CITY OF LAFAYETTE, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For The

Fiscal Year Ended September 30, 2012

Franklin T. Etheridge

City Manager

By Authority Of

Mayor and Council

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INTRODUCTORY SECTION

CITY OF LAFAYETTE
SOUTH DUKE STREET
P.O. BOX 89
LAFAYETTE, GEORGIA 30728

March 8, 2013

To the Honorable Mayor, Members of the City Council
And Citizens of the City of LaFayette

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of LaFayette, Georgia, for the fiscal year ended September 30, 2012. 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 are 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 activities of the City. Disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

State law requires local governments to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) as promulgated by the GASB. This report is presented in three sections and includes the following information.

Introductory section – Includes this letter of transmittal with comments on the operations of the City, the City's organizational chart, a list of principal elected and appointed officials, and the Government Finance Officers Association of the United States (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the City's 2011 report.

Financial section – Includes management's discussion and analysis, government-wide financial statements, fund financial statements, notes to basic financial statements, and required supplementary information, as well as the report of independent public accounts on the financial statements and schedules. The City also includes an additional supplemental section that includes the combining fund financial statements for nonmajor funds, but it is not a required section of the report.

Statistical section – Includes selected financial and demographic information, generally presented on a multi-year basis, and various continuing disclosure information.

The new reporting model issued by the GASB requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

LaFayette, the county seat of Walker County, was incorporated on September 30, 1835. The City is located approximately 35 miles south of Chattanooga, Tennessee and has an incorporated area of approximately seven square miles.

The City is governed by a Mayor and a City Council comprised of five members. The Mayor is elected citywide every four years for a four-year term. Council members are elected from each of the five wards of the City for a four-year term. The City Manager is appointed by the Mayor and Council.

The Reporting Entity

The accompanying CAFR includes all governmental activities, organizations, and functions for which the City is financially accountable.

The City provides a full range of municipal government and utility services. Included in these services are traditional city functions such as police and fire protection, highway and street maintenance, culture and recreation, public improvements, planning and zoning, and general administrative services. In addition to general government activities, the City has several enterprise operations including electric, gas, solid waste, water and sewer, golf and a municipal airport.

A related organization not included as part of the reporting entity is the LaFayette Housing Authority, which provides low-income housing to eligible City residents. The reason for not including this entity is that the City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the organization.

Economic conditions and outlook

LaFayette remains in good financial condition, as is demonstrated by the financial statements and schedules included in this report. The assessed value of all taxable property (2011 digest) decreased by 1.5% over the 2010 valuation. The business environment outlook for LaFayette continues to be favorable despite the economic downturn experienced by other regions of the country. The City's broadly diversified economic base supports several nationally known companies, including GE, Shaw and Syntec, as well as other smaller commercial and industrial companies. Some of the reasons that these enterprises chose LaFayette as a local or regional business center include: the City's strategic Southeast location, convenience to local and national highways, rail and air transportation, city owned utilities at low rates, abundant labor, educational and cultural resources, and overall quality of life.

As the Council was considering the fiscal year 2012 adopted budget, the City was still feeling the effects of the local and national slowdown in the economy. Department Heads were instructed to take a very conservative approach toward revenue and expenditure projections, but also to look at ways to make their department (and the City) safer and more secure. During the year, the budget was amended mostly to adjust for additional revenue and expenditures. The expected growth within the community should help to increase revenue so as to prevent the requirements to obtain additional funding through loans in the foreseeable future. As part of the City's long-term financial planning efforts, and also to take advantage of currently lower interest rates and to allow for additions and improvements of capital projects even in a downturning economy, the City issued bonds in October, 2008. While this budget has been one of the most challenging to manage in many years, all city employees helped by continuing to provide quality services and to meet the needs of our citizens.

FINANCIAL INFORMATION

Accounting Systems and Budgetary Control

In developing and evaluating the City's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization and the procedures and records that are concerned with the safeguarding of assets and the reliability of financial records and consequently are designed to provide reasonable assurance that:

Transactions are executed in accordance with management's general or specific authorization.

Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability for assets.

Access to assets is permitted only in accordance with management's authorization.

The recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

The City's internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. Reasonable assurance recognizes that the cost of a control should not exceed the expected benefit.

We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The official level of City budget control (the level on which expenditures may not legally exceed appropriations) for each legally adopted annual operating budget is the activity (department) level. The City Manager and all department heads are provided with monthly budget reports showing appropriations, expenditures to date, remaining balances and percentages. The City's budget procedures are more fully explained in the accompanying Notes to the Financial Statements.

Local Economy

Major industries located within the government's boundaries include a home appliance manufacturer, and several industrial component manufacturers supplying the automotive and textile industries. All have been ongoing business concerns for at least the last ten years, and their economic viability is expected to continue, in spite of the national economic downturn, which has had a fairly substantial impact on the local economy, mainly in the form of layoffs and reduced production shifts. None of the aforementioned industries currently anticipates total business closure.

The previous ten years' trend data indicates that an economic upswing at the national level would also have an effect at the local level, allowing these industries to return to production and employment levels previously enjoyed.

Relevant Financial Policies

It is the City of LaFayette's policy that "onetime" resource inflows not be used for operating purposes. Accordingly, grants, outside contributions, or court judgements which might financially benefit the City would be designated for capital acquisition or construction endeavors.

Major Initiatives

With the voters' approval of a proposed special purpose local option sales tax (SPLOST) referendum, City management decided to issue general obligation bonds equal to the City's share of the expected revenue from the one cent SPLOST tax over its five-year life. This bond issue allows the City to expedite completion of various projects and equipment acquisitions to better, and in a more timely fashion, serve the citizenry. The bonds will be repaid over five years with future SPLOST proceeds.

OTHER INFORMATION

Independent Audit

The City Charter requires an annual audit by independent certified public accountants. The accounting firm of Williamson & Company was selected by the City Council. Generally accepted auditing standards and the standards set forth in the General Accounting Office's *Government Auditing Standards* were used by the auditors in conducting the engagement. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report. The auditor's report on internal controls and compliance with applicable laws and regulations can be found in the last section of this report.

Awards

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaFayette for its comprehensive annual financial report for

the year ended September 30, 2011. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgments

We wish to take this opportunity to thank the Mayor and Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner. The preparation of this report could not be accomplished without the efficient and dedicated service of the entire staff of the City Clerk's office. We would like to express our appreciation to all members of the staff who assisted and contributed to its preparation.

Respectfully submitted,

Franklin T. Etheridge
City Manager

Brenda Snyder
City Clerk

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of LaFayette
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
September 30, 2011

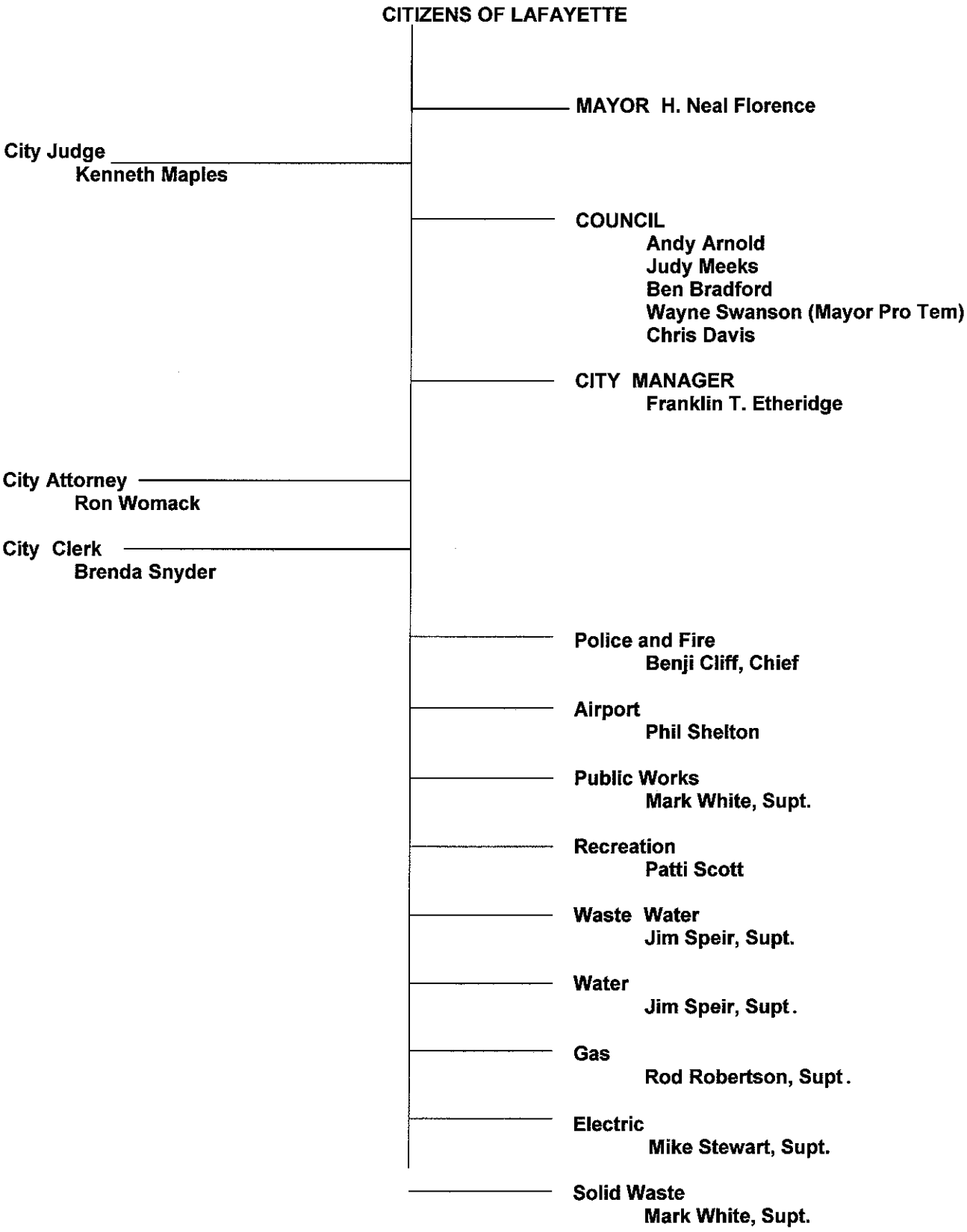
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



