,401,381
Operating income (loss)	5,702,069	(70,376)	(38,452)	5,593,241
Non-operating revenues (expenses)				
Interest revenue	66,279	564	48	66,891
Interest expense	(461,217)	(5,829)	(2,139)	(469,185)
Amortization	(17,691)	(182,151)	0	(199,842)
Gain (loss) on sales of capital assets	9,175	0	0	9,175
Total non-operating revenues (expenses)	(403,454)	(187,416)	(2,091)	(592,961)
Net income (loss) before capital contributions and transfers	5,298,615	(257,792)	(40,543)	5,000,280
Capital contributions				
Intergovernmental	11,167	0	0	11,167
Net income (loss) before transfers	5,309,782	(257,792)	(40,543)	5,011,447
Transfers in (out)				
Transfers in	380,919	450,000	0	830,919
Transfers out	(2,705,015)	0	0	(2,705,015)
Total transfers	(2,324,096)	450,000	0	(1,874,096)
Change in net assets	2,985,686	192,208	(40,543)	3,137,351
Net assets, July 1	19,834,840	(1,841,972)	917,166	18,910,034
Net assets, June 30	$ 22,820,526	$ (1,649,764)	$ 876,623	$ 22,047,385

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2010

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Enterprise Funds	Totals
Cash flows from operating activities:				
Receipts from customers	$ 23,528,439	$ 1,927,046	$ 787,443	$ 26,242,928
Payments to suppliers	(14,166,877)	(1,493,836)	(378,823)	(16,039,536)
Payments to employees	(2,204,974)	(286,623)	(368,446)	(2,860,043)
Other receipts	16,075	1,780	0	17,855
Other payments	(57,023)	(8,378)	(1,832)	(67,233)
Net cash provided (used) by operating activities	7,115,640	139,989	38,342	7,293,971
Cash flows from non-capital financing activities:				
Payments to other governments	(12,500)	0	0	(12,500)
Receipts from other funds	147,588	679,312	0	826,900
Payments to other funds	(3,182,868)	0	(8,673)	(3,191,541)
Net cash provided (used) by non-capital financing activities	(3,047,780)	679,312	(8,673)	(2,377,141)
Cash flows from capital and related financing activities:				
Issuance of capital leases	0	1,069,000	0	1,069,000
Sale of assets	9,175	0	0	9,175
Receipts from other governments	11,167	0	0	11,167
Receipts from other funds	380,919	0	0	380,919
Interest paid	(472,595)	(183,512)	(2,067)	(658,174)
Acquisition of capital assets	(1,212,784)	(907,974)	0	(2,120,758)
Principal payments - bonds	(555,000)	0	0	(555,000)
Principal received on capital lease receivable	33,277	0	0	33,277
Principal payments - capital leases	(156,299)	(576,796)	(27,602)	(760,697)
Net cash provided (used) by capital and related financing activities	(1,962,140)	(599,282)	(29,669)	(2,591,091)
Cash flows from investing activities:				
Interest received	69,375	564	48	69,987
Proceeds from sale of investments	444,127	0	0	444,127
Purchase of investments	(2,387,227)	0	0	(2,387,227)
Net cash provided (used) by investing activities	(1,873,725)	564	48	(1,873,113)
Net increase (decrease) in cash and cash equivalents	231,995	220,583	48	452,626
Cash and cash equivalents, July 1	1,145,207	0	9,315	1,154,522
Cash and cash equivalents, June 30	$ 1,377,202	$ 220,583	$ 9,363	$ 1,607,148

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the fiscal year ended June 30, 2010

	Combined Public Utilities	ElbertonNET Technology Services	Nonmajor Enterprise Funds	Totals
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 5,702,069	$ (70,376)	$ (38,452)	$ 5,593,241
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	1,103,428	223,746	79,495	1,406,669
(Increase) decrease in accounts receivable	304,720	(28,991)	(5,826)	269,903
(Increase) decrease in inventories	1,505	(9,166)	0	(7,661)
(Increase) decrease in other current assets	(108)	0	0	(108)
Increase (decrease) in accounts payable	(2,778)	16,304	776	14,302
Increase (decrease) in intergovernmental payable	0	2,357	0	2,357
Increase (decrease) in sales tax payable	4,426	0	0	4,426
Increase (decrease) in accrued liabilities	(14,865)	0	0	(14,865)
Increase (decrease) in accrued salaries	16,884	1,019	2,405	20,308
Increase (decrease) in compensated absences payable	(4,982)	3,740	(56)	(1,298)
Increase (decrease) in deposits payable	5,341	1,356	0	6,697
Total adjustments	1,413,571	210,365	76,794	1,700,730
Net cash provided (used) by operating activities	$ 7,115,640	$ 139,989	$ 38,342	$ 7,293,971
Cash and cash equivalents reconciliation:				
Cash	$ 870,398	$ 0	$ 9,363	$ 879,761
Restricted assets				
Cash	506,804	220,583	0	727,387
Total cash and cash equivalents	$ 1,377,202	$ 220,583	$ 9,363	$ 1,607,148

See accompanying notes to the financial statements.

CITY OF ELBERTON, GEORGIA
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
FIDUCIARY FUNDS
June 30, 2010

	Municipal Court Agency Fund
ASSETS	
Cash	$ 6,421
Accounts receivable (net)	94,496
Total assets	$ 100,917
LIABILITIES	
Due to other agencies	$ 100,917

The accompanying notes are an integral part of these financial statements.

1. Description of Government Unit

The City of Elberton was incorporated under the laws of the State of Georgia in 1803 and operates under an elected Mayor-Council form of government. The City provides a full range of governmental services, including public safety, highways and streets, public improvements, recreation, planning and zoning, and general administrative services, as well as electric, water and sewerage, natural gas, telecommunications, and sanitation services provided through enterprise funds.

2. Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the City of Elberton, Georgia, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies established in GAAP and used by the City are discussed below.

B. Reporting Entity

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City of Elberton (the primary government) and material component units. The component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. In conformity with generally accepted accounting principles, as set forth in Governmental Accounting Standards Board Statement No. 14, *The Financial Reporting Entity*, the financial statements of the following component unit have been included as discretely presented component unit.

2. Summary of Significant Accounting Policies (continued)

B. Reporting Entity, continued

Elberton Downtown Development Authority

The Elberton Downtown Development Authority was established as a legally separate entity, which operates pursuant to the Official Code of Georgia Annotated. The Authority consists of seven members and an executive director. The Downtown Development Authority provides for the vitalization of the downtown area of the City of Elberton. In many respects, the Authority functions similar to a City department through regular participation in department director meetings, accounting, payroll, etc. The Authority is included in the reporting entity due to the nature and significance of its relationship with the City of Elberton.

The Elberton Downtown Development Authority is reported in a separate column to emphasize that it is legally separate from the City. Individual financial statements are presented as part of the City's Annual Financial Report in the sections labeled "Component Unit" (See Exhibit H). The Elberton Downtown Development Authority has a June 30th year-end. Individual financial statements may be obtained by contacting the Elberton Downtown Development Authority, PO Box 70, Elberton, GA 30635.

C. Government-wide and Fund Financial Statements

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

2. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements, continued

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

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

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

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of Governmental and Business-Type activities for the City. Fiduciary activities of the City are not included in these statements.

These statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds have no measurement focus. Accordingly, all the City's assets and liabilities, including capital assets, as well as current year infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in assets. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

The types of transaction reported as program revenues for the City are reported in three categories: 1) charges for services to customers who directly benefit from goods, services or privileges provided by a given function, 2) operating grants and contributions that are restricted to meeting the operational needs requirements of a particular function and 3) capital grants and contributions that are restricted to meeting the capital needs requirements of a particular function.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated, however, those transactions between governmental and business-type activities have not been eliminated. Governmental activities that normally are supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Governmental Fund Financial Statements

Governmental Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. Governmental Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Those revenues susceptible to accrual are property taxes, sales taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the state at year-end on behalf of the government also are recognized as revenue. The City considers property taxes as available in the period for which they were levied if they are collected within 60 days subsequent to year-end. A 60-day availability period is also used for revenue recognition for all other governmental fund revenue.

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

Combined Public Utility System Enterprise Fund - This fund is used to account for activities connected with the development, operation, and maintenance of the City's Electric, Water and Sewer, and Natural Gas Systems pursuant to requirements of the revenue bond ordinance.

ElbertonNET Technology Services Enterprise Fund - This fund is used to account for the activities connected with the development, operation, and maintenance of the City's cable television, high-speed Internet, Voice-over-Internet Protocol phone, and fiber optic-based telecommunications services.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds - These funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditures for specific purposes.

Capital Projects Funds - These funds are used to account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by the proprietary funds).

Proprietary Fund Types

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

Fiduciary Fund Types

Agency Funds - Agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets that are held either for the City or for others. The City has the Municipal Court Agency Fund.

Component Units

The Elberton Downtown Development Authority is accounted for using a current financial resources measurement focus and uses the modified accrual basis of accounting. Under this method, revenues are recognized when susceptible to accrual.

2. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation, continued

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

Private-sector standards of accounting and financial reporting issued on or before November 30, 1989, are generally followed in governmental and business-type activities and enterprise fund financial statements to the extent that those standards do no conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option for following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utilities functions and the other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

Certain indirect costs have been included as part of the program expenses reported for the various functional activities.

2. Summary of Significant Accounting Policies (continued)

E. Budgets and Budgetary Accounting

The City Council adopts an annual operating budget for all governmental fund types, prior to July 1, except for the Capital Projects Funds. The Capital Projects Funds are budgeted by the City Council when capital projects are approved. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution.

In mid April each year, the departments submit their budget requests to the Finance Director. The Finance Department compiles a complete citywide budget and submits the proposed budget to the City Manager for review. Meetings are held between the City Manager, Finance Director, and department heads in May to review the proposed budget. City ordinance requires the City Manager to submit the proposed budget to the City Council forty days prior to the beginning of the next fiscal year. The proposed budget is made available to the public for review during this period. During June, the Mayor and Council conduct two public hearings to discuss the proposed budget and to obtain input from the citizens of the City of Elberton. These hearings are publicized in the local newspaper at least one week before each hearing. The final proposed budget is then adopted by the City Council on or before June 30 during a regular Council meeting, which is also open to the public.

The level of legal budgetary control (the level at which expenditures may not exceed appropriations) is the department level. All operating budget transfers between departments must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control, which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as originally passed by ordinance and subsequently amended. During the year, several supplementary appropriations are made as needed. The results are increases and decreases to the appropriations within the funds. All annual appropriations lapse at year-end. The City does not use the encumbrance system of accounting.

2. Summary of Significant Accounting Policies (continued)

F. Cash and Investments

Cash and cash equivalents, as reported in the statement of cash flows, includes amounts in demand deposits, amounts with fiscal agents and investments with an original maturity at three months or less. Investments are reported at fair value with accrued interest shown under a separate caption on the balance sheet. Reinvested interest on certain debt service and capital project investments is included in the investment accounts.

G. Property Taxes

Amounts received from the local option sales tax which are required to be used to roll back property taxes exceeded the City's normal tax levy resulting in no property tax levy during fiscal year 2010.

H. Intergovernmental Receivables

Receivables for state and federal grants are recorded as revenue for the period of the allocation or as earned based on expenditures made for which reimbursement is due.

I. Inventories

Inventories for the General Fund are valued at average cost and recorded as expenditures when consumed. Inventories of the Combined Public Utility System Enterprise Fund are valued at cost on the first-in, first-out method.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2010, are recorded as prepaid items. Prepaid items in the governmental funds are accounted for using the consumption method.

2. Summary of Significant Accounting Policies (continued)

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements

GASB Statement No. 34 required the City to report and depreciate new infrastructure assets effective with the fiscal year ended June 30, 2003. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical costs nor related depreciation has historically been reported in the financial statements. The City implemented the requirements for retroactive reporting of major general infrastructure assets during the fiscal year ended June 30, 2007. The City has elected not to report general infrastructure assets placed into service prior to July 1, 1980.

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets ranging as follows:

	Useful Life in Years	Capitalization Threshold
Utility distribution system	10 to 50	$ 10,000 – 20,000
Land improvements	5 to 50	10,000
Buildings	30 to 50	10,000
Equipment	2 to 10	5,000
Vehicles	5 to 10	5,000
Infrastructure	10 to 50	10,000 – 30,000

The costs of normal maintenance and repairs that do not add value or materially extend the life of the asset are charged to operations as incurred. Costs of major additions and improvements are capitalized.

2. Summary of Significant Accounting Policies (continued)

L. Restricted Assets and Restricted Net Assets

Restricted assets of the Enterprise Funds represent unexpended money collected and receivables consisting of unexpended bond proceeds and extension and renewal receipts which remain restricted for future construction of specific projects for the improvement and expansion of the Combined Public Utility System.

Restricted net assets are equal to the excess of the restricted assets funded from operations over the liabilities to be paid with restricted assets which are due in one year or less. Restricted assets exclude bond proceeds for calculation of reserve.

M. Compensation for Future Absences

It is the City's policy to permit employees to accumulate earned but unused vacation benefits which will be paid to the employees upon separation from City service. Accumulated unpaid vacation pay amounts are accrued when incurred by the City in the government-wide, proprietary, and fiduciary fund financial statements. The liability of the proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees. In governmental fund types, a liability is recorded only if the benefit has matured and is expected to be liquidated with expendable available financial resources.

N. Long-Term Obligations

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

2. Summary of Significant Accounting Policies (continued)

N. Long-Term Obligations, continued

In the fund financial statements, governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. The face amount of debt issued is reported as an other financing source. Premiums received on debt issuances are reported as other financial sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

O. Capital Contributions

Federal, state and local government assistance in the form of grants that are permanent in nature and restricted for the construction or acquisition of specific property and equipment is recorded as an asset and as non-operating revenue.

P. Reservations and Designations of Fund Balances

Reservations represent the portions of fund balances which are not appropriable for expenditure or have been segregated for specific future uses by legal mandate. Designations represent the portions of fund balance for which the government has made tentative plans.

Q. Comparative Data and Reclassifications

Comparative total data of the prior period has been presented in the accompanying individual fund financial statements in order to provide an understanding of changes in the City's financial position and operations. Certain 2009 amounts have been reclassified to conform with the 2010 presentation.

3. Deposit and Investment Risk

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that, in the event of a financial institution failure, the City's deposits may not be returned. The City investment policies require that all deposits be federally insured or fully collateralized.

3. Deposit and Investment Risk (continued)

Interest Rate Risk

The City's investment policies place no limits on the maximum maturity of investments as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The City's investment policies authorize investment in the following securities approved by the State of Georgia for local governments. Authorized investments include certificates of deposit, repurchase agreements, direct and agency obligations of the United States, obligations of the State of Georgia or other states, and pooled investment programs of the State of Georgia. The City's policies do not establish a minimum credit rating for investments. Investments are reported at fair value.

Concentration of Credit Risk

City's policies place no limits on the amount the may invest in any one issuer, but require that the investment portfolio be diversified.

Foreign Currency Risk

The City's investment policies do not allow for investments denominated in a foreign currency.

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

3. Deposit and Investment Risk (continued)

Georgia Fund 1 is rated AAAm by Standard & Poor's. The weighted average maturity at June 30, 2010 was 46 days. At June 30, 2010, the City's balance in Georgia Fund 1 was $786,273.

The City is a participant in the Municipal Electric Authority of Georgia (MEAG). The MEAG board approves an annual system budget from which MEAG bills its participants. At the end of the year, adjustments are made by MEAG to each participant's billings to agree with actual cost. Whenever MEAG recovers funds from the City in excess of its actual costs to serve the City, the City may elect to have their funds deposited in MEAG's Voluntary Flexible Operating Account or Generation Trust Account fund in lieu of receiving a refund. The voluntary stabilization fund is used to reduce future costs of the City at its discretion while also earning interest. The City is authorized to direct MEAG to retain or use the discretionary funds. The generation trust account is used to offset the City's share of future MEAG generation projects.

The MEAG Voluntary Flexible Operating and Generation Trust Accounts are not rated; at June 30, 2010, the average weighted maturity of the fund was 1.8 months. At June 30, 2010, the City's balance in the Voluntary Flexible Operating Account was $4,034,336 and in the Generation Trust Account was $301,006.

4. Accounts Receivable

Net accounts receivable at June 30, 2010 consist of the following:

Major Funds		
General Fund	$ 9,754	
Less: Allowance for Uncollectibles	(6,215)	$ 3,539
Enterprise funds		
Combined Public Utility	2,480,218	
Less: Allowance for Uncollectibles	(483,920)	
ElbertonNET Technology Services	303,369	
Less: Allowance for Uncollectibles	(54,250)	2,245,417
Nonmajor Funds		
Solid Waste Enterprise Fund	78,423	
Less: Allowance for Uncollectibles	(12,450)	65,973
Total primary government		$ 2,314,929
Fiduciary Funds		
Agency Funds		
Municipal Court	$ 159,657	
Less: Allowance for Uncollectibles	(65,161)	$ 94,496

5. Intergovernmental Receivables

Intergovernmental receivables at June 30, 2010 consist of the following:

Major Funds		
General Fund		
Main Street	$ 4,123	
State of Georgia	62,278	
Elbert County	41,071	$ 107,472
Combined Public Utilities Fund		
Development Authority		12,500
Nonmajor Funds		
2006 SPLOST Fund		
Elbert County		128,058
Total Primary Government		$ 248,030

6. Interfund Receivables, Payables, and Transfers

A summary of interfund receivables and payables as of June 30, 2010 is as follows:

	Due From:			
	Major Funds		Nonmajor Funds	
	Combined Public Utilities	ElbertonNET Technology Services	Governmental	Total
Due to:				
Major Funds				
General	$ 497,797	$ 0	$ 69	$ 497,866
Combined Public Utilities	0	3,862,947	0	3,862,947
Nonmajor				
Enterprise	7,214	0	0	7,214
	$ 505,011	$ 3,862,947	$ 69	$ 4,368,027

The balance reported as Due to/Due from represent loans between the borrower fund and the lender fund. The balance between the Combined Public Utility System Fund and the ElbertonNET Technology Services Fund resulted from transactions to fund operations and is reported as an advance to other fund in the Combined Utilities Fund and an advance from other fund in the ElbertonNET Technology Services Fund and it is not expected to be repaid within one year. All other balances are expected to be repaid within one year.

Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”.

A summary of interfund transfers is as follows:

	Transfer from:		
	Major Fund	Nonmajor Funds	
	Combined Public Utiltiies	Governmental	Total
Transfer to:			
Major Funds			
General	$ 2,255,015	$ 49,828	$ 2,304,843
Combined Public Utilities	0	380,919	380,919
ElbertonNET Technology Services Fund	450,000	0	450,000
	$ 2,705,015	$ 430,747	$ 3,135,762

6. Interfund Receivables, Payables, and Transfers (continued)

Interfund transfers are used to 1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and 2) use unrestricted revenues collected to finance various programs accounted for in other funds in accordance with budgetary authorizations. Transfers are eliminated in the government-wide financial statements if the interfund transfer is within the governmental fund group or business-type fund group.

7. Intradepartmental Billings

Total operating revenues and total operating expenses in the Combined Public Utilities Enterprise Fund includes $53,968, $28,020, and $495,059 of intradepartmental billings for water and sewer, natural gas, and electric usage, respectively. Total operating revenues and total operating expenses in the ElbertonNET Technology Services Enterprise Fund include $49,356 of intradepartmental billings for cable television and high-speed internet usage.

8. Capital Assets

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

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Governmental activities				
Non-depreciable assets				
Land	$ 603,751	$ 26,901	$ 0	$ 630,652
Construction in progress	9,511	45,302	(32,849)	21,964
Total non-depreciable assets	613,262	72,203	(32,849)	652,616
Depreciable assets				
Buildings	1,526,038	7,680	0	1,533,718
Land improvements	1,069,409	0	0	1,069,409
Vehicles and equipment	2,390,420	145,232	(153,734)	2,381,918
Infrastructure	1,855,049	32,849	0	1,887,898
Total depreciable assets	6,840,916	185,761	(153,734)	6,872,943
Accumulated depreciation				
Buildings	(706,620)	(47,796)	0	(754,416)
Land improvements	(628,285)	(31,351)	0	(659,636)
Vehicles and equipment	(1,463,129)	(186,848)	153,734	(1,496,243)
Infrastructure	(616,557)	(56,534)	0	(673,091)
Total accumulated depreciation	(3,414,591)	(322,529)	153,734	(3,583,386)
Total depreciable assets, net	3,426,325	(136,768)	0	3,289,557
Governmental activities capital assets, net	$ 4,039,587	$ (64,565)	$ (32,849)	$ 3,942,173
Business-type activities				
Non-depreciable assets				
Land	$ 716,235	$ 0	$ 0	$ 716,235
Construction in progress	22,834	278,461	(22,834)	278,461
Intangible assets	377,692	0	0	377,692
Total non-depreciable assets	1,116,761	278,461	(22,834)	1,372,388
Depreciable assets				
Buildings	944,375	9,079	0	953,454
Land improvements	370,408	0	0	370,408
Distribution system	40,599,487	1,796,627	(1,300,599)	41,095,515
Vehicles and equipment	2,877,496	78,669	(132,721)	2,823,444
Total depreciable assets	44,791,766	1,884,375	(1,433,320)	45,242,821
Accumulated depreciation				
Buildings	(315,085)	(36,550)	0	(351,635)
Land improvements	(110,346)	(9,237)	0	(119,583)
Distribution system	(15,914,398)	(1,075,995)	1,300,599	(15,689,794)
Vehicles and equipment	(1,846,670)	(284,887)	132,721	(1,998,836)
Total accumulated depreciation	(18,186,499)	(1,406,669)	1,433,320	(18,159,848)
Total depreciable assets, net	26,605,267	477,706	0	27,082,973
Business-type activities capital assets, net	$ 27,722,028	$ 756,167	$ (22,834)	$ 28,455,361

8. Capital Assets (continued)

Capital asset activity for the Downtown Development Authority Component Unit for the fiscal year ended June 30, 2010 was as follows:

	Balance June 30, 2009	Increases	Decreases	Balance June 30, 2010
Downtown Development Authority Component Unit				
Non-depreciable assets				
Land	$ 40,000	$ 0	$ 0	$ 40,000
Construction in progress	0	0	0	0
	40,000	0	0	40,000
Depreciable assets				
Buildings	859,955	0	0	859,955
Less accumulated depreciation				
Buildings	(71,400)	(42,042)	0	(113,442)
Total depreciable assets, net	788,555	(42,042)	0	746,513
Downtown Development Authority Component Unit capital assets, net	$ 828,555	$ (42,042)	$ 0	$ 786,513

Depreciation expense was charged to functions/programs as follows:

Primary Government	
Governmental activities	
General Government	$ 9,936
Public Safety	143,358
Public Works	143,550
Culture and Recreation	21,465
Housing and Development	4,220
Total depreciation expense for governmental activities	$ 322,529
Business-type activities	
Combined Public Utilities	
Electric Department	$ 281,614
Water and Sewer Department	731,265
Natural Gas Department	90,549
ElbertonNet Technology Services	223,746
Solid Waste	72,448
Industrial Park	7,047
Total depreciation expense for business-type activities	$ 1,406,669
Downtown Development Authority Component Unit	$ 42,042

9. Capital and Operating Leases Agreements

The City has entered into lease-purchase agreements to finance the purchase of equipment and to finance the construction of broadband and cable television distribution systems in Elberton. The terms of the agreements meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, which defines a capital lease generally as one which transfers benefits and risk of ownership to the lessee. The balances of these leases at June 30, 2010 are $17,950 and $4,082,771 for the governmental activities and business-type activities, respectively.

The following is a schedule of the future minimum lease payments together with the present value of the net minimum lease payments as of June 30, 2010:

Year Ending June 30,	Governmental Acitivities	Business-type Activities
2011	$ 11,087	$ 913,758
2012	7,389	917,080
2013	0	895,503
2014	0	895,503
2015	0	583,436
2016	0	389,371
Total minimum lease payments	18,476	4,594,651
Less amounts representing interest	(526)	(511,880)
Present value of minimum lease payments	$ 17,950	$ 4,082,771

Total assets leased under capital leases are $41,460 and $7,538,446 for governmental and business-type activities, respectively, and are classified as follows:

	Governmental Activities	Business-type Activities
Distribution system	$ 0	$ 7,417,417
Machinery and equipment	41,460	121,029
Total assets under capital leases	$ 41,460	$ 7,538,446

The City's lease agreements, other than such agreements described above, are relatively minor commitments (generally for office machines) and are in compliance with state law.

10. Long-Term Debt

Revenue Bonds

Revenue bonds issued for business-type activities are comprised of the following individual issues at June 30, 2010:

$13,000,000 2001 Combined Utility System Revenue series bonds due in annual installments of $555,000 to $985,000 through January 1, 2022; interest at 4.10% to 5.50% ($9,110,000 outstanding), for expansion of the City's water and sewerage system and retirement of previously issued debt.

Annual debt service requirements to maturity for revenue bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	$ 575,000	$ 445,439	$ 1,020,439
2012	605,000	421,289	1,026,289
2013	630,000	394,820	1,026,289
2014	660,000	366,560	1,024,820
2015	690,000	337,940	1,026,560
2016-2020	4,030,000	1,135,085	5,165,085
2021-2022	1,920,000	145,790	2,065,790
Totals	$ 9,110,000	$ 3,246,923	$ 12,355,272

Notes Payable

The Elberton Downtown Development Authority has entered into a lending agreement with the City of Elberton to refinance a lending agreement with Pinnacle Bank in the original amount of $65,000. At June 30, 2010, the balance of this note is $65,000. Monthly installments of $163 interest are due through May 1, 2011, unpaid principal and interest are due June 1, 2011; interest at 3.00%.

The Elberton Downtown Development Authority has entered into a lending agreement with the Georgia City Foundation, Inc., for the purchase of real property and improvements in the original amount of $90,000. At June 30, 2010, the balance of this note is $62,981. Monthly installments of $622 principal and interest are due through June 1, 2020; interest at 3.00%.

10. Long-Term Debt (continued)

Notes Payable, continued

The Elberton Downtown Development Authority has entered into a lending agreement with the Georgia Department of Community Affairs to refinance a lending agreement with Pinnacle Bank in the original amount of $180,854. At June 30, 2010, the balance of this note is $173,040. Monthly installments of $1,164 principal and interest are due through September 1, 2019, unpaid principal and interest are due October 1, 2019; interest at 2.00%.

The Elberton Downtown Development Authority has also entered into a lending agreement with the City of Elberton for improvements to the William O. Jones Building in the original amount of $480,000. At June 30, 2010, the balance of this note is $480,000. Monthly installments of $2,000 principal are due beginning March 31, 2011 through February 28, 2031; interest at 0.00%.

Annual debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2011	$ 88,189	$ 6,688	$ 94,877
2012	40,616	4,808	45,424
2013	41,010	4,414	45,424
2014	41,415	4,009	45,424
2015	41,830	3,594	45,424
2016-2020	271,961	10,806	282,767
2021-2025	120,000	0	120,000
2026-2030	120,000	0	120,000
2031	16,000	0	16,000
Totals	$ 781,021	$ 34,319	$ 815,340

10. Long-Term Debt (continued)

Changes in Long-Term Debt

The following is a summary of changes in long-term debt of the City for fiscal year ended June 30, 2010:

	Balance 6/30/2009	Additions	Deductions	Balance 6/30/2010	Due Within One Year
Governmental Activities					
Contractual liability	$ 330,999	$ 0	$ 11,950	$ 319,049	$ 0
Capital lease obligations	104,540	0	86,590	17,950	10,650
Compensated absences	184,482	108,689	120,147	173,024	121,117
Total Governmental Activities	$ 620,021	$ 108,689	$ 218,687	$ 510,023	$ 131,767
Business-type Activities					
Revenue bonds	$ 9,665,000	$	$ 555,000	$ 9,110,000	$ 575,000
Capital lease obligations	3,774,768	1,069,000	760,997	4,082,771	743,795
Compensated absences	151,099	105,245	106,543	149,801	104,861
Total Business-type Activities	$ 13,590,867	$ 1,174,245	$ 1,422,540	$ 13,342,572	$ 1,423,656
Downtown Development Authority Component Unit					
Notes payable	$ 793,839	$ 245,854	$ 258,672	$ 781,021	$ 88,189

Revenue bond issue costs and discounts/premiums are amortized over the life of the related debt using the straight-line method. Compensated absences are liquidated by those funds that have salary and wage expenditures. In prior years, long-term liabilities, such as compensated absences, of the governmental activities were liquidated in the General Fund.

11. Landfill Closure and Post-Closure Care Costs

At June 30, 1995, the City owned and operated a landfill site located on approximately 200 acres of land north of Elberton. The landfill had been operated at the site since 1990. State and federal laws and regulations require the operator to close the landfill once its capacity is reached and to monitor and maintain the site for thirty subsequent years. The City recognized a portion of the closure and post closure care costs in each operating period even though actual payouts would not occur until the landfill was closed. The amount recognized each year was based on the landfill capacity used as of the balance sheet date.

11. Landfill Closure and Post-Closure Care Costs (continued)

Effective July 1, 1995, Elbert County, Georgia, became the owner and operator of the sanitary landfill. All assets of the landfill and related capital leases were transferred to the County as of that date.

The agreement with Elbert County calls for the City and the County to each assume one-half of the closure and post closure care costs of the landfill cells (cells 1 - 8) existing on July 1, 1995, for future years. The City has recorded a contractual obligation to Elbert County of $319,049. The obligation will be adjusted annually based upon current data and engineering studies. The landfill is closed and has no estimated remaining life. This liability is reported as a non-current contractual liability in the Governmental Activities on the Statement of Net Assets.

12. Reserved/Restricted Equity Balances

General Fund

Reserved for inventory - An amount of $20,075 has been reserved for inventory since this amount is not legally available for appropriation.

Reserved for restricted assets - An amount of $50 has been reserved for restricted assets since this amount is not legally available for appropriation.

Reserved for prepaid items - An amount of $124,219 has been reserved for prepaid items since this amount is not legally available for appropriation.

Enterprise Funds

Restricted for debt service – An amount of $284,085 has been restricted in the Combined Public Utilities Fund for restricted assets since this amount is not legally available for appropriation.

Downtown Development Authority Component Unit

Reserved for prepaid items - An amount of $313 has been reserved for prepaid items since this amount is not legally available for appropriation.

13. Deficit Equity Balances

At June 30, 2010, the ElbertonNET Technology Services Enterprise Fund had negative unrestricted net assets of $3,625,785. This is primarily due to the start-up nature of the fund's operations. The City plans to liquidate the deficit fund equity through future revenue recognition as its operations become profitable.

14. Risk Management and Self-Insurance

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. As of May 1, 2003, the City has elected to manage its risk financing activities through the purchase of commercial insurance.

There have been no insurance settlements exceeding insurance coverage for any of the past three fiscal years.

The City established a limited self-insurance program for workers' compensation effective July 1, 1993. Under the program, the City utilizes a third party administrator to process and pay claims and maintains excess insurance coverage for workers' compensation for specific stop loss coverage for a claim exceeding $350,000.

The administrative costs of the programs were recorded in the General and Proprietary Funds. Such costs were not material. In addition, claims and benefits paid have been recorded as expenditures/expenses in the respective funds.

14. Risk Management and Self-Insurance (continued)

Liabilities of the funds are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The following is a summary of estimated unpaid claims and liabilities under the self-insured plans for 2010:

	General Fund	Proprietary Funds
Unpaid claims at June 30, 2008	0	0
Claims incurred including adjustments to prior year estimates	20,434	4,115
Payments made on claims	(20,434)	(4,115)
Unpaid claims at June 30, 2009	0	0
Claims incurred including adjustments to prior year estimates	3,032	14,251
Payments made on claims	(3,032)	(14,251)
Unpaid claims at June 30, 2010	$ 0	$ 0

The result of the process to estimate claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors.

15. Pension Plan

The City contributes and participates in an agent multiple-employer plan. The plan's assets may be used only for the payment of benefits to the members of the plan, in accordance with the terms of the plan. See Note 2 – Summary of Significant Accounting Policies for basis of accounting and reporting of investments.

15. Pension Plan (continued)

Plan Description and Contribution Information

The City contributes to the Georgia Municipal Employees Benefit System Retirement Fund (GMEBSRF), an agent multiple-employer defined benefit plan that acts as a common investment and administrative agent for municipalities in the State. The plan is administered by the Georgia Municipal Association (GMA) and provides pension benefits, death and disability benefits, which were established and may be amended by City Council Ordinance and change of contract with GMA. All full-time City employees are eligible to participate in GMEBSRF. The normal retirement date of full-time City employees is attainment of age 65 with 5 years of credited service or the attainment of age 62 with 30 years of credited service, whichever is earlier. City employees may elect early retirement on the first day of any month prior to his/her normal retirement date if he/she has attained age 55 and has a minimum of 10 years credited service. Upon retirement, the participant is entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 to 1.75 percent of his/her average monthly earnings as defined in the plan for each year of credited service. The system also provides death and disability benefits. Employees vest in the plan after 10 years of full-time service with the City. GMEBS issues a publicly available financial report that includes financial statements and required supplementary information for the Plan. That report may be obtained by writing to Georgia Municipal Employees Benefit System, 201 Pryor Street SW, Atlanta, Georgia 30303.

Current membership in the plan is as follows:

Retirees and beneficiaries currently receiving benefits	75
Terminated vested participants entitled to but not yet receiving benefits	32
Active participants	128
Total number of participants	235

Funding Policy. The contribution requirements of the City are established and may be amended by City Council. Plan members are not allowed to make contributions to this plan. The City is required to contribute at an actuarially determined rate. The current rate is 9.64% of annual covered payroll. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy. Costs of administering the plan are financed through contributions and earnings.

15. Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation

The net pension obligation was computed as part of an actuarial valuation performed as of January 1, 2010. Significant actuarial assumptions used in the valuation include:

Rate of return on investments of present and future assets compounded annually	7.8%
Projected salary increases:	
Inflation	3.5%
Merit or senority	0.5% - 2.5%
Post-retirement benefit increases	3.5%
Life expectancy before and after retirement (Group Annuity Reserving Unisex table)	1994

The Plan's funding policy provides for actuarially determined periodic contributions at rates that, for individual employees, accumulate funds so that sufficient assets will be available to pay benefits when due. The contribution rate for normal cost is determined using the projected unit credit actuarial funding method. The actuarial value of assets was determined by using the prior year's actuarial value, plus current year activity, plus 10% of investment gains (losses) during the 10 prior years. The unfunded actuarially accrued liability is being amortized as a level dollar amount on a closed basis over a thirty-year period from 1982. The significant actuarial assumptions used to compute the actuarially determined contribution requirements are the same as those used to compute the net pension obligations.

15. Pension Plan (continued)

Annual Pension Cost and Net Pension Obligation, continued

The City's annual pension cost and net pension obligations for the current year were as follows:

Annual pension cost	$	486,889
Contributions made		(486,889)
Increase (decrease) in net pension obligation		0
Net pension obligation - beginning of year		0
Net pension obligation - end of year	$	0

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Trend information for the pension plan is presented.

Schedule of Employer Contributions

Funding Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
1/1/2005	258,742	100%	0
1/1/2006	270,413	100%	0
1/1/2007	304,473	100%	0
1/1/2008	348,045	100%	0
1/1/2009	462,266	100%	0
1/1/2010	486,889	100%	0

15. Pension Plan (continued)

Historical Trend Information

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll** (c)	AAL as a Percentage of Covered Payroll ((b-a)/c)
1/1/2005	$ 12,626,062	$ 11,444,384	$ (1,181,678)	110.33%	$ 3,462,320	-34%
1/1/2006	13,195,885	11,957,607	(1,238,278)	110.36%	3,166,030	-39%
1/1/2007	13,897,632	12,420,484	(1,477,148)	111.89%	3,532,025	-42%
1/1/2008	14,756,020	13,322,164	(1,433,856)	110.76%	3,794,510	-38%
1/1/2009	12,280,914	14,183,175	1,902,261	86.59%	3,936,563	48%
1/1/2010	15,669,852	13,347,880	(2,321,972)	117.40%	4,107,741	-57%

** Payroll of participants whose attained age is less than the assumed retirement age

16. Deferred Compensation Plan

The City also provides retirement benefits for its employees through a deferred compensation, defined contribution plan. The Plan was created under Internal Revenue Code Sections 457 and 401(a). The Plan is administered by the Georgia Municipal Association (GMA), an independent third party. The City began participation in the plan during fiscal year 2004. All employees who work at least 30 hours per week are eligible to participate in the Plan. The City Council provides for the benefits and funding policy through a City ordinance and maintains the authority to change the policy.

Under the terms of the Plan, employees may defer a portion of their salary through voluntary contributions to the Plan. Employees may defer a maximum of 25% of their salary, up to the maximum allowable by federal law. After completing 30 days of service, the City will contribute 100% of the employee's contributions for the first 2% of compensation, then 50% of the employee's contributions for the next 4% of compensation, per year.

16. Deferred Compensation Plan (continued)

There is a cap of 4% of total compensation per eligible employee for City contributions. Employee contributions are vested 100% at the time of contribution. Employer contributions are vested on a schedule of 20% after the first year of service and an additional 20% each year thereafter; employer contributions are fully vested after 5 years of service. Amounts held in the Plan are not available to the employees until termination, retirement, death, or unforeseeable emergency.