Christopher P Morrill
President

Jeffrey L. Esser
Executive Director

CITY OF LAFAYETTE, GEORGIA
ORGANIZATIONAL CHART AND
LIST OF ELECTED AND APPOINTED OFFICIALS
SEPTEMBER 30, 2012



FINANCIAL SECTION

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WILLIAMSON & CO., CPA's
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

LLOYD WILLIAMSON
CHRISTIAN·HATCH

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Council
City of LaFayette
LaFayette, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of LaFayette, Georgia, as of and for the year ended September 30, 2012, 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 LaFayette, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material aspects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of LaFayette, Georgia as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for 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 March 8, 2013, on our consideration of City of LaFayette, Georgia's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contract 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 results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis on pages 13 through 24 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaFayette's basic financial statements. The combining and individual fund statements and schedules, as well as the schedule of projects constructed with special local option sales tax proceeds, as required by the Georgia code section OCGA 48-8-121, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of LaFayette, Georgia. The information in these combining and individual fund statements and schedules has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying information in the introductory section and the statistical tables has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Williamson & Company

Williamson & Company
Certified Public Accountants
March 8, 2013

Management's Discussion and Analysis

This section of the City Lafayette's annual financial report is designed to provide the reader a better understanding of the City's financial activity for the fiscal year that ended September 30, 2012. It should be read in conjunction with the Transmittal Letter at the front of this report and the City's financial statements, which follow this section. Notes mentioned below are Notes to the Financial Statements, which follow the statements.

Financial Highlights

- The City's total assets exceed liabilities by $29,538,714 at the end of the year. This amount includes $26,121,929 invested in capital assets net of accumulated depreciation and related debt, restricted net assets of $1,712,853 and unrestricted net assets of $1,703,932. Significant portions of restricted net assets include amounts for debt service and construction.

- The City's total net assets decreased by $1,212,134, or 4.10% to $29,538,714. The net assets for governmental activities increased by $690,106 or 13.47% and business-type net assets decreased by $1,902,238 or -7.79%.

- The City's revenues for governmental activities were $4,129,545, excluding transfers and bonds issued. Expenses, excluding transfers, were $5,638,861.

- The City's business-type activities, excluding transfers, had revenues of $14,991,615, while expenses, excluding transfers, were $14,694,431.

- The General Fund, which is the City's primary operating fund, reported an increase in fund balance of $27,417 in fiscal year 2012.

- The City's governmental activities long-term debt balance (Note 8) had a net decrease of $538,733. This change represents the payment of outstanding revenue bond principal of $560,000. This change also reflects a compensated absences decrease of $17,868, while capital lease transactions increased $39,135. The balance on the outstanding debt for business-type activities had a net increase of $1,119,594. This change represents issuance of additional notes payable of $630,228, issuance of capital leases payable of $535,769, payoff of notes payable principle of $228,992, and payoff of capital leases payable principle of $28,922. This change also reflects an additional compensated absences decrease of $2,882.

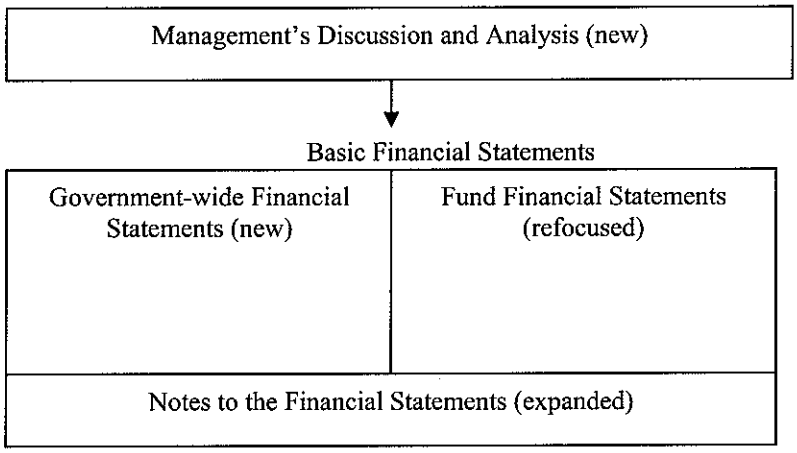
- Total cash (Note 3) at September 30, 2012 was $1,722,859.

- The capital assets (Note 6), net of accumulated depreciation, of the City at the end of the 2012 fiscal year totaled $36,437,800. This includes net capital assets for governmental activities of $7,045,787 and business-type activities of $29,392,013.

An Overview of the Financial Statements

In light of the fact that this is a different presentation from the pre-GASB Statement 34 model, the following graph is provided to assist in understanding the component parts.

Required Components of the City's Annual Financial Report



The focus of the financial statements is on both the City's overall financial status and the major individual funds. The following briefly describes the component parts.

GOVERNMENT-WIDE STATEMENTS

The government-wide financial statements are designed to report information about the City as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Assets combines all of the City's current financial resources with capital assets and long-term obligations. Net assets, the difference between the City's assets and liabilities, are one way to measure the City's financial health.

The government-wide financial statements of the City are divided into three categories:

- **Governmental activities** – These include the basic services provided by the City including police, fire, parks and recreation, public works and general administration.

- **Business-type activities** – These include services for which the City charges specific fees which are meant to cover the cost of providing the services. These include electric, gas, water and sewer services, solid waste collection, municipal airport and golf.

Governmental activities and business-type activities are consolidated and add to the total for the primary government.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's major funds rather than the City as a whole. 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 has two types of funds as described in the chart below.

Fund Financial Statements

	Governmental Funds	**Proprietary Funds**	**Fiduciary Funds**
Scope	Includes the City's basic services such as police, fire, traffic control, cultural activities, and parks	Services provided by the City that are operated similar to private businesses and for which the City charges a fee	Funds for which the City is the trustee or agent for someone else's resources
Examples	Police, fire, street and sidewalks, parks, and recreational activities	Electric, Gas, Water and Sewer and Solid Waste	City's revolving loan fund
Required financial statements	- Balance Sheet - Statement of revenues, expenditures, and changes in fund balances	- Statement of net assets - Statement of revenues, expenses, and changes in net assets - Statement of cash flows	- Statement of fiduciary net assets - Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short and long-term	All assets and liabilities, both short and long-term; capital assets, if any, are included
Type of inflow / outflow information	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The following table reflects the condensed Statement of Net Assets for the current year. The City's net assets decreased by $1,212,134, or -4.10% in fiscal year 2012. The net assets of the governmental activities include $5,073,558 investment in capital assets. Capital assets of $7,045,787 include land, buildings, park improvements, equipment and current year infrastructure additions. Related debt includes revenue bonds of $1,810,000.

The net assets of the business-type activities include $21,048,371 investment in capital assets. Capital assets of $29,392,013 include land, utility system, building, other improvements, equipment, airport and golf course. Related debt includes notes of $8,185,641.

For more detailed information, see the Statement of Net Assets on page 27 of the financial statements and the notes to the financial statements.

Table 1
Statement of Net Assets
As of September 30
(in thousands)

	Governmental Activities		Business-type Activities		Total		Total % Change
	2012	2011	2012	2011	2012	2011	2012-11
ASSETS							
Current and other assets	$ 1,245	$ 1,207	$ 4,312	$ 5,471	$ 5,557	$ 6,678	-16.79%
Capital assets	7,046	7,015	29,392	28,937	36,438	35,952	1.35%
Total Assets	8,291	8,222	33,704	34,408	41,995	42,630	-1.49%
LIABILITIES							
Current and other liabilities	1,195	1,195	984	906	2,179	2,101	3.71%
Long-term debt outstanding	1,972	2,511	8,314	7,126	10,286	9,637	6.73%
Total Liabilities	3,167	3,706	9,298	8,032	12,465	11,738	6.19%
NET ASSETS							
Invested in capital assets, net of related debt	5,073	5,452	21,048	21,958	26,121	27,410	-4.70%
Restricted	1,677	1,741	36	-	1,713	1,741	-1.61%
Unrestricted	(1,627)	(2,677)	3,322	4,419	1,695	1,742	-2.70%
Total Net Assets	$ 5,123	$ 4,516	$ 24,406	$ 26,377	$ 29,529	$ 30,893	-4.42%

CHANGES IN NET ASSETS

The City's total revenues before transfers were $19,121,160 in the 2012 fiscal year. Expenses before transfers were $20,333,292 during that same period. Governmental and business-type activities combined provided a $1,212,132 decrease in net assets.

Governmental activities revenues were $4,129,545 and included $1,206,706 charges for services, $358,122 grant revenues, $437,343 property taxes and $1,144,916 sales taxes. The largest governmental activities expenses were for public safety of $2,266,458 (police, fire and animal control), public works of $963,898, general government of $1,080,027 and recreation of $881,464. Expenses include depreciation expense as explained in the notes to the financial statements (Note 6).

Business-type activity revenues were $14,991,615 and included $14,590,752 charges for services, $338,842 intergovernmental revenues, and $5,388 interest. The largest business-type activity expenses were for purchases of energy for resale to customers, electricity for $6,613,632 and gas for $1,104,017.

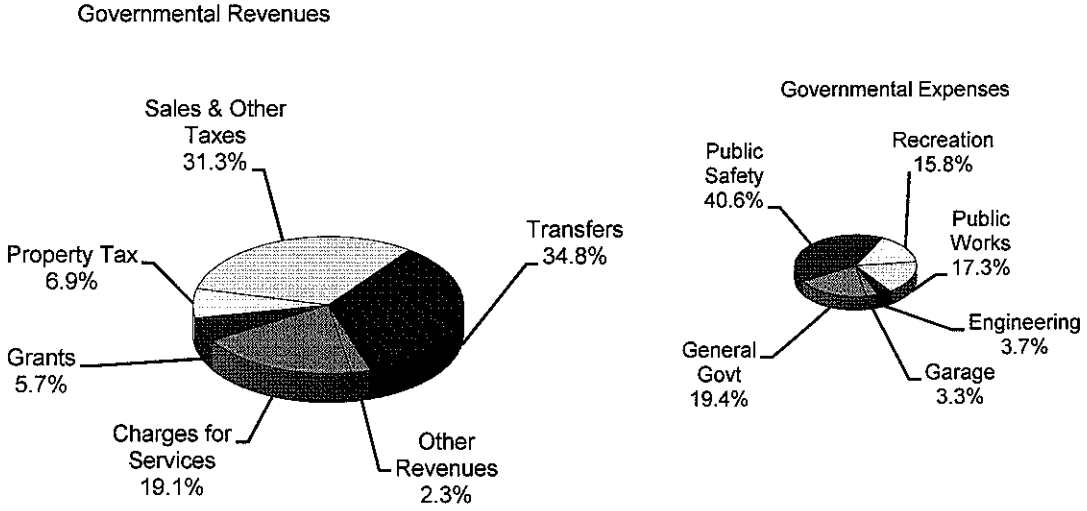
Table 2
Changes in Net Assets
(in thousands)

	Governmental Activities		Business-type Activities		Total		Total % Change
	2012	2011	2012	2011	2012	2011	
REVENUES							
Program Revenues							
Charges for services	$ 1,207	$ 1,314	$ 14,591	$ 15,121	$ 15,798	$ 16,435	-3.9%
Operating grants and contributions	94	68	-	-	94	68	38.2%
Capital grants and contributions	264	276	339	356	603	632	-4.6%
General revenues							
Property taxes	437	473	-	-	437	473	-7.6%
Local option sales tax	1,145	1,149	-	-	1,145	1,149	-0.3%
Other taxes	837	868	-	-	837	868	-3.6%
Investment income	4	6	5	10	9	16	-43.8%
Other general revenues	142	36	57	1	199	37	437.8%
Total Revenues	4,130	4,190	14,992	15,488	19,122	19,678	-2.8%
EXPENSES							
General	1,080	1,079	-	-	1,080	1,079	0.1%
Police	1,799	1,904	-	-	1,799	1,904	-5.5%
Fire	425	428	-	-	425	428	-0.7%
Public Works	964	1,123	-	-	964	1,123	-14.2%
Engineering	205	211	-	-	205	211	-2.8%
Recreation	882	872	-	-	882	872	1.1%
Garage	181	222	-	-	181	222	-18.5%
Animal Control	42	46	-	-	42	46	-8.7%
Interest on long-term debt	61	104	-	-	61	104	-41.3%
Electric	-	-	7,824	6,788	7,824	6,788	15.3%
Gas	-	-	1,782	2,251	1,782	2,251	-20.8%
Water/Sewer	-	-	3,350	3,272	3,350	3,272	2.4%
Solid Waste	-	-	622	568	622	568	9.5%
Golf	-	-	775	805	775	805	-3.7%
Airport	-	-	342	375	342	375	-8.8%
Total Expenses	5,639	5,989	14,695	14,059	20,334	20,048	1.4%
Excess (Deficiency) before transfers	(1,509)	(1,799)	297	1,429	(1,212)	(370)	227.6%
Transfers	2,199	1,691	(2,199)	(1,691)	-	-	0.0%
Increase (Decrease) in Net Assets	$ 690	$ (108)	$ (1,902)	$ (262)	$ (1,212)	$ (370)	227.6%

GOVERNMENTAL ACTIVITIES

See pages 28-29 of the financial statements for the net cost (total cost less revenues generated by the activities) of these programs or functions. The following charts show the source of the City's governmental revenues and expenditures.

Table 3 – Governmental Activities
Fiscal Year 2012



Revenue Impacts:

- Property taxes of $437,343 provided 6.9% of governmental revenues for general operations. The millage rate was set at 2.99 in the current year. Changed property assessments produced the difference in revenue.

- Revenues from local option sales taxes were $1,144,916. This represents an overall decrease of .38% from the prior year. This revenue category was statistically unchanged from the prior year.

- The transfers from proprietary funds were $2,199,422, which was $508,272 or a 23.11% increase from the prior year. Even with budgetary reductions in place, increased transfer payments among funds were necessary to help support general fund operations.

- Charges for services include amounts charged for providing utility billing and collection services to the enterprise funds of $720,000. Municipal court fines were $88,948. While the administrative amounts charged to the enterprise funds were unchanged from the prior year, illegal drug activity-related property and cash forfeitures awarded to the City as a result of court action were down for the current period.

Expense Impacts

- General Government expenditures increased by $856 or .08% compared to the prior year. This small increase was due to the efforts by the general government staff trying to stay within budget and delaying some maintenance and repair projects.

- Police, fire and animal control expenditures decreased by $111,557 or 4.92% from the prior year. This decrease represents an intense effort to control payroll and fringe benefits with the attrition of employees (to include the Chief of Public Safety) along with efforts to maintain property to delay equipment purchases.

- Public Works expenditures decreased by $158,707 or 16.47% compared to the prior year. This amount represents a decrease in employee costs (senior and long term employee departures), delayed equipment replacements, and delayed paving and sidewalk maintenance projects.

- Culture and Recreation expenditures increased by $9,209 or 1.04%. This slight increase was due to required repairs at the public swimming pool and continued efforts to upgrade the new Lowell Greene Softball/Baseball complex area.