During the year, the City contributed $81,192 to the plan based on covered salaries of $2,705,626. Plan members made voluntary contributions of $120,115 to the plan. Total payroll was $4,763,913.

The City has no fiduciary relationship with the plans, and plan assets are not available to the City or its general creditors. The Plans assets are held in trust by the administrator for the exclusive benefit of the participants of the Plans.

17. Post Employment Health Care Benefits

The City does not provide post-employment benefits other than pensions and those mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA).

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured on or before the 10th day of the month for the actual month covered. This program is offered for the duration of 18 months after the employee's termination date. There is no associated cost to the City under this program.

18. Hotel/Motel Lodging Tax

The City has levied a 6% lodging tax, in accordance with Official Code of Georgia Annotated (OCGA) Section 48-13-51(3.7). The City is require to spend an amount equal to the amount by which the total taxes collected under the Code section exceed the taxes which would be collected at a rate of 3 percent for the purpose of promoting tourism, conventions, and trade shows, or for facilities used for these purposes. A summary of the transactions for the year ending June 30, 2010 follows:

Lodging tax receipts	$ 72,661	
Disbursements to Chamber of Commerce, for Elbert Theatre, and for other tourism and visitor programs	$ 72,661	100% of tax receipts

19. Joint Ventures

Under Georgia law, the City, in conjunction with other cities and counties in the northeast Georgia area, is a member of the Northeast Georgia Regional Development Center and is required to pay annual dues thereto. During fiscal year 2010, the city paid $4,733 in such dues. Membership in an RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the RDC in Georgia. The RDC Board membership includes the chief elected official in each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. A copy of the GMRDC financial statements can be obtained from the Northeast Georgia Regional Development Center, 305 Research Drive, Athens, Georgia 30605.

The City of Elberton participates with various other cities and counties in the Northern Piedmont Multi-Agency Narcotics Squad (MANS) to facilitate the investigation, arrest, prosecution and conviction of those residents and non-residents involved in the manufacture, use, distribution, and sale of illicit drugs. The City has an ongoing financial responsibility of funding for this unit. This funding is determined each year from a budget of grant monies and individual municipalities participation. The MANS unit is funded primarily through grant monies and operates on a balanced budget determined by revenue. The financial records of the MANS unit are maintained by Franklin County, Georgia, and reported in their audit report. During fiscal year 2010, the City contributed $13,982 in cash financing. A copy of the MANS unit financial statements can be obtained from Franklin County, Georgia, 141 Athens Street, Carnesville, Georgia 30521.

20. Related Organizations

The City of Elberton Housing Authority is considered a related organization to the City of Elberton. The City appoints members to the Authority, but does not have the ability to impose its will or create a financial benefit or burden for the Authority. The Authority provides low-income housing for the individuals in the City of Elberton. The City received $11,149 as payment for services provided during fiscal year 2010.

21. Commitments and Contingencies

Commitments

The City has entered into Power Sales Contracts with the Municipal Electric Authority of Georgia (MEAG). The contracts require 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 payment obligations, which extend through the year 2020, are general obligations to the payment of which the City's full faith and credit and taxing powers are pledged. The City purchased bulk power totaling $8,189,163 from MEAG during the fiscal year ended June 30, 2010. The City's future minimum payment obligations to the Authority will be based on the Authority's costs and the City's yearly demand for bulk power supply.

The City has adopted the provisions of a Municipal Competitive Trust agreement between the City and MEAG. MEAG established the Trust for the mutual benefit of MEAG and its wholesale customers who elect to become participants. The Trust was created to provide a means to mitigate the expected differential between "after deregulation" market rates for power and the associated costs of generating that power.

The Trust created three types of accounts that are held by MEAG in the name of the City. The flexible operating trust account includes funds that are available to the City for operating costs and rate stabilization. As of June 30, 2010, the balance in this account was $4,034,335. This amount is included in restricted investments in the Combined Public Utilities Fund.

21. Commitments and Contingencies (continued)

Commitments, continued

The two additional accounts created were the credit support operating and the reserve funded debt account. The funds in the credit support operating account are restricted for use to offset rate increases exceeding certain criteria and for loans for capital improvements that will reduce future operating costs. The funds in the reserve funded debt account can only be applied to charges related to MEAG's bond obligations. The balances of these accounts at June 30, 2010, were $2,795,324 and $4,578,313, respectively. Due to the restricted nature of these funds, neither is shown in the Combined Public Utilities Fund.

The City has active construction projects as of June 30, 2010. The projects include expansion of the water and sewer distribution system. At fiscal year end, the City's commitments with contractors are as follows:

Project	Amount Spent to Date	Remaining Commitment
Expansion of the water and sewer distribution system	$ 124,542	$ 36,311

Contingencies

The City's legal counsel has stated that there are presently no determinable lawsuits.

Supplementary Information

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COMBINING STATEMENTS

Nonmajor Governmental Funds

Nonmajor Enterprise Funds

CITY OF ELBERTON, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Hotel/Motel Tax Special Revenue Fund	Revolving Loan Special Revenue Fund	2006 SPLOST Capital Projects Fund	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 0	$ 0	$ 256,905	$ 256,905
Receivables				
Taxes	5,279	0	0	5,279
Intergovernmental	0	0	128,058	128,058
Notes	0	480,000	0	480,000
Total assets	$ 5,279	$ 480,000	$ 384,963	$ 870,242
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 0	$ 0	$ 18,644	$ 18,644
Due to other funds	69	0	0	69
Total liabilities	69	0	18,644	18,713
Fund balances				
Unreserved	5,210	480,000	366,319	851,529
Total liabilities and fund balances	$ 5,279	$ 480,000	$ 384,963	$ 870,242

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the fiscal year ended June 30, 2010

	Hotel/Motel Tax Special Revenue Fund	Revolving Loan Special Revenue Fund	2006 SPLOST Capital Projects Fund	Total Nonmajor Governmental Funds
REVENUES				
Taxes	$ 72,661	$ 0	$ 0	$ 72,661
Intergovernmental	0	0	696,942	696,942
Interest	0	0	2,256	2,256
Total revenues	72,661	0	699,198	771,859
EXPENDITURES				
Current				
Housing and Development	22,833	0	0	22,833
Capital outlay	0	0	197,560	197,560
Total expenditures	22,833	0	197,560	220,393
Excess (deficiency) of revenues over (under) expenditures	49,828	0	501,638	551,466
Other financing sources (uses)				
Transfers out	(49,828)	0	(380,919)	(430,747)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	120,719	120,719
Fund balances, July 1	5,210	480,000	245,600	730,810
Fund balances, June 30	$ 5,210	$ 480,000	$ 366,319	$ 851,529

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
June 30, 2010

	Industrial Park	Solid Waste	Total Nonmajor Enterprise Funds
ASSETS			
Current assets			
Cash	$ 0	$ 9,363	$ 9,363
Accounts receivable (net)	0	65,973	65,973
Due from other funds	0	7,214	7,214
Total current assets	0	82,550	82,550
Noncurrent assets			
Capital assets			
Non-depreciable	450,000	14,400	464,400
Depreciable (net)	230,356	192,518	422,874
Total noncurrent assets	680,356	206,918	887,274
Total assets	680,356	289,468	969,824
LIABILITIES			
Current liabilities			
Payables			
Accounts	0	21,268	21,268
Interest	0	72	72
Accrued salaries	0	9,187	9,187
Compensated absences	0	7,194	7,194
Capital leases payable	0	31,088	31,088
Total current liabilities	0	68,809	68,809
Noncurrent liabilities			
Compensated absences	0	3,083	3,083
Capital leases payable	0	21,309	21,309
Total noncurrent liabilities	0	24,392	24,392
Total liabilities	0	93,201	93,201
NET ASSETS			
Invested in capital assets, net of related debt	680,356	154,521	834,877
Unrestricted	0	41,746	41,746
Total net assets	$ 680,356	$ 196,267	$ 876,623

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2010

	Industrial Park	Solid Waste	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for sales and services	$ 0	$ 793,269	$ 793,269
Total operating revenues	0	793,269	793,269
OPERATING EXPENSES			
Costs of sales and services	0	379,599	379,599
Personal services	0	370,795	370,795
Depreciation	7,047	72,448	79,495
Other	0	1,832	1,832
Total operating expenses	7,047	824,674	831,721
Operating income (loss)	(7,047)	(31,405)	(38,452)
Non-operating revenues (expenses)			
Interest revenue	0	48	48
Interest expense	0	(2,139)	(2,139)
Total non-operating revenues (expenses)	0	(2,091)	(2,091)
Change in net assets	(7,047)	(33,496)	(40,543)
Net assets, July 1	687,403	229,763	917,166
Net assets, June 30	$ 680,356	$ 196,267	$ 876,623

CITY OF ELBERTON, GEORGIA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the fiscal year ended June 30, 2010

	Industrial Park	Solid Waste	Total Nonmajor Enterprise Funds
Cash flows from operating activities:			
Receipts from customers	$ 0	$ 787,443	$ 787,443
Payments to suppliers	0	(378,823)	(378,823)
Payments to employees	0	(368,446)	(368,446)
Other payments	0	(1,832)	(1,832)
Net cash provided (used) by operating activities	0	38,342	38,342
Cash flows from non-capital financing activities:			
Payments to other funds	0	(8,673)	(8,673)
Cash flows from capital and related financing activities:			
Principle payments - capital leases	0	(27,602)	(27,602)
Interest paid	0	(2,067)	(2,067)
Net cash provided (used) by capital and related financing activities	0	(29,669)	(29,669)
Cash flows from investing activities:			
Interest received	0	48	48
Net increase (decrease) in cash and cash equivalents	0	48	48
Cash and cash equivalents, July 1	0	9,315	9,315
Cash and cash equivalents, June 30	$ 0	$ 9,363	$ 9,363
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ (7,047)	$ (31,405)	$ (38,452)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation expense	7,047	72,448	79,495
(Increase) decrease in accounts receivable	0	(5,826)	(5,826)
Increase (decrease) in accounts payable	0	776	776
Increase (decrease) in accrued salaries	0	2,405	2,405
Increase (decrease) in compensated absences payable	0	(56)	(56)
Total adjustments	7,047	69,747	76,794
Net cash provided (used) by operating activities	$ 0	$ 38,342	$ 38,342

GENERAL FUND

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

CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash	$ 404,398	$ 252,693
Restricted assets		
Cash	50	50
Receivables (net)		
Accounts	3,539	3,833
Intergovernmental	107,472	319,030
Notes	65,000	0
Prepaid items	124,219	133,898
Inventory, at cost	20,075	9,280
Due from other funds	497,866	380,385
Advances to other funds	0	250,000
Total assets	$ 1,222,619	$ 1,349,169
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 59,839	$ 64,612
Intergovernmental	0	180,854
Accrued salaries and payroll liabilities	131,814	115,471
Deferred revenue	0	4,862
Other liabilities	21,574	20,500
Total liabilities	213,227	386,299
Fund balances		
Reserved for inventory	20,075	9,280
Reserved for prepaid items	124,219	133,898
Reserved for restricted assets	50	50
Reserved for advances to other funds	0	250,000
Unreserved, undesignated	865,048	569,642
Total fund balances	1,009,392	962,870
Total liabilities and fund balances	$ 1,222,619	$ 1,349,169

CITY OF ELBERTON, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
REVENUES		
Taxes	$ 1,244,963	$ 1,197,963
Licenses and permits	103,994	100,084
Fines, fees and forfeitures	202,828	203,387
Charges for services	781,097	760,032
Intergovernmental	99,863	318,146
Interest	1,836	323
Other	17,348	49,786
Total revenues	2,451,929	2,629,721
EXPENDITURES		
Current		
General Government	795,652	739,722
Judicial	102,716	100,616
Public Safety	2,319,824	2,246,439
Public Works	1,117,742	1,281,083
Health and Welfare	9,900	9,900
Culture and Recreation	146,215	142,491
Housing and Development	220,001	369,828
Total expenditures	4,712,050	4,890,079
Excess (deficiency) of revenues over (under) expenditures	(2,260,121)	(2,260,358)
Other financing sources (uses)		
Transfers in (out)		
Hotel/Motel Fund	49,828	45,362
Combined Public Utility System Fund	2,255,015	2,299,140
Sale of capital assets	1,800	131,000
Total other financing sources (uses)	2,306,643	2,475,502
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	46,522	215,144
Fund balances, July 1	962,870	747,726
Fund balances, June 30	$ 1,009,392	$ 962,870

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Taxes				
Intangibles tax	$ 13,000	$ 3,829	$ (9,171)	$ 5,888
Franchise tax	92,550	86,620	(5,930)	88,790
Occupational tax	85,600	79,349	(6,251)	85,706
Insurance premium tax	270,000	262,968	(7,032)	265,457
Liquor tax	22,000	21,359	(641)	21,261
Beer and wine tax	140,000	120,035	(19,965)	136,964
Local option sales tax	680,000	670,803	(9,197)	593,897
Total taxes	1,303,150	1,244,963	(58,187)	1,197,963
Licenses and permits				
Building permits	40,000	44,545	4,545	43,795
Alcoholic beverage licenses	50,000	43,750	(6,250)	41,750
Other permits	15,500	15,699	199	14,539
Total licenses and permits	105,500	103,994	(1,506)	100,084
Fines, fees and forfeitures				
Parking fines	1,000	577	(423)	1,443
Court and DUI fines	183,600	154,011	(29,589)	156,042
Probation fees	55,000	48,240	(6,760)	45,902
Total fines, fees, and forfeitures	239,600	202,828	(36,772)	203,387
Charges for services				
Reimbursement of joint expenses	682,276	682,276	0	672,026
Cemetery sales and services	75,000	63,755	(11,245)	58,851
Public safety	26,000	29,644	3,644	25,705
Other	3,557	5,422	1,865	3,450
Total charges for services	786,833	781,097	(5,736)	760,032
Intergovernmental				
Grants	253,900	99,863	(154,037)	318,146
Interest	15,000	1,836	(13,164)	323
Other				
Miscellaneous	39,100	17,348	(21,752)	49,786
Total revenues	$ 2,743,083	$ 2,451,929	$ (291,154)	$ 2,629,721

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
EXPENDITURES				
Current				
General Government				
Mayor and Council				
Personal services	$ 107,234	$ 106,973	$ 261	$ 107,067
Contractual services	59,602	51,001	8,601	54,417
Materials and supplies	800	1,852	(1,052)	472
Total Mayor and Council	167,636	159,826	7,810	161,956
City Manager's Office				
Personal services	149,769	149,225	544	143,463
Contractual services	10,469	3,804	6,665	5,574
Materials and supplies	1,000	2,704	(1,704)	1,103
Total City Manager's Office	161,238	155,733	5,505	150,140
Finance				
Personal services	237,881	233,643	4,238	227,062
Contractual services	48,166	54,143	(5,977)	49,933
Materials and supplies	2,500	337	2,163	2,051
Total Finance	288,547	288,123	424	279,046
Human Resources				
Personal services	33,807	33,985	(178)	32,603
Contractual services	10,100	10,450	(350)	5,607
Materials and supplies	1,123	549	574	323
Total Human Resources	45,030	44,984	46	38,533
City Clerk				
Personal services	34,336	34,817	(481)	33,133
Contractual services	2,592	298	2,294	7,208
Materials and supplies	3,000	3,546	(546)	8,001
Total City Clerk	39,928	38,661	1,267	48,342
Elections				
Personal services	500	505	(5)	0
Contractual services	1,600	660	940	0
Total Elections	2,100	1,165	935	0
City Attorney				
Personal services	5,950	5,492	458	5,543
Contractual services	20,600	7,275	13,325	7,938
Total City Attorney	26,550	12,767	13,783	13,481

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
General Government - continued				
City Hall Maintenance				
Contractual services	$ 31,623	$ 44,531	$ (12,908)	$ 27,328
Materials and supplies	23,700	22,961	739	20,896
Capital outlay	39,100	26,901	12,199	0
Total City Hall Maintenance	94,423	94,393	30	48,224
Total General Government	825,452	795,652	29,800	739,722
Judicial				
Municipal Court				
Personal services	57,584	57,797	(213)	56,122
Contractual services	48,751	44,555	4,196	44,227
Materials and supplies	500	364	136	267
Total Judicial	106,835	102,716	4,119	100,616
Public Safety				
Police - Administration				
Personal services	156,798	146,009	10,789	138,511
Contractual services	157,939	141,909	16,030	154,556
Materials and supplies	23,335	21,773	1,562	20,136
Capital outlay	0	25,279	(25,279)	40,204
Debt service	11,088	10,163	925	12,011
Total Police - Administration	349,160	345,133	4,027	365,418
Police - Uniform Division				
Personal services	751,617	756,721	(5,104)	727,912
Contractual services	15,300	21,582	(6,282)	21,683
Materials and supplies	80,611	55,529	25,082	65,441
Total Police - Uniform Division	847,528	833,832	13,696	815,036
Police - Criminal Investigations				
Personal services	111,881	112,727	(846)	115,424
Contractual services	10,350	6,207	4,143	5,605
Materials and supplies	4,765	4,283	482	5,518
Total Police - Criminal Investigations	126,996	123,217	3,779	126,547
Police - Community Relations				
Personal services	52,912	53,522	(610)	53,247
Contractual services	4,192	1,908	2,284	1,748
Materials and supplies	1,000	386	614	261
Total Police - Community Relations	58,104	55,816	2,288	55,256
Police - Detention				
Contractual services	58,150	58,122	28	44,478

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
Public Safety - continued				
Fire				
Personal services	$ 796,459	$ 799,961	$ (3,502)	$ 747,618
Contractual services	29,842	29,106	736	25,105
Materials and supplies	27,472	25,011	2,461	24,125
Payments to others	700	352	348	343
Total Fire	854,473	854,430	43	797,191
Animal Control				
Personal services	38,448	39,562	(1,114)	30,150
Contractual services	6,754	6,356	398	8,484
Materials and supplies	4,100	3,356	744	3,879
Total Animal Control	49,302	49,274	28	42,513
Total Public Safety	2,343,713	2,319,824	23,889	2,246,439
Public Works				
Administrative				
Personal services	75,710	70,701	5,009	71,706
Contractual services	25,853	22,538	3,315	25,223
Materials and supplies	18,926	21,950	(3,024)	19,015
Payments to others	11,950	11,950	0	13,125
Total Administration	132,439	127,139	5,300	129,069
Infrastructure Construction				
Materials and supplies	0	52,180	(52,180)	65,849
Capital outlay	200,000	23,338	176,662	95,058
Total Infrastructure Construction	200,000	75,518	124,482	160,907
Infrastructure Maintenance				
Personal services	278,039	271,580	6,459	266,597
Contractual services	9,124	13,099	(3,975)	13,468
Materials and supplies	56,585	31,318	25,267	46,330
Capital outlay	0	5,298	(5,298)	0
Total Infrastructure Maintenance	343,748	321,295	22,453	326,395
Parks and Rights-of-Way				
Contractual services	72,082	50,188	21,894	81,353
Materials and supplies	5,900	8,594	(2,694)	4,592
Total Parks and Rights of Way	77,982	58,782	19,200	85,945

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
Public Works - continued				
Motor Pool				
Personal services	$ 185,298	$ 154,794	$ 30,504	$ 177,130
Contractual services	89,934	90,050	(116)	90,914
Materials and supplies	46,800	30,317	16,483	42,912
Capital outlay	58,000	55,039	2,961	25,700
Total Motor Pool	380,032	330,200	49,832	336,656
Street Lighting				
Contractual services	29,968	10,993	18,975	27,657
Street Sweeper				
Personal services	31,513	31,277	236	29,706
Contract services	1,000	2,400	(1,400)	1,278
Materials and supplies	6,895	5,597	1,298	6,557
Total Street Sweeper	39,408	39,274	134	37,541
Cemetery				
Personal services	135,550	131,292	4,258	150,566
Contractual services	9,296	11,829	(2,533)	14,013
Materials and supplies	16,450	11,420	5,030	12,334
Total Cemetery	161,296	154,541	6,755	176,913
Total Public Works	1,364,873	1,117,742	247,131	1,281,083
Health and Welfare				
Agency allocations				
Community Partnership	5,900	5,900	0	5,900
Elbert County Aging Program	4,000	4,000	0	4,000
Total Health and Welfare	9,900	9,900	0	9,900
Culture and Recreation				
Elbert Theatre				
Personal services	42,437	42,948	(511)	35,324
Contract services	11,671	10,598	1,073	10,069
Materials and supplies	18,125	19,489	(1,364)	14,632
Capital outlay	8,500	7,680	820	13,216
Total Elbert Theatre	80,733	80,715	18	73,241
Agency allocations				
Library	58,000	58,000	0	58,000
Boys and Girls Club of America	0	0	0	3,750
Sister City Program	7,500	7,500	0	7,500
Total agency allocations	65,500	65,500	0	69,250
Total Culture and Recreation	146,233	146,215	18	142,491

CITY OF ELBERTON, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
Housing and Development				
Zoning/City Marshal				
Personal services	$ 59,347	$ 57,834	$ 1,513	$ 57,506
Contractual services	3,092	3,543	(451)	1,009
Materials and supplies	5,500	2,730	2,770	3,725
Total Zoning/Special Projects	67,939	64,107	3,832	62,240
Code Enforcement				
Personal services	72,201	82,059	(9,858)	67,368
Contractual services	29,174	17,522	11,652	10,221
Materials and supplies	3,200	1,761	1,439	2,817
Total Code Enforcement	104,575	101,342	3,233	80,406
Economic Development				
Mainstreet Elberton	54,581	54,552	29	227,182
Total Economic Development	54,581	54,552	29	227,182
Total Housing and Development	227,095	220,001	7,094	369,828
Total expenditures	$ 5,024,101	$ 4,712,050	$ 312,051	$ 4,890,079

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or donor restricted to expenditure for specified purposes.

***Hotel/Motel Tax Fund** - This fund is used to collect Hotel/Motel taxes which are used to help support trade and tourism in the City of Elberton.*

***Revolving Loan Fund** – This fund is used to record activities connected with US Department of Housing and Urban Development Community Development Block Grant. The objective of the grant is to develop employment opportunities, principally to persons of low and moderate income.*

CITY OF ELBERTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Taxes receivable	$ 5,279	$ 5,210
LIABILITIES AND FUND BALANCES		
Liabilities		
Due to other funds	$ 69	$ 0
Fund balances		
Unreserved	5,210	5,210
Total liabilities and fund balances	$ 5,279	$ 5,210

CITY OF ELBERTON, GEORGIA
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Hotel/motel taxes	$ 72,700	$ 72,661	$ (39)	$ 66,655
Total revenues	72,700	72,661	(39)	66,655
EXPENDITURES				
Housing and Development				
Contract services	4,000	0	4,000	0
Elbert Theatre				
Contract services	13,000	2,833	10,167	2,968
Chamber of Commerce				
Payments to other agencies	20,000	20,000	0	20,000
Total expenditures	37,000	22,833	14,167	22,968
Excess (deficiency) of revenues over (under) expenditures	35,700	49,828	14,128	43,687
Other financing sources (uses)				
Transfers in (out)				
General Fund	(35,700)	(49,828)	(14,128)	(45,362)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	0	0	0	(1,675)
Fund balances, July 1	0	5,210	5,210	6,885
Fund balances, June 30	$ 0	$ 5,210	$ 5,210	$ 5,210

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Notes receivable	$ 480,000	$ 480,000
LIABILITIES AND FUND BALANCES		
Fund balances		
Unreserved	$ 480,000	$ 480,000

CITY OF ELBERTON, GEORGIA
REVOLVING LOAN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 0	$ 0	$ 0	$ 500,000
Total revenues	0	0	0	500,000
EXPENDITURES				
Housing and Development				
Payments to other agencies	0	0	0	20,000
Total expenditures	0	0	0	20,000
Excess (deficiency) of revenues over (under) expenditures	0	0	0	480,000
Fund balances, July 1	0	480,000	480,000	0
Fund balances, June 30	$ 0	$ 480,000	$ 480,000	$ 480,000

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CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of specifically planned projects (other than those financed by the proprietary or fiduciary funds).

***2006 Special Purpose Local Option Sales Tax Fund** - This fund is used to account for long-term projects financed by the passage of the 2006 special purpose local option sales tax.*

CITY OF ELBERTON, GEORGIA
2006 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash	$ 256,905	$ 269,668
Intergovernmental receivable	128,058	41,960
	$ 384,963	$ 311,628
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	$ 18,644	$ 43,066
Due to other funds	0	22,962
Total liabilities	18,644	66,028
Fund balances		
Unreserved	366,319	245,600
Total liabilities and fund balances	$ 384,963	$ 311,628

CITY OF ELBERTON, GEORGIA
2006 SPECIAL PURPOSE LOCAL OPTION SALES TAX
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
REVENUES		
Intergovernmental	$ 696,942	$ 588,533
Interest	2,256	2,849
Total revenues	699,198	591,382
EXPENDITURES		
Capital Outlay		
Public Safety	166,785	473,725
Public Works	30,775	23,065
Total expenditures	197,560	496,790
Excess (deficiency) of revenues over (under) expenditures	501,638	94,592
Other financing sources (uses)		
Transfers in (out)		
Combined Public Utility System Fund	(380,919)	(261,155)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	120,719	(166,563)
Fund balances, July 1	245,600	412,163
Fund balances, June 30	$ 366,319	$ 245,600

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ENTERPRISE FUNDS

Enterprise Funds account for City operations which are financed and operated in a manner similar to private business enterprises.

***Combined Public Utility System Fund** is used to account for the operations of the City's Electric, Water and Sewer, and Natural Gas Systems pursuant to requirements of the revenue bond ordinance.*

***Industrial Park Fund** is used to account for the operation of the City's industrial park facilities.*

***Solid Waste Fund** is used to account for the operation of the City's residential and commercial sanitation services and recycling operations.*

***ElbertonNET Technology Services Fund** is used to account for the operation of the City's cable television service and high-speed internet serivce systems.*

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

ASSETS	**2010**	**2009**
Current assets		
Cash	$ 870,398	$ 605,633
Certificates of deposit	651,639	522,456
Investments	3,757,471	1,950,212
Receivables		
Accounts (net)	1,996,298	2,301,018
Intergovernmental	12,500	0
Interest	4,749	6,528
Inventories	390,134	391,639
Due from other funds	0	1,459
Other current assets	27,914	27,806
Lease receivable - current	0	33,277
Total current assets	7,711,103	5,840,028
Restricted assets		
Extension and Renewal		
Cash	0	14,896
Bond Redemption		
Cash	506,804	524,678
Customer Deposits		
Certificates of deposit	0	121,671
Investments	577,871	449,542
Interest receivable	0	1,317
Total restricted assets	1,084,675	1,112,104
Capital assets		
Land	247,035	247,035
Intangible assets	377,692	377,692
Buildings	359,071	349,992
Distribution system	34,142,507	34,431,403
Vehicles and equipment	1,691,412	1,728,501
Construction in progress	146,494	22,834
Accumulated depreciation	(15,181,936)	(15,494,868)
Total capital assets (net of accumulated depreciation)	21,782,275	21,662,589
Other assets		
Bond issuance costs (net of accumulated amortization)	203,446	221,137
Advances to other funds	3,862,947	3,383,635
Total other assets	4,066,393	3,604,772
Total assets	34,644,446	32,219,493

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

LIABILITIES	**2010**	**2009**
Current liabilities		
Payables		
Accounts	$ 1,074,298	$ 1,069,951
Sales tax	92,747	88,321
Retainages	3,205	0
Accrued salaries	60,164	43,280
Compensated absences	84,662	88,150
Other current liabilities	56,959	71,824
Due to other funds	505,011	357,423
Capital leases payable	0	78,429
Total current liabilities	1,877,046	1,797,378
Current liabilities payable from restricted assets		
Customer deposits payable	577,871	572,530
Interest payable	222,719	234,097
Bonds payable	575,000	555,000
Total liabilities payable from restricted assets	1,375,590	1,361,627
Noncurrent liabilities		
Compensated absences	36,284	37,778
Bonds payable	8,535,000	9,110,000
Capital leases payable	0	77,870
Total noncurrent liabilities	8,571,284	9,225,648
Total liabilities	11,823,920	12,384,653
NET ASSETS		
Invested in capital assets, net of related debt	12,672,275	11,874,567
Restricted for debt service	284,085	305,477
Unrestricted	9,864,166	7,654,796
Total net assets	$ 22,820,526	$ 19,834,840

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Charges for sales and services	$ 23,228,817	$ 22,619,998
Miscellaneous revenues	16,075	23,734
Total operating revenues	23,244,892	22,643,732
OPERATING EXPENSES		
Costs of sales and services	14,165,496	15,329,040
Personal services	2,216,876	2,192,705
Depreciation	1,103,428	1,081,771
Miscellaneous expenses	57,023	69,718
Total operating expenses	17,542,823	18,673,234
Operating income (loss)	5,702,069	3,970,498
Non-operating revenues (expenses)		
Interest revenue	66,279	91,110
Interest expense	(461,217)	(487,413)
Amortization	(17,691)	(17,691)
Gain (loss) on sale of capital assets	9,175	2,510
Total non-operating revenues (expenses)	(403,454)	(411,484)
Net income (loss) before capital contributions and transfers	5,298,615	3,559,014
Capital contributions		
Intergovernmental	11,167	0
Net income (loss) before transfers	5,309,782	3,559,014
Transfers in (out)		
2006 SPLOST Fund	380,919	261,155
Elbertonnet Technology Services Fund	(450,000)	(465,000)
General Fund	(2,255,015)	(2,299,140)
Total transfers	(2,324,096)	(2,502,985)
Change in net assets	2,985,686	1,056,029
Net assets, July 1	19,834,840	18,778,811
Net assets, June 30	$ 22,820,526	$ 19,834,840

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
ELECTRIC UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Charges for sales and services	$ 15,570,785	$ 14,462,334
Miscellaneous revenues	6,478	6,982
Total operating revenues	15,577,263	14,469,316
OPERATING EXPENSES		
Costs of sales and services	10,075,900	10,633,076
Personal services	1,159,936	1,139,794
Depreciation	281,614	271,903
Miscellaneous expenses	46,423	52,268
Total operating expenses	11,563,873	12,097,041
Operating income (loss)	4,013,390	2,372,275
Non-operating revenues (expenses)		
Interest revenue	41,892	62,956
Interest expense	(1,702)	(3,733)
Gain on sale of capital assets	5,225	2,510
Total non-operating revenues (expenses)	45,415	61,733
Net income (loss) before transfers	4,058,805	2,434,008
Transfers in (out)		
General Fund	(1,505,515)	(1,536,240)
ElbertonNET Technology Services Fund	(450,000)	(465,000)
Total transfers	(1,955,515)	(2,001,240)
Change in net assets	$ 2,103,290	$ 432,768

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
WATER AND SEWER UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Charges for sales and services	$ 2,854,234	$ 2,878,146
Miscellaneous revenues	6,766	7,635
Total operating revenues	2,861,000	2,885,781
OPERATING EXPENSES		
Costs of sales and services	927,453	954,102
Personal services	805,148	786,067
Depreciation	731,265	725,633
Miscellaneous expenses	4,880	9,020
Total operating expenses	2,468,746	2,474,822
Operating income (loss)	392,254	410,959
Non-operating revenues (expenses)		
Interest revenue	1,081	5,927
Interest expense	(459,515)	(483,680)
Amortization	(17,691)	(17,691)
Total non-operating revenues (expenses)	(476,125)	(495,444)
Net income (loss) before and transfers	(83,871)	(84,485)
Transfers in (out)		
2006 SPLOST Fund	380,919	261,155
Change in net assets	$ 297,048	$ 176,670

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITY SYSTEM ENTERPRISE FUND
NATURAL GAS UTILITY DEPARTMENT
COMPARATIVE SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Charges for sales and services	$ 4,803,798	$ 5,279,518
Miscellaneous revenues	2,831	9,117
Total operating revenues	4,806,629	5,288,635
OPERATING EXPENSES		
Costs of sales and services	3,162,143	3,741,862
Personal services	251,792	266,844
Depreciation	90,549	84,235
Miscellaneous expenses	5,720	8,430
Total operating expenses	3,510,204	4,101,371
Operating income (loss)	1,296,425	1,187,264
Non-operating revenues (expenses)		
Interest revenue	23,306	22,227
Gain (loss) on sale of capital assets	3,950	0
Total non-operating revenues (expenses	27,256	22,227
Net income (loss) before capital contributions and transfers	1,323,681	1,209,491
Capital contributions		
Intergovernmental	11,167	0
Net income (loss) before transfers	1,334,848	1,209,491
Transfers in (out)		
General Fund	(749,500)	(762,900)
Change in net assets	$ 585,348	$ 446,591

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Receipts from customers	$ 23,528,439	$ 22,511,006
Payments to suppliers	(14,166,877)	(15,626,088)
Payments to employees	(2,204,974)	(2,176,486)
Other receipts	16,075	23,734
Other payments	(57,023)	(69,718)
Net cash provided (used) by operating activities	7,115,640	4,662,448
Cash flows from non-capital financing activities:		
Payments to other governments	(12,500)	0
Receipts from other funds	147,588	554,711
Payments to other funds	(3,182,868)	(2,764,140)
Net cash provided (used) by non-capital financing activities	(3,047,780)	(2,209,429)
Cash flows from capital and related financing activities:		
Receipts from sale of assets	9,175	2,510
Receipts from other governments	11,167	0
Receipts from other funds	380,919	261,155
Interest paid	(472,595)	(498,012)
Acquisition of capital assets	(1,212,784)	(1,088,044)
Principal payments - bonds	(555,000)	(530,000)
Principal received on capital lease receivable	33,277	355,562
Principal payments - capital lease obligations	(156,299)	(438,013)
Net cash provided (used) by capital and related financing activities	(1,962,140)	(1,934,842)
Cash flows from investing activities:		
Interest received	69,375	95,764
Proceeds from sale of investments	444,127	520,962
Purchase of investments	(2,387,227)	(1,260,588)
Net cash provided (used) by investing activities	(1,873,725)	(643,862)
Net increase (decrease) in cash and cash equivalents	231,995	(125,685)
Cash and cash equivalents, July 1	1,145,207	1,270,892
Cash and cash equivalents, June 30	$ 1,377,202	$ 1,145,207

CITY OF ELBERTON, GEORGIA
COMBINED PUBLIC UTILITIES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ 5,702,069	$ 3,970,498
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,103,428	1,081,771
(Increase) decrease in accounts receivable	304,720	(143,974)
(Increase) decrease in inventories	1,505	(32,976)
(Increase) decrease in other current assets	(108)	(362)
Increase (decrease) in accounts payable	(2,778)	(263,710)
Increase (decrease) in sales tax payable	4,426	5,922
Increase (decrease) in accrued salaries	16,884	4,449
Increase (decrease) in compensated absences payable	(4,982)	11,770
Increase (decrease) in deposits payable	5,341	(7,129)
Increase (decrease) in accrued liabilities	(14,865)	36,189
Total adjustments	1,413,571	691,950
Net cash provided (used) by operating activities	$ 7,115,640	$ 4,662,448
Cash and cash equivalents reconciliation:		
Cash	$ 870,398	$ 605,633
Extension and Renewal Cash	0	14,896
Bond Redemption Cash	506,804	524,678
Total cash and cash equivalents	$ 1,377,202	$ 1,145,207

CITY OF ELBERTON, GEORGIA
INDUSTRIAL PARK ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

ASSETS	**2010**	**2009**
Capital assets		
Land	$ 450,000	$ 450,000
Land improvements	315,669	315,669
Accumulated depreciation	(85,313)	(78,266)
Total assets	680,356	687,403
LIABILITIES		
NET ASSETS		
Invested in capital assets	$ 680,356	$ 687,403

CITY OF ELBERTON, GEORGIA
INDUSTRIAL PARK ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

OPERATING REVENUES	**2010**	**2009**
Total operating revenues	$ 0	$ 0
OPERATING EXPENSES		
Depreciation	7,047	7,048
Operating income (loss)	(7,047)	(7,048)
Net assets, July 1	687,403	694,451
Net assets, June 30	$ 680,356	$ 687,403

CITY OF ELBERTON, GEORGIA
INDUSTRIAL PARK ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:	$ 0	$ 0
Cash flows from non-capital financing activities:	0	0
Cash flows from capital and related financing activities:	0	0
Net increase (decrease) in cash and cash equivalents	0	0
Cash and cash equivalents, July 1	0	0
Cash and cash equivalents, June 30	$ 0	$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (7,047)	$ (7,048)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	7,047	7,048
Net cash provided (used) by operating activities	$ 0	$ 0

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

ASSETS	**2010**	**2009**
Current assets		
Cash	$ 9,363	$ 9,315
Accounts receivable (net)	65,973	60,147
Due from other funds	7,214	0
Total current assets	82,550	69,462
Capital assets		
Land	14,400	14,400
Land improvements	54,739	54,739
Buildings	86,886	86,886
Vehicles and equipment	618,132	618,132
Accumulated depreciation	(567,239)	(494,791)
Total capital assets (net of accumulated depreciation)	206,918	279,366
Total assets	289,468	348,828
LIABILITIES		
Current liabilities		
Payables		
Accounts	21,268	20,492
Interest	72	0
Accrued salaries	9,187	6,782
Compensated absences	7,194	7,233
Due to other funds	0	1,459
Capital leases payable	31,088	27,601
Total current liabilities	68,809	63,567
Noncurrent liabilities		
Compensated absences	3,083	3,100
Capital leases payable	21,309	52,398
Total noncurrent liabilities	24,392	55,498
Total liabilities	93,201	119,065
NET ASSETS		
Invested in capital assets, net of related debt	154,521	199,367
Unrestricted	41,746	30,396
Total net assets	$ 196,267	$ 229,763