BUSINESS-TYPE ACTIVITIES

Table 4
Business-type Activities
(in thousands)

	Operating Revenues		Operating Expenses		Operating Income	
	2012	2011	2012	2011	2012	2011
Electric	$ 7,303	$ 7,454	$ 7,823	$ 6,788	$ (520)	$ 666
Gas	2,277	2,727	1,782	2,251	495	476
Water/Sewer	3,739	3,754	3,166	3,175	573	579
Solid Waste	566	491	616	568	(50)	(77)
Golf	580	573	775	805	(195)	(232)
Airport	126	122	342	375	(216)	(253)
Total	$ 14,591	$ 15,121	$ 14,504	$ 13,962	$ 87	$ 1,159

Operating revenues for business-type activities for the fiscal year 2012 were $14,590,752, a $529,964 decrease compared to the prior year. Operating expenses were $14,504,092 in 2012, $542,640 more than the prior year. The operating income was $86,660 in 2012 compared to $1,159,264 in 2011. Activities for individual funds are summarized below.

- Electric program revenues decreased by $151,565 from the prior year in addition to expenses increasing by $1,035,740. The program revenue decrease is attributable to the production slowdown of several industries along with the misapplication of updated electric rates adopted in May; while the increased expenses are attributable to an increased wholesale cost of electricity and increased line maintenance.

- Gas program revenues decreased by $449,049 and expenses decreased by $468,847. The decreases in both revenue and expenses were due to leveling natural gas prices and the completion of the in-house line extension projects. Additionally, no new personnel were added to the department.

- Water & Sewer program revenues decreased by $15,035, while expenses decreased by $9,037 from the prior year. The small decrease in revenues is due to the continued focused efforts to reduce the outstanding/past due utility bills along with some seasonal shut downs for maintenance by some of the large industries. The slight decrease in expenses is an effort by the Department to remain within the budget and acknowledge the tight budget.

- Solid Waste program revenues increased $74,653 from the prior year and expenses increased $38,237. The slight increase in revenue is due to a greater emphasis on reducing outstanding utility bills. The expense increased due to payments on a 2012 Sanitation sidearm truck.

- Golf revenues increased by $7,519 over the prior year, largely from hosting more tournaments during the year. Expenses were down by $30,146 for fuel costs, course maintenance (fertilizer, sprinkler system), improved inventory oversight.

- Airport revenues increased by $3,512 largely due to additional fuel and oil sales. Expenses decreased by $33,341 from the prior year. This decrease is due largely to the department's efforts to work within a tight budget and not having maintenance costs during the design and construction for a new terminal.

The City's Funds
Table 5
Financial Analysis of the City's Funds

Fund	Fund Balances 09-30-11	Revenues/ Sources	Expenditures / Uses	Revenues/Sources Over (Under) Expenditures/Uses	Fund Balances 09-30-12
General Fund	$ (475,077)	$ 5,590,524	$ 5,563,107	$ 27,417	$ (447,660)
Capital Projects Fund	668,948	653,391	665,464	(12,073)	656,875
Total City Funds	$ 193,871	$ 6,243,915	$ 6,228,571	$ 15,344	$ 209,215

At September 30, 2012, the City's governmental funds reported a combined fund balance of $186,204 (see Statement on page 30), which is $68,584 less than the previous year-end. The unreserved portion of fund balance was $(617,691). The unreserved fund balance may serve as a useful indicator of the City's ability to operate without external financing. The reserved portion represents amounts reserved for debt service payments related to the issuance of revenue bonds to finance capital projects construction.

General Fund
The General Fund had a $27,417 increase in fund balance, to end the fiscal year at $(447,660). More detailed information for the general fund is presented on page 31.

Operating revenues and other financing sources increased $545,755. This increase was related to transfer of funds from the City's cash assets with the Municipal Electrical Authority of Georgia (MEAG). decrease is attributable to lower sales tax collections as well as lower and slower property tax 's collections due to the continued economic down turn.

Overall expenditures and other uses decreased $153,047. Transfers out increased $345,000.

Capital Projects Fund
The capital projects fund accounts for the proceeds from special purpose local option sales tax that are used to construct various improvements which benefit City residents. In June 2008, voters approved continuation of the one-percent special purpose local option sales tax. The period during which this tax is collected began October 2008 and ends September 2014. Capital outlay expenditures are to be primarily for street and road improvements, recreation, water and sewer improvements, solid waste and street equipment. The major sources of revenue were:

- Sales tax $651,716
- Interest earned $1,675

The revenue bond issue will be repaid with special purpose local option sales tax proceeds over the approved period of the tax. The bond issue allows the City to proceed at an accelerated pace with acquisition/improvements of equipment and infrastructure to better serve its citizens.

The fund balance is reserved for completion of SPLOST projects as identified in the Schedule of Special Purpose Local Option Sales Tax on page 90.

GENERAL FUND BUDGETARY HIGHLIGHTS

A statement comparing the original and final budgets and the variance from the final budget to the actual results is included on page 33 of the financial statements.

In September 2011, the City Council appropriated $5,362,750 for general fund expenditures in the 2012 fiscal year budget.

Primary reasons for the differences between the final budget and actual results in the General Fund include:
Revenues:

- No additional revenues were identified through the year

Expenditures:

- Increase in public works expenditures to include the streetscape project and purchasing of deferred equipment (sanitation truck, backhoe, etc.)
- Increase in expenditures for health care, worker's compensation, and capital outlays for general government and public works.
- Increase in general fund transfers to support the overall health care costs

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2012, amounted to $36,437,800 (net of accumulated depreciation). Investment in capital assets includes land, buildings, infrastructure, improvements, and machinery and equipment. The total increase in the City's investment in capital assets for the current fiscal year was 1.33%. For more detailed information concerning capital assets see the notes to the financial statements.

Table 6
Capital Assets
(net of depreciation)

	Governmental Activities	Business-type Activities	Total
Land and Improvements	$ 3,313,429	$ 2,280,059	$ 5,593,488
Construction in progress	-	6,545,213	6,545,213
Buildings and structures	576,178	2,996,727	3,572,905
Park improvements	1,297,226	-	1,297,226
Infrastructure	1,217,327	174,845	1,392,172
Utility systems	-	16,122,954	16,122,954
Improvements other than buildings	-	-	-
Furniture, machinery and equipment	641,627	1,272,215	1,913,842
Total	$ 7,045,787	$ 29,392,013	$ 36,437,800

This year's major capital asset additions included:

Governmental Activities:

- Administration - Equipment - $24,363
- Police - Equipment - $62,579
- Public Works - Equipment - $104,362

- Public Works – Infrastructure - $276,628
- Recreation - $112,614

Business-type Activities:

- Water and Sewer Fund Equipment - $2,060
- Water and Sewer Fund Improvements - $6,165,113
- Electric Fund Improvements - $116,700
- Gas Fund Improvements - $230,997
- Airport Fund Improvements - $366,627
- Solid Waste Fund Equipment - $216,851
- Golf Fund Equipment - $233,968

LONG-TERM DEBT

At the end of the 2012 fiscal year, the City had $10,034,776 in outstanding debt. This is a net increase of $927,773 compared to the prior year. More detailed information about the City's long-term liabilities is included in the notes to the financial statements.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of the total tax digest. The current debt limitation for the City is $13,150,025 and the City has no outstanding general obligation debt.

Table 7
Outstanding Debt at September 30, 2012

	Governmental Activities	Business-type Activities
Revenue Bonds	$ 1,810,000	$ -
Capital Leases	$ 39,135	$ 721,240
Notes Payable	-	7,380,498
Total	$ 1,849,135	$ 8,101,738

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The overall decline in the economy, as well as high energy costs have negatively impacted the City. In addition the decline in the economy was worsened by the mortgage crisis which caused a decline in property values with a net loss in tax revenues that continues to affect the budget. While the sluggish economy has improved slightly over the last year it continues to have a negative impact on the City's business – type activities . With unemployment still above 8.0 %, there are many who can still not afford to pay their utility bills in a timely manner .

Funding for the City's governmental activities comes from Property Taxes, Local Option Sales Tax, other taxes and fees such as Franchise Taxes, Occupational Taxes, permit fees, grants and transfers from the Enterprise Funds. During the 2012 Budget process, the City considered projections on the state and local economy to estimate tax revenues for the proposed budget.

Revenues for the business-type activities and certain governmental activities come from user fees and/or service charges. A significant portion of the revenues generated by the cities utility systems come from industrial customers. These revenues continue to be affected by the down turn in the economy. Also unusual weather patterns can affect utility consumption, such as the high energy prices, and a warmer than normal winter.

The City continued to work on the new softball complex. A Streetscape Project funded by a TE Grant of $250,000 is nearing completion. The local match came from SPLOST Funds and the general fund. The improvements to side walks, landscaping and other beautification projects should help the Downtown Business District.

The City has attained the designation of a "Main Street" City and continues to maintain certification from the National Trust for Historic Preservation. The Main Street Program along with the Downtown Development Authority continuing to work in conjunction with the TE Grant will improve the Downtown Business District.

The City continued to resurface its own streets under the Georgia Department of Transportation LMIG Program. The Georgia Department of Transportation furnishes the asphalt; however, the city will switch from using city employees and equipment to perform the work to contracting out the work due to a lack of adequate equipment to fully perform the work.

The City's General Fund Operating Budget totals $5,600,450 for the 2013 year. Personnel costs, including salaries and benefits, amount to $3,944157 or 70.4% of the operating budget. The City employs 70 full time employees in the general government (an additional 60 are employed in the enterprise activities).

In the Fiscal Year 2013 Budget, the General Fund Revenues are budgeted to increase by $151,550 or 2.7% over the previous year. Transfers to the General Fund are budgeted to decrease by $3,500 or 0.2% from the 2012 Budget. General property taxes make up 7.1% of the General Fund Budgeted Revenues continue to decrease. Sales tax receipts, which represent 11.2% of the budgeted revenues, are projected to increase slightly as the economy slowly increases. The 2013 Millage Rate for property taxes is 2.99 mills which is the same as the 2012 millage.

Financial Contact

This financial report is designed to provide the citizens, taxpayers, customers and creditors of the City with a general overview of the City of LaFayette finances and demonstrate the City's accountability for the money it receives. If you have questions about the report or need additional financial information, contact the City of LaFayette at P.O. Box 89, LaFayette, Georgia 30728.

BASIC FINANCIAL STATEMENTS

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash	$ 415,487	$ 75,462	$ 490,949
Receivables - net	187,763	2,154,149	2,341,912
Prepaids	14,643	-	14,643
Internal balances	-	-	-
Notes Receivable	-	-	-
Inventory	19,767	826,333	846,100
Restricted assets:			
Restricted cash	501,300	1,256,265	1,757,565
Capital assets:			
Land and construction in progress	3,336,429	8,818,702	12,155,131
Other capital assets - net	3,709,358	20,573,311	24,282,669
Total capital assets	7,045,787	29,392,013	36,437,800
Unamortized bond issue costs	105,807	-	105,807
Total assets	8,290,554	33,704,222	41,994,776
LIABILITIES			
Cash overdraft	455,778	-	455,778
Internal balances	525,438	(525,438)	-
Accounts payable	92,570	883,549	976,119
Accrued wages payable and withholdings	61,064	-	61,064
Customer deposits	-	589,641	589,641
Accrued Interest payable	60,344	36,081	96,425
Noncurrent liabilities:			
Due within one year	675,115	489,150	1,164,265
Due in more than one year - net	1,297,114	7,825,324	9,122,438
Total liabilities	3,167,423	9,298,307	12,465,730
NET ASSETS			
Invested in capital assets, net of related debt	5,073,558	21,048,371	26,121,929
Restricted for:			
Capital projects	1,257,914	36,038	1,293,952
Debt service reserve	401,186	-	401,186
Law enforcement activities	17,715	-	17,715
Unrestricted	(1,627,242)	3,321,506	1,694,264
Total net assets	$ 5,123,131	$ 24,405,915	$ 29,529,046

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	$ 1,080,027	$ 796,124	$ -	$ 654,681
Police	1,799,349	208,702	93,656	-
Fire	425,276	-	-	-
Public Works	963,898	45,515	-	261,501
Engineering	204,827	8,388	-	-
Recreation	881,464	147,914	-	-
Garage	181,492	-	-	-
Animal Control	41,835	63	-	-
Interest on Long-term Debt	60,695	-	-	-
Total governmental activities	5,638,863	1,206,706	93,656	916,182
Business-type activities:				
Airport	341,807	125,643	-	315,670
Electric	7,823,639	7,302,789	-	-
Gas	1,781,896	2,277,444	-	-
Golf	775,168	580,127	-	-
Water/Sewer	3,350,313	3,739,296	-	23,172
Solid Waste	631,276	565,453	-	-
Total business-type activities	14,704,099	14,590,752	-	338,842
Total primary government	$ 20,342,962	$ 15,797,458	$ 93,656	$ 1,255,024

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Functions/Programs	Net (Expense) Revenue and Changes in Net Assets Primary Government Governmental Activities	Business-type Activities	Totals
Primary government:			
Governmental activities:			
General Government	$ 370,778		$ 370,778
Police	(1,496,991)		(1,496,991)
Fire	(425,276)		(425,276)
Public Works	(656,882)		(656,882)
Engineering	(196,439)		(196,439)
Recreation	(733,550)		(733,550)
Garage	(181,492)		(181,492)
Animal Control	(41,772)		(41,772)
Interest on Long-term Debt	(60,695)		(60,695)
Total governmental activities	(3,422,319)		(3,422,319)
Business-type activities:			
Airport		$ 99,506	99,506
Electric		(520,850)	(520,850)
Gas		495,548	495,548
Golf		(195,041)	(195,041)
Water/Sewer		412,155	412,155
Solid Waste		(65,823)	(65,823)
Total business-type activities		225,495	225,495
Total primary government	(3,422,319)	225,495	(3,196,824)
General revenues:			
Taxes:			
Property	437,343	-	437,343
Sales	493,200	-	493,200
Hotel/Motel	25,524	-	25,524
Insurance premium	334,005	-	334,005
Malt beverage	115,330	-	115,330
Franchise	286,851	-	286,851
Occupation	75,656	-	75,656
Other	37,702	-	37,702
Investment earnings	3,600	5,388	8,988
Gain on Sale of Capital Assets	67,574	56,633	124,207
Miscellaneous	36,216	-	36,216
Transfers	2,199,422	(2,199,422)	-
Total general revenues and transfers	4,112,423	(2,137,401)	1,975,022
Change in net assets	690,104	(1,911,906)	(1,221,802)
Net assets - beginning	4,433,027	26,317,821	30,750,848
Net assets - ending	$ 5,123,131	$ 24,405,915	$ 29,529,046

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 902	$ 325,892	$ 45,763	$ 372,556
Receivables (Net of Allowance for Uncollectibles):				
Accounts	48,843	-	-	48,843
Taxes	25,843	113,077	-	138,920
Prepaids	14,643	-	-	14,643
Inventory	19,767	-	-	19,767
Due from Other Funds	-	-	-	-
Cash - Restricted	100,114	401,186	-	501,300
Total Assets	$ 210,112	$ 840,155	$ 45,763	$ 1,096,030
LIABILITIES AND FUND BALANCES				
Liabilities:				
Cash Overdraft	$ 455,778	$ -	$ -	$ 455,778
Accounts Payable	92,570	-	-	92,570
Accrued Payables & Withholdings	61,064	-	-	61,064
Due to Other Funds	25,633	122,936	68,774	217,343
Accrued Interest Payable	-	60,344	-	60,344
Deferred Revenue	22,727	-	-	22,727
Total Liabilities	657,772	183,280	68,774	909,826
Fund Balances:				
Nonspendable:				
Prepaids	14,643	-	-	14,643
Inventory	19,767	-	-	19,767
Restricted for:				
Acquisition and construction of capital assets	-	255,689	-	255,689
Debt service reserve	-	401,186	-	401,186
Law enforcement activities	-	-	26,297	26,297
Committed to:				
Cemetery care	94,895	-	-	94,895
Tourism	-	-	-	-
Unassigned	(576,965)	-	(49,308)	(626,273)
Total Fund Balances	(447,660)	656,875	(23,011)	186,204
Total Liabilities and Fund Balances	$ 210,112	$ 840,155	$ 45,763	$ 1,096,030

Reconciliation of the Balance Sheet to the Statement of Net Assets

Fund Balances - Total governmental funds		$ 186,204
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds.		7,045,787
An internal service fund is used by management to charge the costs of self-insurance to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net assets.		(265,164)
A portion of deferred revenue in the general fund represents property tax billed but uncollected and is eliminated in the statement of net assets.		22,727
Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. Other related amounts include deferred issue costs.		
Bonds Payable	(1,810,000)	
Leases Payable	(39,135)	
Unamortized Bond Issuance Costs	105,807	
Compensated Absences	(123,094)	
		$ (1,866,422)
Effects of rounding		(1)
Net assets of governmental activities		$ 5,123,131