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

OPERATING REVENUES	**2010**	**2009**
Charges for sales and services		
Residential service	$ 349,537	$ 343,979
Commercial service	275,174	275,883
Sale of recyclables	164,130	119,499
Garbage container sales	4,428	2,947
Total operating revenues	793,269	742,308
OPERATING EXPENSES		
Costs of sales and services	379,599	367,596
Personal services	370,795	344,702
Depreciation	72,448	70,307
Miscellaneous	1,832	2,117
Total operating expenses	824,674	784,722
Operating income (loss)	(31,405)	(42,414)
Non-operating revenues (expenses)		
Interest revenue	48	310
Interest expense	(2,139)	(3,360)
Total non-operating revenues (expenses)	(2,091)	(3,050)
Change in net assets	(33,496)	(45,464)
Net assets, July 1	229,763	275,227
Net assets, June 30	$ 196,267	$ 229,763

CITY OF ELBERTON, GEORGIA
SOLID WASTE ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Receipts from customers	$ 787,443	$ 747,032
Payments to suppliers	(378,823)	(370,642)
Payments to employees	(368,446)	(345,003)
Other payments	(1,832)	(2,117)
Net cash provided (used) by operating activities	38,342	29,270
Cash flows from non-capital financing activities:		
Receipts from other funds	0	45,226
Payments to other funds	(8,673)	0
Net cash provided (used) by non-capital financing activities	(8,673)	45,226
Cash flows from capital and related financing activities:		
Principal payments - capital leases	(27,602)	(31,549)
Interest paid	(2,067)	(3,513)
Acquisition of capital assets	0	(31,272)
Net cash provided (used) by capital and related financing activities	(29,669)	(66,334)
Cash flows from investing activities:		
Interest received	48	310
Net increase (decrease) in cash and cash equivalents	48	8,472
Cash and cash equivalents, July 1	9,315	843
Cash and cash equivalents, June 30	$ 9,363	$ 9,315
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (31,405)	$ (42,414)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	72,448	70,307
(Increase) decrease in accounts receivable	(5,826)	4,724
Increase (decrease) in accounts payable	776	(3,046)
Increase (decrease) in accrued salaries	2,405	546
Increase (decrease) in compensated absences payable	(56)	(847)
Total adjustments	69,747	71,684
Net cash provided (used) by operating activities	$ 38,342	$ 29,270

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF NET ASSETS
June 30, 2010 and 2009

ASSETS	2010	2009
Current assets		
Accounts receivable (net)	$ 249,119	$ 220,128
Inventories	113,073	103,907
Total current assets	362,192	324,035
Restricted assets		
Construction Fund		
Cash	220,583	0
Capital assets		
Land	4,800	4,800
Buildings	507,497	507,497
Vehicles and equipment	513,899	530,862
Construction in progress	131,967	0
Distribution system	6,953,008	6,168,086
Accumulated depreciation	(2,325,359)	(2,118,575)
Total capital assets (net of accumulated depreciation)	5,785,812	5,092,670
Other assets		
Bond issuance costs (net of accumulated amortization)	26,229	32,057
Total assets	6,394,816	5,448,762
LIABILITIES		
Current liabilities		
Payables		
Accounts	91,979	75,675
Intergovernmental	11,752	9,395
Retainages	8,915	0
Interest	7,171	8,532
Accrued salaries	8,459	7,440
Compensated absences	13,005	10,387
Customer deposits	4,405	3,049
Capital lease payable	712,707	566,454
Total current liabilities	858,393	680,932
Noncurrent liabilities		
Compensated absences	5,573	4,451
Advances from other funds	3,862,947	3,633,635
Capital lease payable	3,317,667	2,971,716
Total noncurrent liabilities	7,186,187	6,609,802
Total liabilities	8,044,580	7,290,734
NET ASSETS		
Invested in capital assets, net of related debt	1,976,021	1,554,500
Unrestricted	(3,625,785)	(3,396,472)
Total net assets	$ (1,649,764)	$ (1,841,972)

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
OPERATING REVENUES		
Charges for sales and services	$ 1,954,681	$ 1,675,254
Miscellaneous	1,780	7,029
Total operating revenues	1,956,461	1,682,283
OPERATING EXPENSES		
Costs of sales and services	1,503,331	1,287,951
Personal services	291,382	279,637
Depreciation	223,746	223,192
Miscellaneous	8,378	8,727
Total operating expenses	2,026,837	1,799,507
Operating income (loss)	(70,376)	(117,224)
Non-operating revenues (expenses)		
Interest revenue	564	0
Amortization expense	(5,829)	(5,829)
Interest expense	(182,151)	(187,482)
Total non-operating revenues (expenses)	(187,416)	(193,311)
Net income (loss) before transfers	(257,792)	(310,535)
Transfers in (out)		
Combined Utilities Fund	450,000	465,000
Change in net assets	192,208	154,465
Net assets, July 1	(1,841,972)	(1,996,437)
Net assets, June 30	$ (1,649,764)	$ (1,841,972)

CITY OF ELBERTON, GEORGIA
ELBERTONNET TECHNOLOGY SERVICES ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
For the fiscal years ended June 30, 2010 and 2009

	2010	2009
Cash flows from operating activities:		
Receipts from customers	$ 1,927,046	$ 1,651,999
Payments to suppliers	(1,493,836)	(1,244,130)
Payments to employees	(286,623)	(275,178)
Other receipts	1,780	7,029
Other payments	(8,378)	(8,727)
Net cash provided (used) by operating activities	139,989	130,993
Cash flows from non-capital financing activities:		
Receipts from other funds	679,312	810,271
Payments to other funds	0	(60,483)
Net cash provided (used) by non-capital financing activities	679,312	749,788
Cash flows from capital and related financing activities:		
Issuance of capital lease	1,069,000	0
Interest paid	(183,512)	(188,778)
Principal payments - capital lease obligations	(576,796)	(537,406)
Acquisition of capital assets	(907,974)	(154,597)
Net cash provided (used) by capital and related financing activities	(599,282)	(880,781)
Cash flows from investing activities:		
Interest received	564	0
Net increase (decrease) in cash and cash equivalents	220,583	0
Cash and cash equivalents, July 1	0	0
Cash and cash equivalents, June 30	$ 220,583	$ 0
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	$ (70,376)	$ (117,224)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	223,746	223,192
(Increase) decrease in accounts receivable	(28,991)	(23,949)
(Increase) decrease in inventories	(9,166)	24,858
Increase (decrease) in accounts payable	16,304	18,252
Increase (decrease) in intergovernmental payable	2,357	711
Increase (decrease) in customer deposits	1,356	694
Increase (decrease) in accrued salaries	1,019	1,978
Increase (decrease) in compensated absences payable	3,740	2,481
Total adjustments	210,365	248,217
Net cash provided (used) by operating activities	$ 139,989	$ 130,993

AGENCY FUNDS

These funds are used to account for assets held by the City as an agent to be expended or invested in accordance with the conditions of its agency capacity.

Municipal Court Fund – *This fund is used to account, on a temporary basis, for fines collected by the Municipal Court that ultimately are transmitted to the General Fund or another agency.*

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
COMPARATIVE STATEMENTS OF ASSETS AND LIABILITIES
June 30, 2010 and 2009

	2010	2009
ASSETS		
Cash and cash equivalents	$ 6,421	$ 1,046
Accounts receivable (net)	94,496	101,118
Total assets	$ 100,917	$ 102,164
LIABILITIES		
Due to other agencies	$ 100,917	$ 102,164

CITY OF ELBERTON, GEORGIA
MUNICIPAL COURT AGENCY FUND
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
For the fiscal year ended June 30, 2010

	Balance July 1	Additions	Deletions	Balance June 30
ASSETS				
Cash	$ 1,046	$ 212,050	$ 206,675	$ 6,421
Accounts receivable (net)	101,118	55,485	62,107	94,496
	$ 102,164	$ 267,535	$ 268,782	$ 100,917
LIABILITIES				
Due to other agencies	$ 102,164	$ 267,535	$ 268,782	$ 100,917

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COMPONENT UNIT

Downtown Development Authority *- This component unit is used to account for governmental revenues and contributions reserved for City business development.*

CITY OF ELBERTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
COMPARATIVE BALANCE SHEETS
June 30, 2010 and 2009

ASSETS	**2010**	**2009**
Cash	$ 6,498	$ 11,694
Prepaid items	313	271
Other assets	0	2,500
Total assets	$ 6,811	$ 14,465
LIABILITIES AND FUND BALANCES		
Liabilities		
Payables		
Accounts	$ 1,851	$ 449
Intergovernmental	4,123	0
Deferred revenue	1,245	0
Total liabilities	7,219	449
Fund balances		
Reserved for prepaid items	313	271
Unreserved	(721)	13,745
Total fund balances	(408)	14,016
Total liabilities and fund balances	$ 6,811	$ 14,465

CITY OF ELBERTON, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY (A COMPONENT UNIT)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
For the fiscal year ended June 30, 2010
(With comparative actual amounts for the fiscal year ended June 30, 2009)

	2010			2009
	Final Budget	Actual	Variance	Actual
REVENUES				
Intergovernmental	$ 54,581	$ 57,052	$ 2,471	$ 68,529
Rents	20,184	20,334	150	12,639
Event revenue	9,890	12,445	2,555	6,100
Interest	0	9	9	61
Total revenues	84,655	89,840	5,185	87,329
EXPENDITURES				
Current				
Economic Development				
Personnel services	49,012	49,812	(800)	40,006
Contract services	19,078	27,016	(7,938)	9,368
Materials and supplies	1,650	2,705	(1,055)	1,658
Capital outlay	0	0	0	672,422
Debt service	22,120	270,585	(248,465)	33,217
Total expenditures	91,860	350,118	(258,258)	756,671
Excess (deficiency) of revenues over (under) expenditures	(7,205)	(260,278)	(253,073)	(669,342)
Other financing sources (uses)				
Proceeds from notes payable	0	245,854	245,854	669,181
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(7,205)	(14,424)	(7,219)	(161)
Fund balances, July 1	7,205	14,016	6,811	14,177
Fund balances, June 30	$ 0	$ (408)	$ (408)	$ 14,016

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Part III

Statistical Section

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City of Elberton
Statistical Section
(Unaudited)

This section of the City of Elberton's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This section includes data for the City (i.e. the primary government) only and does not include the City's discretely presented component unit. This information has not been audited by the independent auditor.

Contents

	Page
Financial Trends These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.	**103-117**
Revenue Capacity These tables contain information that may assist the reader in assessing the viability of the City's most significant "own-source" revenue sources and trends of these sources. Property taxes are not a source of revenue for the City; however, property tax valuation and tax rate information is included as an indicator of the City's growth and overall economic condition.	**118-121**
Debt Capacity These tables present information which may assist the reader in analyzing the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**122-125**
Demographic and Economic Information These tables offer demographic and economic indicators that can be used for financial analysis and to provide a better understanding of the City's present and ongoing financial status.	**126-127**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	**128-133**
Other Information	**134-135**

Source: Unless otherwise noted, the information in these tables is derived from the annual financial reports for the corresponding years.

City of Elberton
Net Assets by Component
Last Eight Fiscal Years

	FISCAL YEAR	
	2010	2009
Governmental Activities		
Invested in capital assets, net of related debt	$ 3,924,223	$ 3,935,047
Restricted	851,529	730,810
Unrestricted	517,319	447,389
Total Governmental Activities Net Assets	5,293,071	5,113,246
Business-type Activities		
Invested in capital assets, net of related debt	15,262,590	14,315,837
Restricted	504,668	305,477
Unrestricted	6,280,127	4,288,720
Total Business-Type Activities Net Assets	22,047,385	18,910,034
Primary Government		
Invested in capital assets, net of related debt	19,186,813	18,250,884
Restricted	1,356,197	1,036,287
Unrestricted	6,797,446	4,736,109
Total Primary Government Net Assets	$ 27,340,456	$ 24,023,280

Note: Comparative information prior to fiscal year 2003 is not available.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 3,624,359	$ 3,471,430	$ 2,909,989	$ 3,035,688	$ 2,775,597	$ 2,519,805
419,048	369,936	275,544	76,648	20,523	0
224,861	36,620	(137,068)	(456,924)	(550,441)	(388,125)
4,268,268	3,877,986	3,048,465	2,655,412	2,245,679	2,131,680
13,384,786	12,175,380	12,350,686	12,625,161	7,715,919	11,154,194
289,907	523,595	525,970	518,176	4,991,805	0
4,077,359	4,052,857	3,104,570	2,242,107	2,132,913	3,280,605
17,752,052	16,751,832	15,981,226	15,385,444	14,840,637	14,434,799
17,009,145	15,646,810	15,260,675	15,660,849	10,491,516	13,673,999
708,955	893,531	801,514	594,824	5,012,328	0
4,302,220	4,089,477	2,967,502	1,785,183	1,582,472	2,892,480
$ 22,020,320	$ 20,629,818	$ 19,029,691	$ 18,040,856	$ 17,086,316	$ 16,566,479

City of Elberton
Changes in Net Assets
Last Eight Fiscal Years

	FISCAL YEAR	
Expenses	**2010**	**2009**
Governmental Activities:		
General Government	$ 319,451	$ 308,198
Judicial	101,982	100,939
Public Safety	2,442,237	2,355,213
Public Works	953,107	1,093,415
Health and Welfare	9,900	9,900
Culture and Recreation	161,416	151,363
Housing and Development	246,774	415,226
Non-departmental	0	0
Interest on Long-term Debt	2,716	5,485
Total Governmental Activities	4,237,583	4,439,739
Business-type Activities:		
Combined Public Utilities		
Electric	11,565,575	12,100,774
Water and Sewer	2,945,952	2,976,193
Natural Gas	3,510,204	4,101,371
Telecommunications	0	0
Elbertonnet Broadband TV	2,214,817	1,992,818
Industrial Park	7,047	7,048
Solid Waste	826,813	788,082
Total Business-type Activities	21,070,408	21,966,286
Total Primary Government Expenses	25,307,991	26,406,025
Program Revenues		
Governmental Activities:		
Charges for Services:		
General Government	60,476	55,965
Public Safety	235,767	232,192
Public Works	64,151	59,175
Culture and Recreation	0	0
Housing and Development	45,249	44,145
Operating Grants and Contributions	100,177	72,158
Capital Grants and Contributions	22,584	877,058
Total Governmental Activities Program Revenues	528,404	1,340,693
Business-type Activities:		
Charges for Services:		
Electric	15,570,785	14,462,334
Water and Sewer	2,854,234	2,878,146
Natural Gas	4,803,798	5,279,518
Telecommunications	0	0
Elbertonnet Broadband TV	1,954,681	1,675,254
Solid Waste	789,409	739,446
Operating Grants and Contributions	0	0
Capital Grants and Contributions	11167	0
Total Business-type Activities Program Revenues	25,984,074	25,034,698
Total Primary Government Program Revenues	26,512,478	26,375,391

Note: Comparative information prior to fiscal year 2003 is not available.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 302,999	$ 350,500	$ 215,991	$ 361,991	$ 337,310	$ 202,285
103,965	98,082	98,881	78,031	81,460	51,700
2,293,427	2,213,641	2,064,532	1,871,062	1,935,347	1,933,826
1,092,800	1,048,254	1,102,332	880,331	865,252	1,036,330
5,900	9,249	1,300	13,561	1,585	1,300
157,287	82,588	66,164	96,910	94,235	78,500
263,260	286,226	225,903	200,727	184,166	208,569
0	0	0	10,853	7,102	164,824
5,922	5,239	2,907	1,967	0	0
4,225,560	4,093,779	3,778,010	3,515,433	3,506,457	3,677,334
12,768,800	12,131,913	11,332,813	10,461,453	10,177,321	10,195,877
2,822,735	3,192,245	2,784,630	2,536,411	2,326,800	2,005,173
4,194,584	4,605,835	5,190,977	3,898,340	3,514,937	3,167,713
0	0	40,261	936,938	1,019,711	1,064,080
2,297,474	1,858,965	1,690,305	1,017,243	983,141	917,648
7,047	7,048	7,262	14,967	12,699	17,148
741,801	728,261	679,911	680,009	595,118	520,935
22,832,441	22,524,267	21,726,159	19,545,361	18,629,727	17,888,574
27,058,001	26,618,046	25,504,169	23,060,794	22,136,184	21,565,908
57,784	62,241	63,572	140,450	134,306	122,135
242,567	214,756	225,841	211,864	247,217	285,517
62,405	58,637	71,253	71,190	43,822	87,370
0	0	0	0	0	28,243
37,504	37,130	19,235	39,664	20,668	20,546
842	8,722	39,969	120,474	14,179	32,964
99,514	231,841	200,000	392,279	504,455	0
500,616	613,327	619,870	975,921	964,647	576,775
14,505,101	13,769,282	12,886,623	11,948,853	11,406,837	10,846,657
2,881,331	2,916,737	2,654,050	2,575,343	2,382,676	2,310,276
5,632,829	5,387,505	6,227,798	5,346,246	4,981,635	4,641,330
0	0	0	533,407	545,739	534,671
1,559,185	1,336,275	1,058,866	691,799	599,950	471,646
763,511	697,416	670,577	667,104	618,808	562,326
41,324	750,039	16,030	36,642	47,198	76,475
0	398,258	248,737	0	70,830	11,237
25,383,281	25,255,512	23,762,681	21,799,394	20,653,673	19,454,618
25,883,897	25,868,839	24,382,551	22,775,315	21,618,320	20,031,393

City of Elberton
Changes in Net Assets
Last Eight Fiscal Years

	FISCAL YEAR	
	2010	2009
Change in Net Assets		
Net (expense) Revenue -		
Governmental Activities	$ (3,709,179)	$ (3,099,046)
Net (expense) Revenue -		
Business-type Activities	4,913,666	3,068,412
Total Primary Government		
Net (Expense) Revenue	1,204,487	(30,634)
General Revenues and		
Other Changes in Net Assets		
Governmental Activities		
Taxes:		
Sales	1,345,161	1,182,430
Franchise	86,620	88,790
Occupational (1)	79,349	85,706
Insurance Premium	262,968	265,457
Alcoholic Beverages	141,394	158,225
Hotel/Motel	72,661	66,655
Other	3,829	5,888
Interest and Investment Earnings	4,092	3,172
Gain on Sale of Assets	1,800	0
Miscellaneous	17,034	49,716
Transfers	1,874,096	2,037,985
Total Government Activities	3,889,004	3,944,024
Business-type Activities		
Interest and Investment Earnings	66,891	91,420
Gain on Sale of Assets	5,225	2,510
Miscellaneous	25,665	33,625
Transfers	(1,874,096)	(2,037,985)
Total Business-type Activities	(1,776,315)	(1,910,430)
Total Primary Government Activities	2,112,689	2,033,594
Change in Net Assets		
Governmental Activities	179,825	844,978
Business-type Activities	3,137,351	1,157,982
Total Primary Government		
Change in Net Assets	3,317,176	2,002,960
Net Assets - beginning (original)		
Governmental Activities	5,113,246	4,268,268
Business-type Activities	18,910,034	17,752,052
Total Primary Government		
Beginning Net Assets (original)	24,023,280	22,020,320
Prior Period Adjustments		
Governmental Activities	0	0
Business-type Activities	0	0
Total Primary Government		
Prior Period Adjustments	0	0
Net Assets - beginning (restated)		
Governmental Activities	5,113,246	4,268,268
Business-type Activities	18,910,034	17,752,052
Total Primary Government		
Beginning Net Assets (restated)	24,023,280	22,020,320
Change in Net Assets - ending		
Governmental Activities	5,293,071	5,113,246
Business-type Activities	22,047,385	18,910,034
Total Primary Government		
Ending Net Assets	$ 27,340,456	$ 24,023,280

(1) In fiscal year 2006, occupation taxes were recategorized from charges for services to tax revenue.