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,711,634	$ -	$ 25,524	$ 1,737,158
Grant Revenue	229,324	-	-	229,324
Licenses and Permits	11,088	-	-	11,088
Intergovernmental	73,143	651,716	-	724,859
Payments in lieu of taxes	12,212	-	-	12,212
Fines and Forfeitures	108,917	-	119,460	228,377
Charges for Services	257,814	-	-	257,814
Contributions and donations	23,168	-	-	23,168
Miscellaneous Income	826,405	-	-	826,405
Interest Income	1,784	1,675	141	3,600
Total Revenues	3,255,489	653,391	145,125	4,054,005
EXPENDITURES				
Current:				
General Government	1,009,054	1,320	5,000	1,015,374
Police	1,515,624	-	115,556	1,631,180
Fire	315,646	-	-	315,646
Public Works	839,336	-	-	839,336
Engineering	193,517	-	-	193,517
Recreation	764,731	-	-	764,731
Garage	173,471	-	-	173,471
Animal Control	39,783	-	-	39,783
Debt Service:				
Principal	3,380	560,000	-	563,380
Interest	351	60,344	-	60,695
Capital Outlay:				
General Government	24,363	-	-	24,363
Police	62,579	-	-	62,579
Public Works	241,615	-	-	241,615
Recreation	7,657	43,800	-	51,457
Total Expenditures	5,191,107	665,464	120,556	5,977,127
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,935,618)	(12,073)	24,569	(1,923,122)
OTHER FINANCING SOURCES (USES)				
Capital Leases	42,515	-	-	42,515
Transfers - Out	(372,000)	-	(25,524)	(397,524)
Transfers - In	2,224,946	-	-	2,224,946
Sale of capital assets	67,574	-	-	67,574
Total Other Financing Sources (Uses)	1,963,035	-	(25,524)	1,937,511
Net Change in Fund Balances	27,417	(12,073)	(955)	14,389
Fund Balance (Deficit) - Beginning of Year	(475,077)	751,921	(22,056)	254,788
Prior Period adjustment	-	(82,973)	-	(82,973)
Fund Balance - End of Year	$ (447,660)	$ 656,875	$ (23,011)	$ 186,204

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012

Net Change in Fund Balances - Total Governmental Funds		$ 14,389
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
Expenditures for capital assets	380,014	
Less current year depreciation	(349,616)	
		30,398
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Unavailable deferred property tax revenues		7,964
Issuance of long-term debt (bonds, leases) provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of principal of long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.		
Capital Lease Proceeds	(42,515)	
Principal Payments on Bonds	560,000	
Principal Payments on Leases	3,380	
		520,865
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Net change in long-term compensated absences		17,868
Internal service funds are used by management to charge the costs of self-insurance to individual funds.		
The net revenue of certain activities of internal service funds is reported with governmental activities.		98,622
Effects of rounding		(2)
Change in Net Assets of Governmental Activities		$ 690,104

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 1,820,250	$ 1,780,790	$ 1,711,634	$ (69,156)
Grant Revenue	25,000	81,600	229,324	147,724
Licenses and Permits	20,900	14,450	11,088	(3,362)
Intergovernmental	250,000	250,000	73,143	(176,857)
Payments in lieu of taxes	12,000	12,000	12,212	212
Fines and Forfeitures	151,100	114,800	108,917	(5,883)
Charges for Services	246,250	231,300	257,814	26,514
Contributions and donations	-	168,745	23,168	(145,577)
Miscellaneous Income	834,100	838,600	826,405	(12,195)
Interest Income	2,500	2,500	1,784	(716)
Total Revenues	3,362,100	3,494,785	3,255,489	(239,296)
EXPENDITURES				
Current:				
General Government	993,000	1,039,510	1,009,054	30,456
Police	1,530,950	1,534,552	1,515,624	18,928
Fire	321,150	332,200	315,646	16,554
Public Works	872,950	917,650	839,336	78,314
Engineering	221,550	220,250	193,517	26,733
Recreation	779,550	795,856	764,731	31,125
Garage	190,350	208,100	173,471	34,630
Animal Control	49,050	48,400	39,783	8,617
Debt Service:				
Principal	-	-	3,380	(3,380)
Interest	-	-	351	(351)
Capital Outlays:				
General Government	22,500	24,400	24,363	37
Police	96,000	78,072	62,579	15,493
Fire	23,200	14,000	-	14,000
Public Works	193,000	123,000	241,615	(118,615)
Recreation	18,000	9,144	7,657	1,487
Engineering	5,000	3,500	-	3,500
Total Expenditures	5,316,250	5,348,634	5,191,107	157,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,954,150)	(1,853,849)	(1,935,618)	(81,769)
OTHER FINANCING SOURCES (USES)				
Capital Leases	-	-	42,515	
Transfers - Out	(46,500)	(373,780)	(372,000)	1,780
Transfers - In	1,995,650	2,422,800	2,224,946	(197,854)
Sale of capital assets	5,000	58,000	67,574	9,574
Total Other Financing Sources (Uses)	1,954,150	2,107,020	1,963,035	(186,500)
Net Change in Fund Balance	-	253,171	27,417	(268,269)
Fund Balance (Deficit) - Beginning of Year	(475,077)	(475,077)	(475,077)	-
Fund Balance (Deficit) - End of Year	$ (475,077)	$ (221,906)	$ (447,660)	$ (268,269)

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

Assets	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities - Internal Service Fund
Current Assets:								
Cash and Cash Equivalents	$ 1	$ -	$ 15,224	$ -	$ 60,237	$ -	$ 75,462	$ 42,931
Restricted Cash - MEAG	-	251,358	-	-	-	-	251,358	-
Restricted Cash - GEFA	-	-	-	-	694,496	-	694,496	-
Restricted Cash - Capital lease	-	-	274,374	-	-	20	274,394	-
Accounts Receivable - Net	144,092	1,126,901	176,920	-	642,060	64,176	2,154,149	-
Due From Other Funds	6,338	2,153,277	743,437	-	393,608	-	3,296,660	-
Inventory	43,897	514,751	106,525	10,562	150,598	-	826,333	-
Total Current Assets	194,328	4,046,287	1,316,480	10,562	1,940,999	64,196	7,572,852	42,931
Non-Current Assets:								
Restricted Assets:								
Construction Cash	-	-	-	-	16,800	-	16,800	-
Renewal and Replacement Cash	-	-	-	-	3,178	-	3,178	-
Compliance Account	-	-	-	-	16,039	-	16,039	-
Capital Assets:								
Land	10,000	9,000	7,000	1,340,395	838,241	67,448	2,272,084	-
Equipment	211,629	1,153,729	340,025	605,515	1,385,277	1,118,531	4,814,706	-
Buildings	750,192	567,437	38,454	2,333,326	433,279	5,206	4,127,894	-
Improvements Other Than Buildings	3,158,674	-	-	-	584,786	-	3,743,460	-
Utility Systems	-	4,438,530	456,969	-	25,035,421	-	29,930,920	-
Construction in Progress	171,897	-	227,852	-	6,146,869	-	6,546,618	-
Less Accumulated Depreciation	(1,482,597)	(4,423,437)	(471,722)	(697,590)	(14,246,206)	(722,117)	(22,043,669)	-
Unamortized Bond Issue Costs	-	-	-	-	-	-	-	-
Total Non-Current Assets	2,819,795	1,745,259	598,578	3,581,646	20,213,684	469,068	29,428,030	-
Total Assets	$ 3,014,123	$ 5,791,546	$ 1,915,058	$ 3,592,208	$ 22,154,683	$ 533,264	$ 37,000,882	$ 42,931

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
SEPTEMBER 30, 2012

	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities - Internal Service Fund
Liabilities								
Current Liabilities:								
Cash overdraft	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accounts Payable	94,314	596,033	197,599	4,827	(9,565)	341	883,549	-
Accrued Wages and Withholdings Payable	-	-	-	-	-	-	-	-
Compensated Absences Payable	2,236	7,069	8,856	10,415	22,488	4,944	56,008	-
Due to Other Funds	593,353	-	5,730	1,578,308	229,431	364,400	2,771,222	308,095
Customer Deposits	-	333,418	100,589	-	155,634	-	589,641	-
Notes Payable - current	-	-	-	-	341,087	-	341,087	-
Accrued Interest Payable	-	-	-	-	36,081	-	36,081	-
Capital leases payable - current	-	-	28,560	25,070	-	38,425	92,055	-
Total Current Liabilities	689,903	936,520	341,334	1,618,620	775,156	408,110	4,769,643	308,095
Noncurrent Liabilities:								
Compensated Absences	2,521	7,972	9,986	11,744	25,358	5,576	63,157	-
Accrued Landfill Closure/Postclosure Costs	-	-	-	-	-	93,571	93,571	-
Notes Payable	-	-	-	-	7,039,411	-	7,039,411	-
Capital leases payable	-	-	328,113	154,027	-	147,045	629,185	-
Total Noncurrent Liabilities	2,521	7,972	338,099	165,771	7,064,769	246,192	7,825,324	-
Total Liabilities	692,424	944,492	679,433	1,784,391	7,839,925	654,302	12,594,967	308,095
Net Assets								
Invested in Capital Assets, net of related debt	2,819,795	1,745,259	-	3,402,549	12,797,170	283,598	21,048,371	-
Restricted								
Acquisition and construction of capital assets	-	-	-	-	16,800	21	16,821	-
Renewal and Replacement	-	-	-	-	3,178	-	3,178	-
Compliance	-	-	-	-	16,039	-	16,039	-
Debt Service	-	-	-	-	-	-	-	-
Unrestricted	(498,096)	3,101,795	1,235,625	(1,594,732)	1,481,571	(404,657)	3,321,506	-
Total Net Assets	$ 2,321,699	$ 4,847,054	$ 1,235,625	$ 1,807,817	$ 14,314,758	$ (121,038)	$ 24,405,915	$ (265,164)

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities - Internal Service Fund
Operating Revenues								
Charges for Services	$ 83,055	$ 7,295,768	$ 2,133,852	$ 501,994	$ 3,407,482	$ 553,190	$ 13,975,341	$ -
Fees	42,568	-	-	78,133	208,898	-	329,599	-
Other Revenues	20	7,021	143,592	-	122,916	12,263	285,812	1,198,873
Total Operating Revenues	125,643	7,302,789	2,277,444	580,127	3,739,296	565,453	14,590,752	1,198,873
Operating Expenses								
Costs of Sales and Services	152,172	834,964	420,502	670,968	1,883,052	558,453	4,520,111	1,472,293
Administrative Expense	-	210,000	210,000	-	300,000	-	720,000	-
Cost of Water	-	-	-	-	247,092	-	247,092	-
Cost of Gas	-	-	1,104,017	-	-	-	1,104,017	-
Cost of Electricity	-	6,613,632	-	-	-	-	6,613,632	-
Depreciation Expense	189,635	165,043	47,377	104,062	735,497	67,294	1,308,908	-
Total Operating Expenses	341,807	7,823,639	1,781,896	775,030	3,165,641	625,747	14,513,760	1,472,293
Operating Income (Loss)	(216,164)	(520,850)	495,548	(194,903)	573,655	(60,294)	76,992	(273,420)
Nonoperating Revenues (Expenses)								
Interest Revenue	-	746	126	-	4,495	21	5,388	42
Interest Expense	-	-	-	(138)	(184,672)	(5,529)	(190,339)	-
Gain (Loss) on Sale of Capital Assets	-	-	82,717	(26,484)	400	-	56,633	-
Bond Issue Cost Amortization	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	-	746	82,843	(26,622)	(179,777)	(5,508)	(128,318)	42
Income Before Contributions, Special Items and Transfers	(216,164)	(520,104)	578,391	(221,525)	393,878	(65,802)	(51,326)	(273,378)
Capital Contributions	315,670	-	-	-	23,172	-	338,842	-
Transfers	(14,500)	(1,022,150)	(555,500)	14,500	(400,000)	(221,772)	(2,199,422)	372,000
	301,170	(1,022,150)	(555,500)	14,500	(376,828)	(221,772)	(1,860,580)	372,000
Change in Net Assets	85,006	(1,542,254)	22,891	(207,025)	17,050	(287,574)	(1,911,906)	98,622
Net Assets - Beginning	2,236,693	6,389,308	1,212,734	2,014,842	14,297,708	166,536	26,317,821	(363,786)
Net Assets - Ending	$ 2,321,699	$ 4,847,054	$ 1,235,625	$ 1,807,817	$ 14,314,758	$ (121,038)	$ 24,405,915	$ (265,164)

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities - Internal Service Fund
Cash Flows From Operations								
Receipts from Customers and Users	$ 125,643	$ 7,580,586	$ 2,362,334	$ 580,127	$ 3,677,600	$ 562,600	$ 14,888,890	$ 1,198,873
Payments to Suppliers	(114,928)	(7,020,810)	(1,549,081)	(153,483)	(1,999,222)	(26,277)	(10,863,801)	(1,472,293)
Payments to/for Employees	(64,600)	(507,925)	(288,177)	(426,506)	(1,321,317)	(277,665)	(2,886,190)	-
Net cash Provided by (Used in) Operating Activities	(53,885)	51,851	525,076	138	357,061	258,658	1,138,899	(273,420)
Cash Flows from Noncapital Financing Activities								
Borrowing to Cover Negative Cash Balance	-	-	-	-	-	-	-	-
Transfers to Other Funds	-	(1,022,150)	(555,500)	-	(400,000)	(221,772)	(2,199,422)	-
Transfers from Other Funds	-	-	-	-	-	-	-	372,000
Net Cash from Noncapital Financing Activities	-	(1,022,150)	(555,500)	-	(400,000)	(221,772)	(2,199,422)	372,000
Cash Flows from Capital and Related Financing Activities								
Principal Payments - Bonds	-	-	-	-	-	-	-	-
Principal Payments - Notes	-	-	-	-	(228,992)	-	(228,992)	-
Principal Payments - Leases	-	-	-	-	-	(28,922)	(28,922)	-
Capital Lease Proceeds	-	-	356,673	179,097	-	-	535,770	-
Capital Contributions	171,578	-	-	-	23,172	-	194,750	-
Notes Payable Proceeds	-	-	-	-	630,228	-	630,228	-
Proceeds from Sales of Capital Assets	-	-	82,717	-	400	-	83,117	-
Acquisition and Construction of Capital Assets	(117,692)	(116,700)	(133,353)	(179,097)	(889,950)	(216,851)	(1,653,643)	-
Interest Paid	-	-	-	(138)	(161,081)	(5,529)	(166,748)	-
Net Cash from Capital and Related Financing Activities	53,886	(116,700)	306,037	(138)	(626,222)	(251,302)	(634,439)	-
Cash Flows from Investing Activities								
Interest Received	-	746	126	-	4,496	21	5,389	42
Net Increase(Decrease) in Cash	1	(1,086,253)	275,739	-	(664,666)	(214,395)	(1,689,573)	98,622
Cash (Overdraft) - October 1 (including restricted cash)	-	1,337,611	13,859	-	1,455,415	214,415	3,021,300	(55,691)
Cash (Overdraft) - September 30 (including restricted cash)	$ 1	$ 251,358	$ 289,598	$ -	$ 790,749	$ 20	$ 1,331,727	$ 42,931

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Airport	Electric	Gas	Golf	Water and Sewer	Solid Waste	Total	Governmental Activities - Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	$ (216,164)	$ (520,850)	$ 495,548	$ (194,903)	$ 573,655	$ (60,294)	$ 76,992	$ (273,420)
Adjustments to Reconcile to Operating Income to Net Cash Provided (Used) by Operating Activities								
Depreciation	189,635	165,043	47,377	104,062	735,497	67,294	1,308,908	-
(Increase) Decrease in Assets:								
Accounts Receivable	-	274,796	86,536	-	(64,987)	(2,852)	293,493	-
Inventory	(28,959)	(6,209)	(29,713)	(1,740)	375	-	(66,246)	-
Increase (Decrease) in Liabilities:								
Accounts Payable	416	148,535	(71,196)	92,498	(874,554)	244,468	(459,833)	-
Accrued Wages and Withholdings Payable	(260)	(4,409)	(2,447)	(3,846)	(12,180)	(2,779)	(25,921)	-
Accrued Landfill Closure/Postclosure Costs	-	-	-	-	-	9,668	9,668	-
Compensated Absences Payable	1,447	(8,056)	618	4,067	(4,035)	3,153	(2,806)	-
Customer Deposits	-	3,001	(1,647)	-	3,290	-	4,644	-
Net Cash Provided by (Used in) Operating Activities	$ (53,885)	$ 51,851	$ 525,076	$ 138	$ 357,061	$ 258,658	$ 1,138,899	$ (273,420)
Noncash Investing, Capital and Financing Activities								
Acquisition of Capital Assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Cash from Noncash Activities	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
For purposes of reporting cash flows, cash includes the following amounts as presented in the Statement of Net Assets:								
Cash and cash equivalents	$ -	$ -	$ 13,859	$ -	$ 511,065	$ -	$ 524,924	$ -
Restricted Cash:								
MEAG	-	1,337,611	-	-	-	-	1,337,611	-
GEFA	-	-	-	-	916,613	-	916,613	-
Capital Lease Proceeds	-	-	-	-	-	214,415	214,415	-
Construction Cash	1	-	-	-	8,025	-	8,026	-
Bond Debt Service and Reserve Cash	-	-	-	-	16,542	-	16,542	-
Renewal and Replacement Cash	-	-	-	-	3,170	-	3,170	-
	$ 1	$ 1,337,611	$ 13,859	$ -	$ 1,455,415	$ 214,415	$ 3,021,301	$ -