Note: Comparative information prior to fiscal year 2003 is not available.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ (3,724,944)	$ (3,480,452)	$ (3,158,140)	$ (2,539,512)	$ (2,541,810)	$ (3,100,559)
2,550,840	2,731,245	2,036,522	2,254,033	2,023,946	1,566,044
(1,174,104)	(749,207)	(1,121,618)	(285,479)	(517,864)	(1,534,515)
1,399,514	1,285,913	640,156	560,452	571,161	581,426
87,815	83,545	82,846	80,446	74,159	72,575
85,683	90,545	80,697	0	0	0
259,247	248,533	237,546	220,795	203,736	189,036
158,789	152,952	152,254	147,003	147,672	156,026
69,510	66,505	71,052	62,711	67,007	54,963
8,847	12,786	7,593	8,649	13,047	14,318
51,770	79,361	37,785	11,926	6,400	7,143
26,355	5,972	0	0	0	0
38,341	20,451	460,627	6,624	11,077	43,183
1,929,355	2,102,559	1,626,340	1,850,639	1,661,620	1,827,857
4,115,226	4,149,122	3,396,896	2,949,245	2,755,879	2,946,527
133,186	124,201	131,765	125,280	121,616	263,731
15,916	5,769	0	0	0	0
229,633	11,950	53,835	16,133	12,681	16,638
(1,929,355)	(2,102,559)	(1,626,340)	(1,850,639)	(1,752,405)	(1,827,857)
(1,550,620)	(1,960,639)	(1,440,740)	(1,709,226)	(1,618,108)	(1,547,488)
2,564,606	2,188,483	1,956,156	1,240,019	1,137,771	1,399,039
390,282	668,670	238,756	409,733	214,069	(154,032)
1,000,220	770,606	595,782	544,807	405,838	18,556
1,390,502	1,439,276	834,538	954,540	619,907	(135,476)
3,877,986	3,048,465	2,655,412	2,245,679	2,131,680	2,285,712
16,751,832	15,981,226	15,385,444	14,840,637	14,434,799	14,416,243
20,629,818	19,029,691	18,040,856	17,086,316	16,566,479	16,701,955
0	160,851	154,297	0	(100,070)	0
0	0	0	0	0	0
0	160,851	154,297	0	(100,070)	0
3,877,986	3,209,316	2,809,709	2,245,679	2,031,610	2,285,712
16,751,832	15,981,226	15,385,444	14,840,637	14,434,799	14,416,243
20,629,818	19,190,542	18,195,153	17,086,316	16,466,409	16,701,955
4,268,268	3,877,986	3,048,465	2,655,412	2,245,679	2,131,680
17,752,052	16,751,832	15,981,226	15,385,444	14,840,637	14,434,799
$ 22,020,320	$ 20,629,818	$ 19,029,691	$ 18,040,856	$ 17,086,316	$ 16,566,479

City of Elberton

Fund Balances of Governmental Funds

Last Eight Fiscal Years

	FISCAL YEAR	
	2010	2009
General Fund		
Reserved	$ 144,344	$ 393,228
Unreserved	865,048	569,642
Total General Fund	1,009,392	962,870
All Other Governmental Funds		
Unreserved, Reported in:		
Special Revenue Fund	485,210	485,210
Capital Project Funds	366,319	245,600
Total All Other Governmental Funds	851,529	730,810
Total Governmental Fund Balances	$ 1,860,921	$ 1,693,680

Note: Comparative information prior to fiscal year 2003 is not available.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 439,843	$ 147,922	$ 149,041	$ 92,216	$ 82,417	$ 79,609
307,883	413,512	323,490	153,157	76,158	204,393
747,726	561,434	472,531	245,373	158,575	284,002
6,885	8,972	13,798	0	0	0
412,163	360,964	198,646	76,649	20,523	0
419,048	369,936	212,444	76,649	20,523	0
$ 1,166,774	$ 931,370	$ 684,975	$ 322,022	$ 179,098	$ 284,002

City of Elberton

Changes in Fund Balances - Governmental Funds (1)

Last Eight Fiscal Years

	FISCAL YEAR	
	2010	2009
Revenues		
Taxes	$ 1,317,624	$ 1,264,618
Licenses and permits (2)	103,994	100,084
Fines, fees and forfeitures	202,828	203,387
Charges for services	781,097	760,032
Intergovernmental	796,805	1,406,679
Interest	4,092	3,172
Other	17,348	49,786
Total Revenues	3,223,788	3,787,758
Expenditures		
General Government	795,652	739,722
Judicial	102,716	100,616
Public Safety	2,319,824	2,246,439
Public Works	1,117,742	1,281,083
Health and Welfare	9,900	9,900
Culture and Recreation	146,215	142,491
Housing and Development	242,834	412,796
Non-Departmental	0	0
Capital Outlay	197,560	496,790
Total Expenditures	4,932,443	5,429,837
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,708,655)	(1,642,079)
Other Financing Sources (Uses)		
Transfers In	2,304,843	2,344,502
Transfers Out	(430,747)	(306,517)
Sale of Capital Assets	1,800	131,000
Issuance of Capital Leases	-	
Total Other Financing Sources (Uses)	1,875,896	2,168,985
Net Change in Fund Balances	167,241	526,906
Fund Balances, July 1	1,693,680	1,166,774
Prior Period Adjustment	0	0
Fund Balances, June 30	$ 1,860,921	$ 1,693,680
Debt service as a percentage of noncapital expenditures	1.90%	1.06%

Note: Comparative information prior to fiscal year 2003 is not available.

Note (1): Includes general, special revenue, and capital projects funds.

Note (2): In fiscal year 2006, occupational taxes were recategorized from licenses and permits to taxes.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
$ 1,375,542	$ 1,300,551	$ 1,191,447	$ 1,080,056	$ 1,076,782	$ 1,068,344
94,654	99,693	161,855	181,532	156,696	145,342
223,968	202,083	211,142	159,359	185,822	217,840
731,470	650,277	976,808	948,741	871,291	1,088,954
794,204	788,416	239,969	512,753	518,634	61,207
51,770	79,361	37,785	11,926	6,400	7,143
38,357	112,826	56,356	6,624	11,076	23,669
3,309,965	3,233,207	2,875,362	2,900,991	2,826,701	2,612,499
717,350	725,386	848,845	818,311	747,114	801,863
103,447	97,015	97,358	77,692	80,577	53,456
2,174,798	2,122,180	2,064,065	1,846,427	1,915,206	1,870,738
1,233,033	1,128,905	1,276,305	1,357,297	1,068,128	1,328,679
5,900	5,000	1,300	13,561	1,300	1,300
186,597	155,888	60,000	296,144	313,220	156,205
234,047	192,520	229,786	199,959	257,013	139,535
0	0	0	10,853	7,102	164,824
416,559	828,338	88178	146447	146887	0
5,071,731	5,255,232	4,665,837	4,766,691	4,536,547	4,516,600
(1,761,766)	(2,022,025)	(1,790,475)	(1,865,700)	(1,709,846)	(1,904,101)
2,259,913	2,196,666	1,705,864	1,947,432	1,882,946	1,884,000
(330,558)	(94,107)	(79,524)	(96,793)	(221,326)	(56,143)
26,355	5,972	527,088	0	0	19,514
41,460	159,889	0	157,985	0	0
1,997,170	2,268,420	2,153,428	2,008,624	1,661,620	1,847,371
235,404	246,395	362,953	142,924	(48,226)	(56,730)
931,370	684,975	322,022	179,098	284,002	340,732
0	0	0	0	(56,678)	0
$ 1,166,774	$ 931,370	$ 684,975	$ 322,022	$ 179,098	$ 284,002
1.40%	1.59%	1.11%	1.03%	0.00%	0.00%

City of Elberton, Georgia

General Government Expenditures by Function (1)

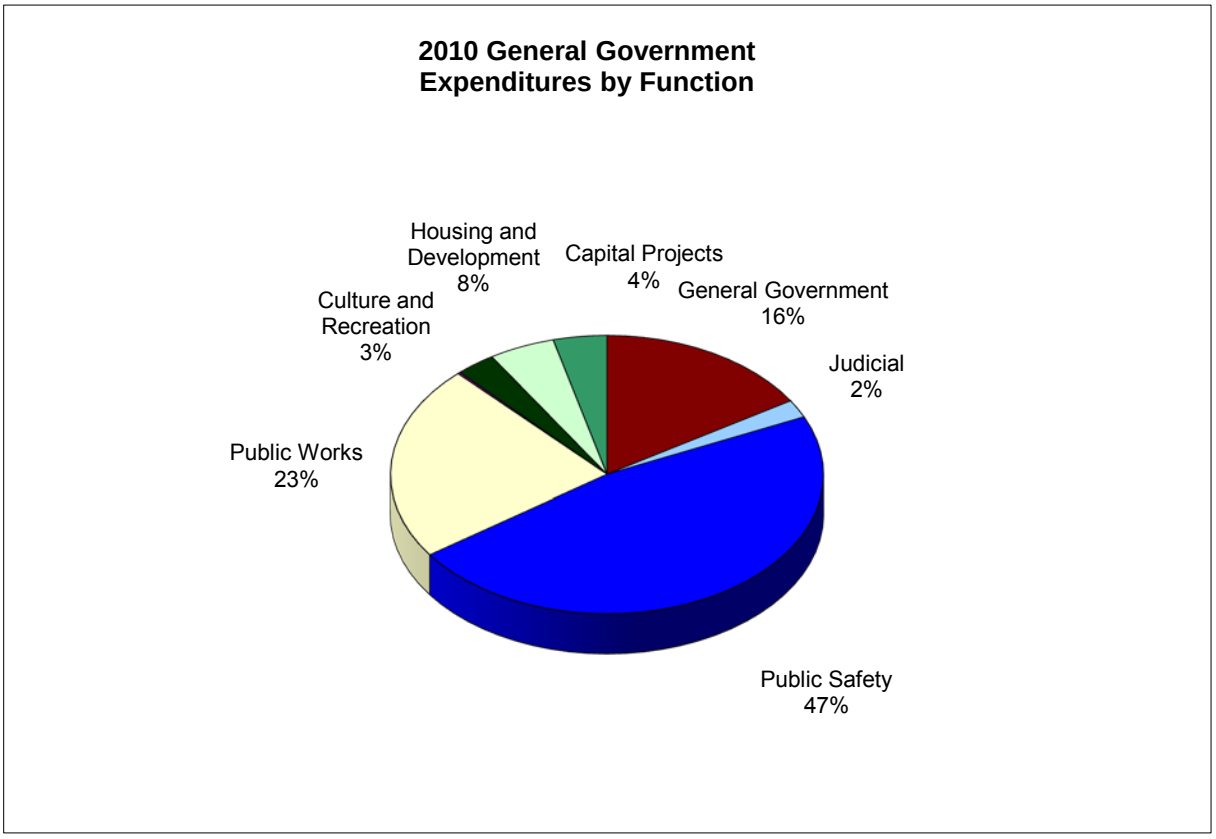
Last Ten Fiscal Years

Fiscal Year	General Government	Judicial (2)	Public Safety	Public Works	Health and Welfare (3)
2001	898,296	0	1,894,338	986,744	0
2002	1,042,103	0	1,880,256	1,040,797	0
2003	801,863	53,456	1,870,738	1,328,679	1,300
2004	747,114	80,577	1,915,206	1,068,128	1,300
2005	818,311	77,692	1,846,427	1,357,297	13,561
2006	848,845	97,358	2,025,601	1,276,305	1,300
2007	725,386	97,015	2,122,180	1,128,905	5,000
2008	717,350	103,447	2,174,798	1,233,033	5,900
2009	739,722	100,616	2,246,439	1,281,083	9,900
2010	795,652	102,716	2,319,824	1,117,742	9,900

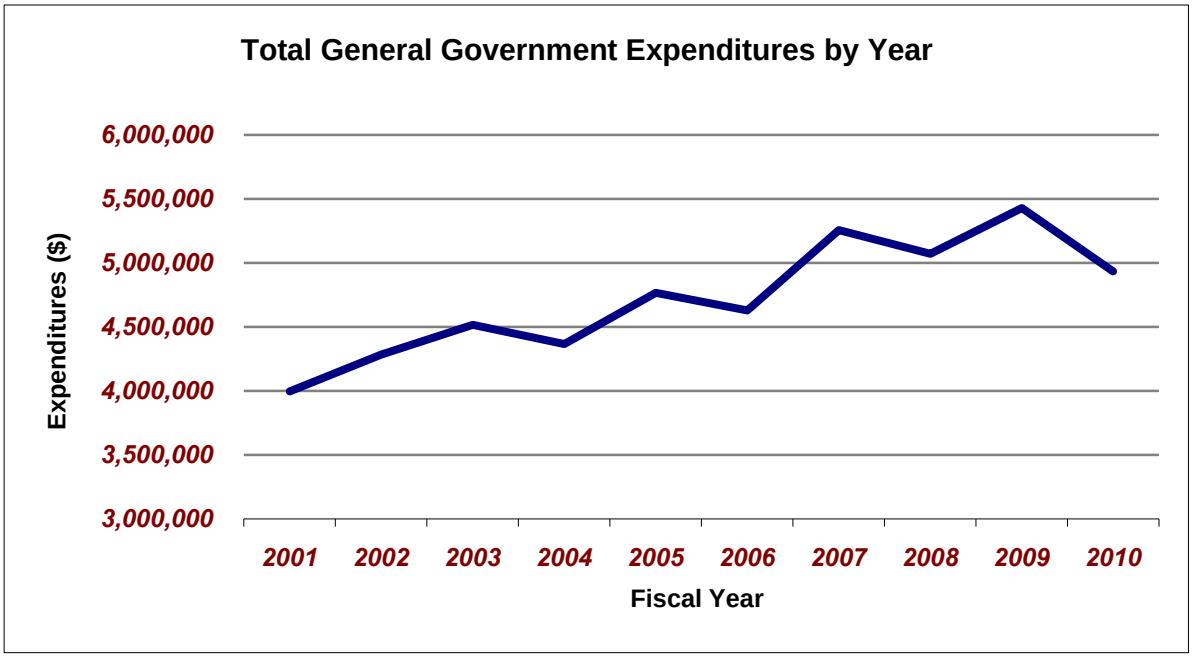
Note (1): Includes general, special revenue, and capital projects funds.

Note (2): Reported as general government prior to fiscal year 2003.

Note (3): Reported as culture and recreation prior to fiscal year 2003.



Culture and Recreation (3)	Housing and Development (3)	Other	Capital Projects	Debt Service	Total
202,575	0	13,315	0	0	3,995,268
219,748	0	99,787	0	0	4,282,691
89,900	205,840	164,824	0	0	4,516,600
313,220	257,013	7,102	146,887	0	4,367,160
296,144	199,959	10,853	146,447	0	4,766,691
118,920	170,866	0	88,178	0	4,627,373
155,888	192,520	0	828,338	0	5,255,232
186,597	234,047	0	416,559	0	5,071,731
142,491	412,796	0	496,790	0	5,429,837
146,215	242,834	0	197,560	0	4,932,443



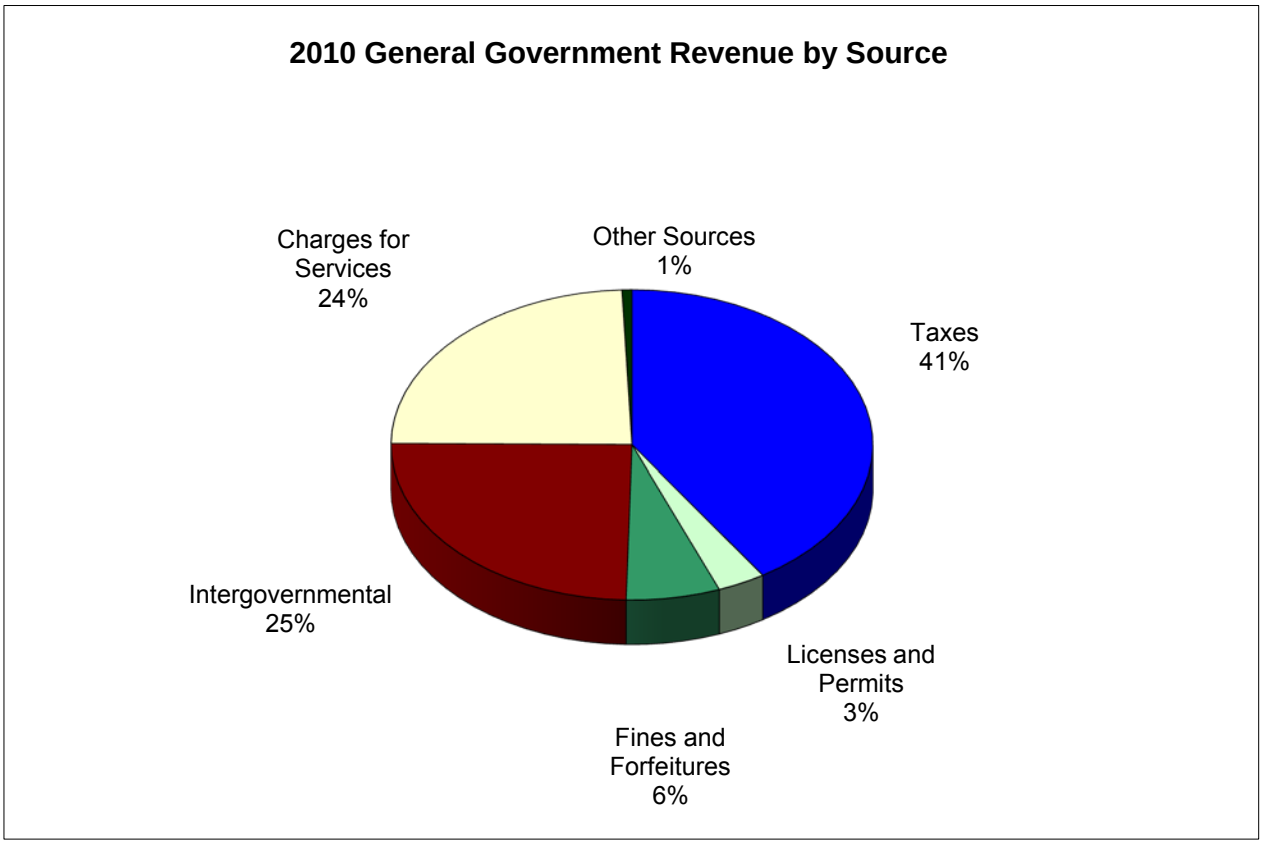
City of Elberton, Georgia

General Government Revenue by Source (1)

Last Ten Fiscal Years

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Intergovernmental	Charges for Services	Other Sources	Total
2001	1,003,945	216,640	228,174	220,234	131,522	789,645	2,590,160
2002	975,467	209,964	204,745	229,034	136,688	803,027	2,558,925
2003	1,068,344	145,342	217,840	61,207	1,088,954	30,812	2,612,499
2004	1,076,782	156,696	185,822	518,634	871,291	17,476	2,826,701
2005	1,080,056	181,532	159,359	512,753	948,741	18,550	2,900,991
2006	1,191,447	161,855	211,142	239,969	976,808	94,141	2,875,362
2007	1,300,551	99,693	202,083	788,416	650,277	192,187	3,233,207
2008	1,375,542	94,654	223,968	794,204	731,470	90,127	3,309,965
2009	1,264,618	100,084	203,387	1,406,679	760,032	52,958	3,787,758
2010	1,317,624	103,994	202,828	796,805	781,097	21,440	3,223,788

Note (1): Includes general, special revenue, and capital projects funds.
Note (2): In fiscal year 2006, occupational taxes were recategorized from licenses and permits to tax revenues.



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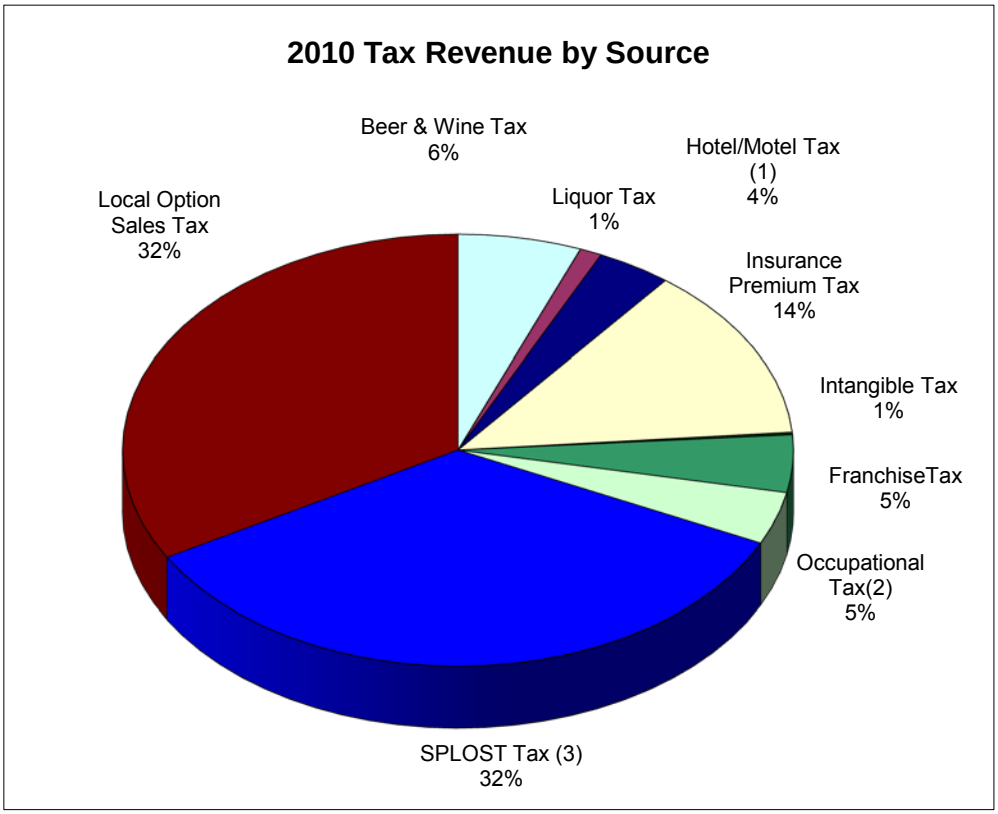
City of Elberton, Georgia

General Government Tax Revenues by Source

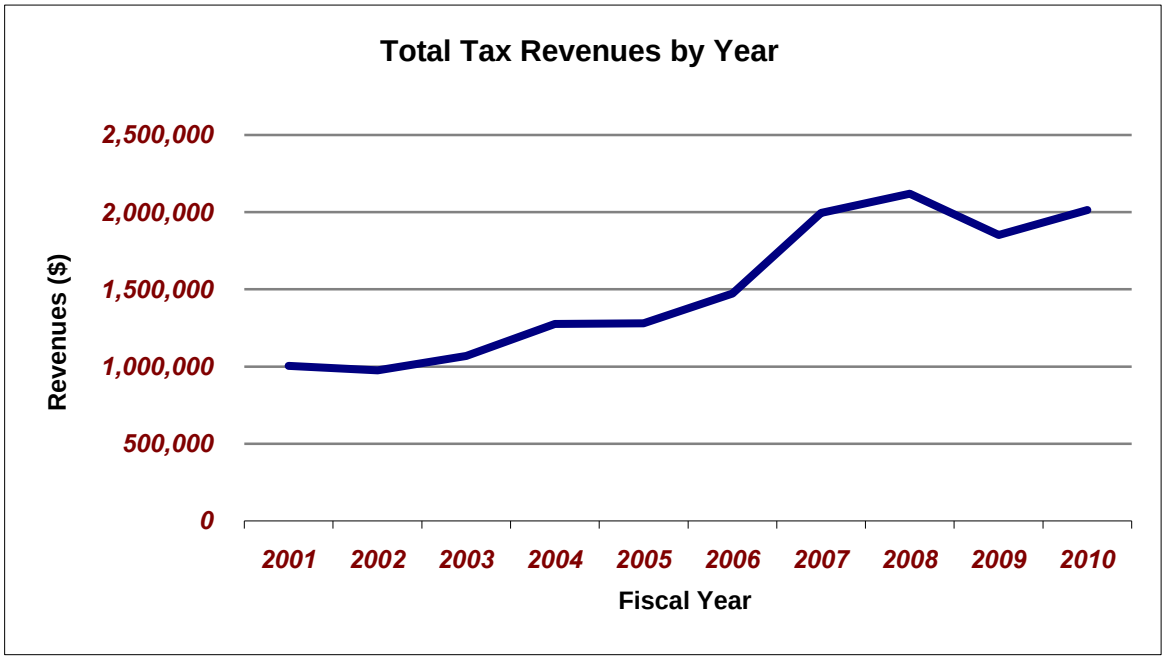
Last Ten Fiscal Years

Fiscal Year	Beer & Wine Tax	Liquor Tax	Hotel/Motel Tax (1)	Insurance Premium Tax	Intangible Tax
2001	140,881	19,955	64,883	214,750	9,330
2002	134,445	30,226	60,721	172,285	16,808
2003	135,998	20,028	54,963	189,036	14,318
2004	126,741	20,931	67,007	203,736	13,047
2005	127,725	19,278	62,711	220,795	8,649
2006	122,343	29,911	71,052	237,546	7,593
2007	131,161	21,791	66,505	248,533	12,786
2008	139,457	19,332	69,510	259,247	8,847
2009	136,964	21,261	66,655	265,457	5,888
2010	120,035	21,359	72,661	262,968	3,829

Note (1): Reported in the Hotel/Motel Tax Special Revenue Fund.
Note (2): In fiscal year 2006, occupational taxes were recategorized from licenses and permits to tax revenues.
Note (3): Reported as intergovernmental revenue in the SPLOST Capital Projects Fund.



Franchise Tax	Occupational Tax (2)	SPLOST Tax (3)	Local Option Sales Tax	Total
0	0	0	554,146	1,003,945
0	0	0	560,982	975,467
72,575	0	0	581,426	1,068,344
74,159	0	200,000	571,161	1,276,782
80,446	0	200,000	560,452	1,280,056
82,846	80,697	200,000	640,156	1,472,144
83,545	90,545	693,843	645,685	1,994,394
87,815	85,683	743,377	705,651	2,118,919
88,790	85,706	588,533	593,897	1,853,151
86,620	79,349	696,942	670,803	2,014,566



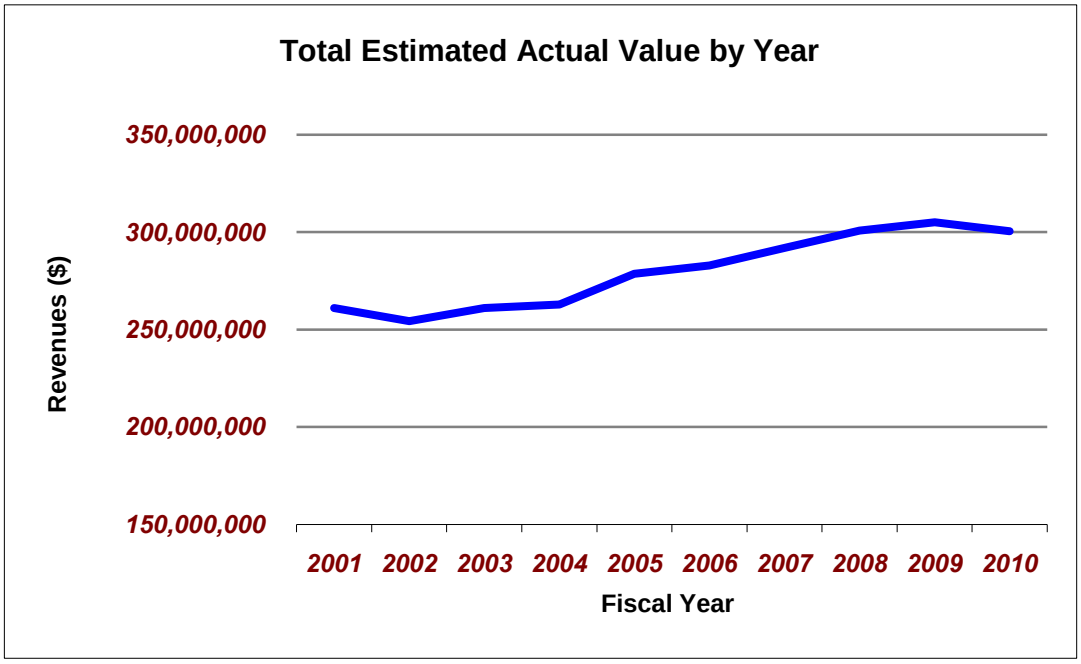
City of Elberton, Georgia

Assessed and Estimated Actual Value of Taxable Property

Digest Years 2001 - 2010

Calendar Year of Digest	Real Property	Motor Vehicles	Mobile Homes	Public Utilities
2001	91,973,979	9,241,620	503,121	2,688,688
2002	89,932,529	9,222,990	488,623	2,108,558
2003	91,566,472	10,000,980	466,936	2,381,540
2004	92,170,957	9,279,990	416,656	3,307,767
2005	98,235,365	8,996,730	430,017	3,805,497
2006	100,688,999	8,769,030	399,757	3,298,572
2007	104,047,358	9,171,830	350,700	3,208,144
2008	107,376,047	9,413,060	336,820	3,207,627
2009	108,796,885	9,682,470	329,556	3,207,627
2010	109,001,131	8,183,060	332,583	2,697,887

Source: Elbert County Tax Digest



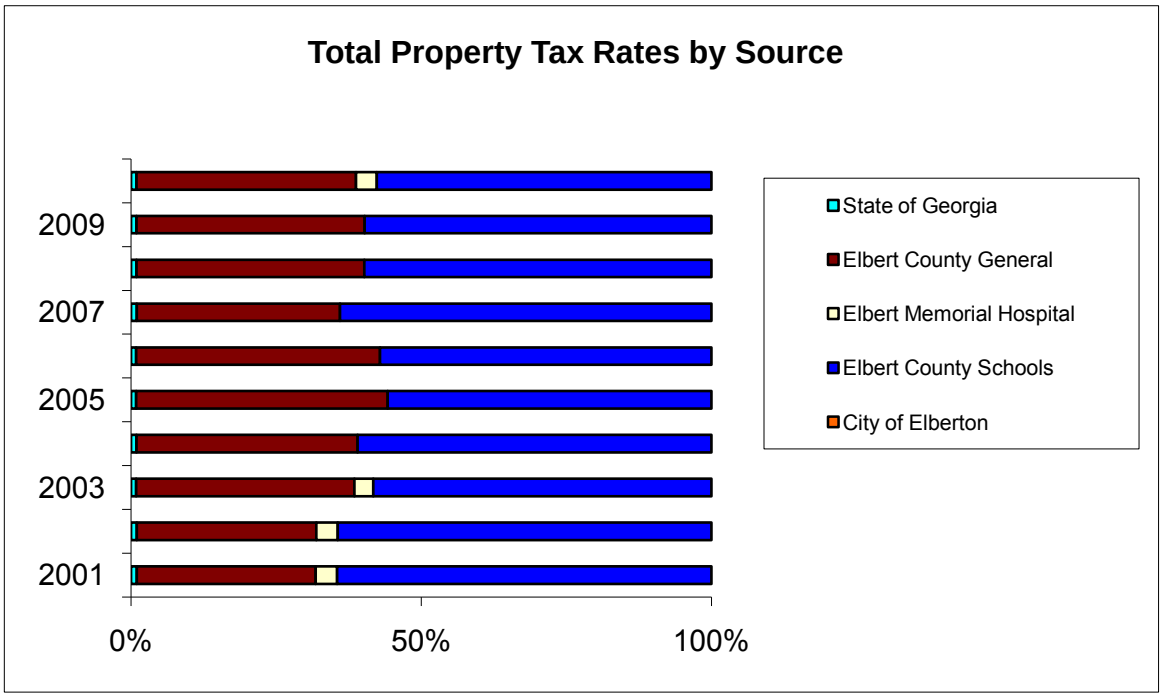
Total Property	Less: Exemptions	Total Taxable Property	Total Estimated Actual Value
104,407,408	(3,118,175)	101,289,233	261,018,520
101,752,700	(5,295,281)	96,457,419	254,381,750
104,415,928	(3,938,588)	100,477,340	261,039,820
105,175,370	(3,475,545)	101,699,825	262,938,425
111,467,609	(5,403,422)	106,064,187	278,669,023
113,156,358	(6,001,710)	107,154,648	282,890,895
116,778,032	(6,925,246)	109,852,786	291,945,080
120,333,554	(3,749,436)	116,584,118	300,833,885
122,016,538	(4,873,097)	117,143,441	305,041,345
120,214,661	(3,839,856)	116,374,805	300,536,653

City of Elberton, Georgia
Property Tax Rates
(per $1,000 of Assessed Value)
Digest Years 2001 - 2010

Calendar Year of Digest	State of Georgia	Elbert County (Incorporated area) Elbert County General	Elbert Memorial Hospital	Total County Tax Rate	Elbert County Schools	City of Elberton	Total Tax Rate
2001	0.25	7.88	0.95	8.83	16.50	0.00	25.58
2002	0.25	7.98	0.96	8.93	16.61	0.00	25.79
2003	0.25	10.90	0.95	11.85	16.90	0.00	29.00
2004	0.25	10.40	0.00	10.40	16.65	0.00	27.30
2005	0.25	12.94	0.00	12.94	16.65	0.00	29.84
2006	0.25	11.94	0.00	11.94	16.23	0.00	28.42
2007	0.25	9.02	0.00	9.02	16.50	0.00	25.77
2008	0.25	10.50	0.00	10.50	16.01	0.00	26.76
2009	0.25	10.50	0.00	10.50	15.95	0.00	26.70
2010	0.25	10.50	1.00	11.50	16.00	0.00	27.74

Source: Elbert County Tax Digest

Note (1): Tax rates are expressed in rate per $1,000.



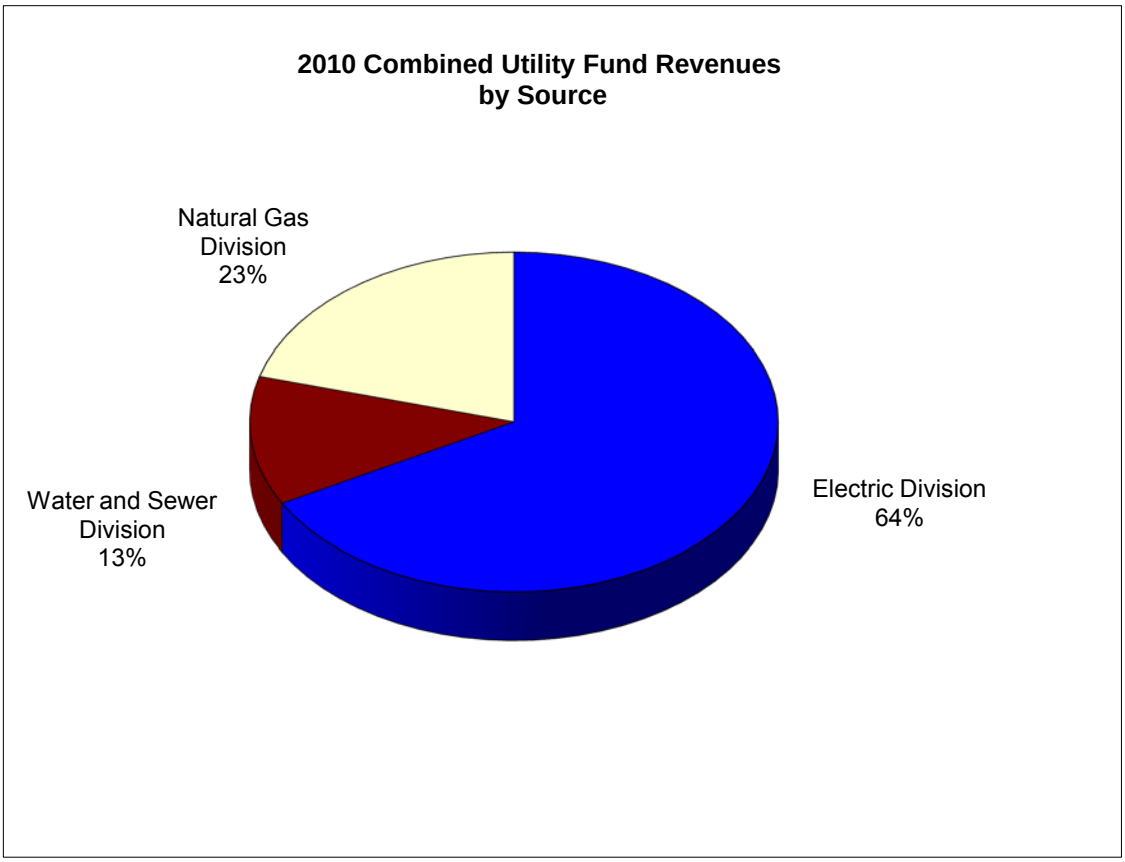
City of Elberton, Georgia

Combined Utility Fund Operating Revenue by Source

Last Ten Fiscal Years

Fiscal Year	Electric Division	Water and Sewer Division	Natural Gas Utility Division	Telecom-munications Division (1)	Total
2001	10,236,301	1,933,208	4,941,653	74,337	17,185,499
2002	10,512,050	2,396,994	3,614,512	419,744	16,943,300
2003	10,851,432	2,311,742	4,646,927	539,471	18,349,572
2004	11,411,614	2,383,173	4,984,242	550,539	19,329,568
2005	11,955,573	2,575,875	5,350,327	538,207	20,419,982
2006	12,913,109	2,655,824	6,236,693	0	21,805,626
2007	13,771,411	2,919,135	5,394,928	0	22,085,474
2008	14,542,456	2,899,814	5,637,193	0	23,079,463
2009	14,469,316	2,885,781	5,288,635	0	22,643,732
2010	15,577,263	2,861,000	4,806,629	0	23,244,892

Note (1): The telecommunications division first began operations in 1999 and did not earn revenues prior to fiscal year 1999. In fiscal year 2006, the telecommunications division was combined with broadband cable services in a separate enterprise fund.



City of Elberton, Georgia

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

Fiscal Year	Governmental Activities: Capital Leases	Business-type Activities: Water & Sewer Bonds	Business-type Activities: Notes Payable	Business-type Activities: Capital Leases	Total Primary Government	Percentage of Personal Income[1]	Per Capita[1]
2001	0	1,045,000	1,650,143	9,348,621 [3]	12,043,764	2.68%	2,565
2002	0	13,000,000 [4]	0	9,046,436	22,046,432	4.89%	4,708
2003	0	12,570,000	0	8,559,123	21,129,123	4.72%	4,518
2004	0	12,125,000	0	7,805,107	19,930,107	4.19%	4,225
2005	117,939 [5]	11,670,000	0	7,012,126	18,800,060	3.80%	3,988
2006	71,821	11,195,000	0	6,203,501	17,470,322	3.40%	3,709
2007	166,916 [6]	10,705,000	0	5,504,241	16,376,151	N/A	3,509
2008	150,078	10,195,000	0	4,781,435	15,126,513	N/A	3,311
2009	104,540	9,665,000	0	3,774,468	13,544,008	N/A	2,979
2010	17,950	9,110,000	0	4,082,771 [2]	13,210,721	N/A	2,841

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Note (1): See the Demographic Statistics on exhibit I-14 for personal income and population information.

Note (2): Capital leases to finance the expansion of the broadband and cable television distribution system.

Note (3): Capital leases to finance construction of a broadband and cable television distribution system.

Note (4): Series 2001 Revenue Bonds were issued for construction and improvements to the water and sewer systems and to pay off existing GEFA notes. These bonds are secured solely by the specified revenue sources of the utilities systems.

Note (5): Capital lease to purchase a new street sweeper for the public works department.

Note (6): Increase to capital leases due to two new leases through Georgia Municipal Association for vehicle purchases.

City of Elberton, Georgia
Computation of Legal Debt Margin
June 30, 2010

Net assessed value	$	116,374,805
Debt limit - 10% of total assessed value		11,637,481
Total General Obligation bonds outstanding		0
Legal debt margin	$	11,637,481
Ratio of Legal Debt Margin to Debt Limit		100.00%

Direct General Obligation and Guaranteed Revenue Debt Outstanding

			Debt per Capita	
General Obligation Debt	$	0	$	0
Guaranteed Revenue Debt:				
Series 2001 Combined Public Utility System Revenue Bonds		9,110,000		1,921
Total General Obligation and Guaranteed Revenue Debt	$	9,110,000	$	1,921

City of Elberton, Georgia

Revenue Bond Coverage

1988 Series Bonds for Water & Sewer Division

2001 Series Bonds for Water & Sewer Division

Combined Public Utility System Fund

Last Ten Fiscal Years

Fiscal Years	Debt Service			Water & Sewer Division			
	Principal	Interest	Total	Gross Revenue	Operating Expense	Net Revenue	Debt Coverage
2001	110,000	84,315	194,315	1,933,208	1,007,882	925,326	4.76
2002	0	429,129	429,129	2,396,994	1,083,228	1,313,766	3.06
2003	430,000	579,362	1,009,362	2,311,742	1,408,120	903,622	0.90
2004	445,000	566,149	1,011,149	2,383,173	1,742,960	640,213	0.63
2005	455,000	552,194	1,007,194	2,575,875	1,966,526	609,349	0.60
2006	475,000	536,839	1,011,839	2,655,824	2,230,100	425,724	0.42
2007	490,000	522,683	1,012,683	2,919,135	2,651,871	267,264	0.26
2008	510,000	504,532	1,014,532	2,899,814	2,300,512	599,302	0.59
2009	530,000	483,680	1,013,680	2,885,781	2,474,822	410,959	0.41
2010	555,000	459,515	1,014,515	2,861,000	2,468,746	392,254	0.39

Combined Public Utility System Fund

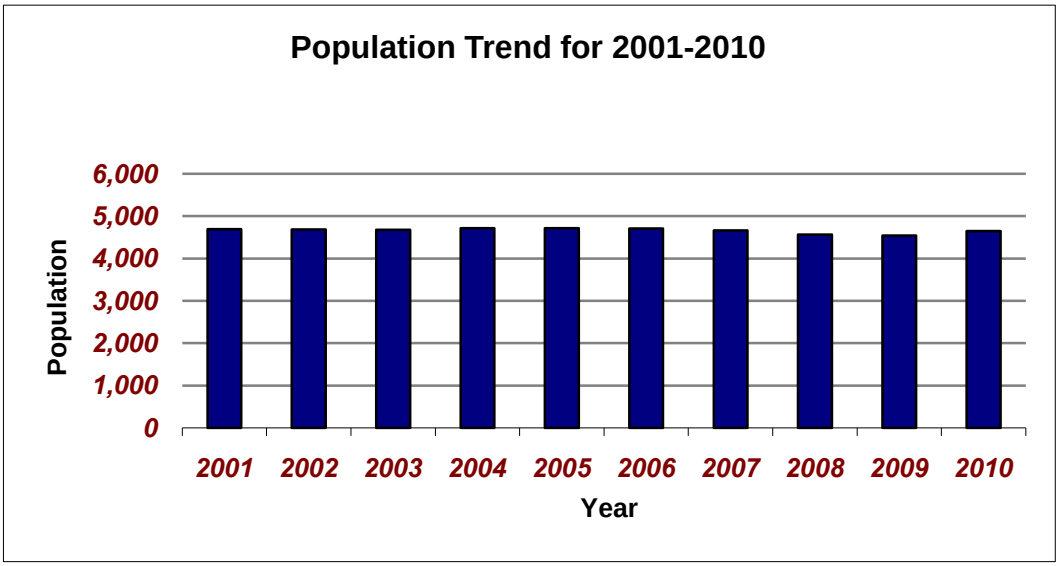
Gross Revenue	Operating Expense	Net Revenue	Debt Coverage
17,185,499	14,070,699	3,114,800	16.03
16,943,300	13,535,348	3,407,952	7.94
18,349,572	15,535,832	2,813,740	2.79
19,329,568	16,157,187	3,172,381	3.14
20,419,982	16,988,617	3,431,365	3.41
21,805,626	18,753,890	3,051,736	3.02
22,085,474	19,389,273	2,696,201	2.66
23,079,463	19,259,740	3,819,723	3.77
22,643,732	18,673,234	3,970,498	3.92
23,244,892	17,542,823	5,702,069	5.62

City of Elberton, Georgia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Unemployment Rate (2)	Median Household Income (3)	Total Personal Income (4) (amounts in thousands)	School Enrollment (5)
2001	4,695	5.5%	28,979	448,837	3,822
2002	4,683	5.6%	29,219	450,456	3,786
2003	4,677	5.7%	29,776	447,660	3,728
2004	4,717	5.2%	30,322	475,558	3,704
2005	4,714	7.0%	30,871	494,464	3,588
2006	4,710	7.1%	32,287	514,561	3,481
2007	4,667	6.5%	N/A	N/A	3,437
2008	4,568	5.8%	N/A	N/A	3,358
2009	4,546	11.7%	N/A	N/A	3,424
2010	4,650	12.4%	N/A	N/A	3,341

(1) U. S. Census Bureau
(2) Georgia Department of Labor, for entire Elbert County
(3) U. S. Census Bureau, for entire Elbert County
(4) U.S. Department of Commerce Bureau of Economic Analysis, for entire Elbert County
(5) Elbert County Board of Education, for entire Elbert County

N/A = information not available



City of Elberton, Georgia

Principal Employers

For the Current Year and Nine Years Ago

	2010			2001		
Employer	Number of Employees (1)	Rank	Percentage of Total for Principal Employers	Number of Employees (2)	Rank	Percentage of Total for Principal Employers
Pilgrims Pride Corp	638	1	42.50%			
Bubba Foods	176	2	11.73%			
Elbert Memorial Hospital	120	3	7.99%			
Star Granite Company	119	4	7.93%			
Keystone Memorials	95	5	6.33%			
Pinnacle Bank	90	6	6.00%	67	7	3.74%
Everlasting Granite Company	71	7	4.73%			
Eagle Granite Company	66	8	4.40%			
Century Granite Company	64	9	4.26%			
Wal-Mart	62	10	4.13%	135	4	7.53%
Conagra				600	1	33.46%
Honeywell				390	2	21.75%
Glen Raven Mills				235	3	13.11%
En-Q Plastics				120	5	6.69%
Ten Cate Nicolon				78	6	4.35%
Turner Concrete				65	8	3.63%
Whilow Electric				62	9	3.46%
Martin Fireproofing				41	10	2.29%
Total for Principal Employers	1,501		100%	1,793		100%

Source:
(1) City of Elberton
(2) Elbert County Chamber of Commerce
Note: Governmental employers are not included in the ranking

City of Elberton

Full-time Equivalent Employees by Function

Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30			
	2010	2009	2008	2007
Function				
Primary government				
General Government	7	8	8	8
Judicial	1	1	1	1
Public Safety				
Animal Control	1	1	1	1
Police	23	22	22	22
Fire	19	19	19	19
Public Works	14	15	16	16
Culture and Recreation	1	1	1	1
Housing and Development	2	2	2	1
Combined Public Utilities	48	48	48	48
ElbertonNET Technology Services	6	7	7	7
Solid Waste	11	11	11	11
Total primary government	133	135	136	135
Component unit				
Downtown Development Authority	1	1	1	1
Total employees	134	136	137	136

Source: City of Elberton Annual Budget

Full-time Equivalent Employees as of June 30					
2006	**2005**	**2004**	**2003**	**2002**	**2001**
13	12	13	12	11	11
1	1	1	1	0	0
1	1	1	1	1	1
22	22	22	27	26	26
19	19	15	19	19	19
15	16	16	16	15	15
0	0	0	0	0	0
2	2	2	1	1	1
44	47	49	47	49	49
4	5	5	5	1	0
11	11	11	11	11	11
132	136	135	140	134	133
1	1	1	1	1	1
133	137	136	141	135	134

City of Elberton, Georgia
Operating Indicators by Function
Last Eight Fiscal Years

Function	FISCAL YEAR 2010	2009
Police		
Number of Citations	2,095	2,203
Number of Calls for Service	4,852	5,218
Fire		
Number of Calls Answered	299	255
Number of Inspections Conducted	316	534
Electrical Service:		
Number of customers	4,508	4,554
Kilowatt hours sold	149,630,117	151,699,419
Water & Sewer Service:		
Number of water customers	3,521	3,553
Gallons of water sold	469,613,481	478,893,842
Natural Gas Service:		
Number of customers	4,069	4,091
Cubic feet sold	428,663,000	397,483,000

Source: Various City Departments
N/A= Information is not available.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
2,510	1,998	2,013	2,462	1,392	1,459
4,125	4,227	4,199	6,522	6,344	3,435
307	280	266	264	281	N/A
407	252	220	121	135	N/A
4,571	4,593	4,616	4,615	4,621	4,667
155,845,065	158,921,697	161,500,250	159,404,230	158,550,136	150,709,415
3,553	3,561	3,510	3,500	3,497	3,504
503,882,368	536,608,535	515,502,430	509,652,612	545,894,000	505,840,375
4,133	4,181	4,239	4,265	4,301	4,313
408,918,410	405,554,000	395,059,000	424,140,000	465,022,000	496,843,000

City of Elberton
Capital Asset Statistics by Function
Last Eight Fiscal Years

	FISCAL YEAR	
	2010	2009
Function		
Public safety		
Number of police stations	1	1
Number of fire stations	1	1
Highways and streets		
Miles of streets	35	35
Culture and Recreation		
Parks	4	4
Park acreage	29.42	29.42
Baseball/Softball fields	4	4
Tennis courts	6	6
Community Playgrounds	3	3
Electrical System		
# of Substations	3	3
# of Circuits	12	12
Miles of Distribution Line	163	163
Water and Sewerage System		
(MGD - Millions of Gallons per Day)		
Water System:		
Miles of water mains	107	107
Number of water treatment plants	1	1
Maximum daily capacity of treatment plants in gallons	3MGD	3MGD
Sewer System:		
Miles of sanitary sewers	62	62
Number of wastewater treatment plants	2	2
Maximum daily capacity of treatment plant in gallons	1.5MGD	1.5MGD
Natural Gas System		
Number of regulator stations	7	7
Miles of natural gas lines	182	181
Broadband System		
Miles of fiber optics	95	70
Miles of coaxial cable	151	106
Number of active nodes	21	15

Source: Various City Departments.

Note 1: No capital asset indicators are available for the general government function.

Note 2: Comparative information prior to fiscal year 2003 is not available.

FISCAL YEAR					
2008	2007	2006	2005	2004	2003
1	1	1	1	1	1
1	1	1	1	1	1
35	35	35	35	35	35
4	4	4	4	4	4
29.42	29.42	29.42	29.42	29.42	29.42
4	4	4	4	4	4
6	6	6	6	6	6
3	3	2	2	2	2
3	3	3	3	3	3
11	11	11	11	11	11
162	162	162	162	162	162
107	107	104	104	103	103
1	1	1	1	1	1
3MGD	3MGD	3MGD	3MGD	3MGD	3MGD
62	62	62	62	62	62
2	2	2	2	2	2
1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD	1.5MGD
7	7	7	7	7	7
181	181	169	169	169	169
65	65	65	65	65	65
96	92	92	92	92	92
14	14	14	14	14	14

City of Elberton, Georgia

Property Value - Construction

Last Ten Fiscal Years

Fiscal Year	Number of Permits	Estimated Construction Costs
2001	223	11,610,242
2002	206	10,020,920
2003	209	1,413,072
2004	250	1,911,519
2005	305	4,430,762
2006	210	2,802,569
2007	289	3,973,644
2008	411	3,077,483
2009	450	3,398,222
2010	197	7,445,351

Source: City of Elberton Building Inspection Office

City of Elberton, Georgia
Miscellaneous Statistics
June 30, 2010

Date of incorporation	December 10, 1803
Form of government	Mayor--Council--Manager
Population (Census 2000)	4,743
Area	3.5 square miles
Fire protection:	
Number of certified firefighters	20
Police protection:	
Number of sworn police officers	21
Education:	
Elementary schools (PreK - 5)	2
Number of teachers	71
Number of students	725
Middle schools (6 - 8)	1
Number of teachers	66
Number of students	728
High schools (9 - 12)	1
Number of teachers	75
Number of students	913
Schools of post-secondary education	1
Recreation and Culture:	
Libraries	1
Recreation centers	4
Municipal cemeteries	2
Total acreage	24.10
Number of employees:	
Full-time	132
Part-time	14

Source: Various city departments and local institutions

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Part IV

Other Reporting Section

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Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and
Members of the City Council
City of Elberton, Georgia

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Elberton, Georgia, as of and for the year ended June 30, 2010, which collectively comprise the City of Elberton, Georgia's the basic financial statements and have issued our report thereon dated November 4, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

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

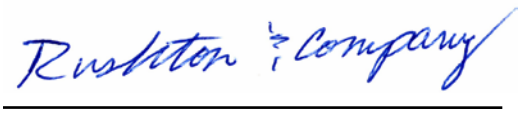
Compliance and Other Matters

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

We noted certain matters involving the internal control over financial reporting that we have reported to management of the City of Elberton, Georgia in a separate letter dated November 4, 2010.

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This report is intended solely for the information and use of the City Council, management, others within the organization, State of Georgia Departments of Audits and Accounts, and Community Affairs, and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountants

Gainesville, Georgia
November 4, 2010

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CITY OF ELBERTON, GEORGIA
SCHEDULE OF PROJECTS FINANCED WITH SPECIAL PURPOSE LOCAL OPTION SALES TAX
For the fiscal year ended June 30, 2010

Project	Estimated Cost *		Expenditures		
	Original	Current	Prior Years	Current Year	Total
2006 SPLOST					
Infrastructure Improvements	$ 830,000	$ 830,000	$ 470,322	$ 30,775	$ 501,097
Elbert Theatre Improvements	145,000	145,000	272,122	0	272,122
Public Safety Building Improvements and Equipment	525,000	525,000	688,566	89,652	778,218
Water and Sewer Distribution System Improvements	1,400,000	1,400,000	546,800	380,919	927,719
Total	$ 2,900,000	$ 2,900,000	$ 1,977,810	$ 501,346	$ 2,479,156

* Estimated cost represents the portion of these projects to be financed with Special Purpose Option Sales Tax. Actual costs that are in excess of these amounts have been financed through alternative funds.

Current year SPLOST Expenditures	$ 501,346
Principal payments for assets under capital lease (expenditure previously reported in year of acquisition)	77,133
Total expenditures and transfers out of the 2006 SPLOST Capital Projects Fund	$ 578,479

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