The accompanying notes are an integral part of this financial statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of LaFayette was incorporated September 30, 1835. The City operates under an elected mayor and council who appoint a city manager. The City provides the following services as authorized by its charter or statues: culture and recreation, streets and roads, public utilities (electric, gas, water/sewer, sanitation), public safety (police and fire), community development, cemetery, garage, airport, golf and general and administrative services.

A. Reporting Entity

As required by generally accepted accounting principles, the financial statements would present the primary government and its component units. Certain potential component units might be considered for inclusion in the financial report because of the significance of the City's influence over their operation or finances. Significant influence or accountability is based primarily on operational or financial relationships with the City (as distinct from legal relationships). In accordance with the above criteria, the City does not include any component units in its financial report.

Related organization:

The LaFayette Housing Authority is a related organization that has not been included in the reporting entity. The Authority provides low-income housing to eligible families in the City. The Authority's Board consists of five members that are appointed by the Mayor of LaFayette. The City is not financially accountable (does not impose will or have a financial benefit or burden relationship) for the Authority.

The Downtown Development Authority is a related organization that has not been included in the reporting entity. The Authority's current year cash balance was less than $10,688, with no activity for the year. Based upon the materiality level of the city the Authority was not included with the City's financial statements.

B. Government-wide and Fund Financial Statements

The basic financial statements include both government-wide and fund financial statements, each of which present different views of the City. The government-wide and fund financial statements categorize primary activities as either governmental or business type.

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

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Fund financial statements emphasize major funds in either the governmental or proprietary funds. Non-major funds (if any) are reported as a separate column in the fund financial statements

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

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City applies all relevant FASB pronouncements and APB opinions issued on or prior to December 1, 1989 to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City does not apply FASB pronouncements and APB opinions issued after November 30, 1989.

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

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

Taxes, licenses, and interest associated with the current fiscal period are all considered susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives the cash. In applying the susceptible to accrual concept, nonexchange transactions are recognized in accordance with GASB Statement 33.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted fund balance, it is the City's policy to use fund balance in the following order: committed, assigned and unassigned. Only the City Council may modify or rescind a committed fund balance. Intent to assign fund balance would be expressed by the City Council itself or the Council would delegate the authority to assign fund balance to management.

D. Fund Types and Major Funds

Governmental Funds

The general and capital project funds are the major governmental funds that the City reports. The general fund is the primary fund of the City and accounts for all financial resources not reported in other funds. The hotel/motel tax special revenue fund accounts for the proceeds of the hotel/motel tax. The capital projects fund accounts for the acquisition and construction of major capital assets other than those accounted for by proprietary funds.

Proprietary Funds

Proprietary funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is intended to be self-supporting. The City reports the airport, electric, gas, golf, water and sewer, and solid waste funds as major funds. Operating revenues and expenses

generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues are charges to customers for sales and services. These funds recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. 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.

Internal Service Funds

The Self Insurance internal service fund accounts for risk management activities of the City on a cost reimbursement basis. The internal service fund is a proprietary fund reported with governmental activities in the government-wide statements.

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 government's proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Amounts reported as program revenues include charges to customers for good, services or privileges provided, operating grants and contributions, and capital grants and contributions, including special assessments. General revenues include all taxes.

E. Assets, Liabilities, Net Assets or Equity

1. **Cash.** Cash includes amounts in demand and time deposits that by law must be insured or collateralized. Investments, if any, are limited by law and bond ordinances to federal and state securities.

2. **Receivables.** All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Estimated unbilled revenues from the enterprise funds are recognized at the end of each year on a pro rata basis. The estimated amount is based on billings during the month following the close of the fiscal year.

3. **Due To and Due From Other Funds/Internal Balances.** During the course of operations, numerous transactions occur between individual funds for goods provided, services rendered or interfund loans. Interfund transactions are recorded by all funds affected in the period in which transactions are executed. In the government-wide financial statements, these balances are reported as internal balances.

4. **Interest Receivable**. Interest on investments and certain receivables is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

5. **Inventories**. Inventories for all governmental funds are recorded as expenditures when purchased; however, material amounts of inventories are reported as assets of the respective fund and accounted for using the purchases method. . Reported inventories in these funds are equally offset by a fund balance reserve, which indicates they are unavailable for appropriation even though they are a component of reported assets. Inventories of proprietary funds are valued at the lower of cost (first-in, first-out) or market.

6. **Prepaids.** Prepaids represent the amount paid in advance for Georgia sales tax on sales of electricity and gas.

7. **Other Assets.** Other assets held are recorded and accounted for at cost.

8. **Restricted Assets.** The Water and Sewer Fund, based on certain bond covenants, are required to establish and maintain prescribed amounts of resources that can be used only to service outstanding debt or for construction. The "bond debt service and reserve cash" accounts are used to segregate resources accumulated for debt service payments and to report resources set aside to cover the highest debt service requirement in any subsequent year. The "renewal and replacement cash" account is used to report resources set aside to meet unexpected contingencies or for asset replacement. The "construction cash" account is used to report resources set aside to fund construction projects.

9. **Capital Assets.** The City's property, buildings, equipment and infrastructure (streets, bridges, curbs, sidewalks, drainage systems, lighting system, etc) with useful lives of more than one year and a cost greater than two thousand dollars are capitalized and depreciated. These assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer. Interest expense (net of related income) incurred during the construction phase of business-type capital assets is capitalized as part of the assets' cost.

   Capital assets are depreciated using the straight-line method. When these assets are disposed, the cost and related accumulated depreciation are removed from the accounts and the resulting gain/loss is recorded.

10. **Long-term Debt, Bond Discounts and Issuance Costs.** Outstanding debt and other obligations are reported as a liability in the government-wide and proprietary financial statements. Bond discounts/premiums and issuance costs for proprietary funds are capitalized and amortized over the term of the respective bonds using a method that approximates the effective interest method. Bond discounts are presented as a reduction in the face amount of bonds payable, premiums are presented as an increase of the face amount of bonds payable and issuance costs are recorded as deferred charges.

    In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the 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 an other financing use.

11. **Pensions**. The provision for pension cost is recorded on the accrual basis, and the City's policy is to fund pension costs as they accrue.

12. **Compensated Absences.** Full-time, permanent employees are granted vacation and sick leave benefits. Vested or accumulated vacation leave is accrued in the government-wide and proprietary financial statements and governmental funds report only the portion expected to be liquidated within the current year. Governmental funds report compensated absences only when employees are no longer employed with the City. For governmental activities, compensated absences are liquidated by the general fund. No liability is reported for non-vesting accumulating rights to receive sick leave.

13. **Fund Equity/Net Assets.** The governmental fund financial statements report restricted fund balances for amounts not available for appropriation or legally segregated for a specific use.

    Unrestricted net assets for proprietary funds represent the net assets available for future operations or distribution. Restricted net assets represent the net assets that have been legally identified for specific purposes.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Data. Formal budgetary accounting is employed as management control for all governmental funds of the City. Department heads submit their annual budget requests to the City Manager, who in turn compiles and submits the budget to the City Council. Public hearings are conducted to obtain taxpayer comments. By September 1, an annual operating budget is adopted for the general fund through passage of an annual budget ordinance and amended as required. The budget uses the same basis of accounting to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting basis. The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the governing council. The legal level of budgeting control is the department level. The governing council made several supplemental budgetary appropriations throughout the year but they were not considered material. All appropriations lapse at the end of each fiscal year.

The capital projects fund has a project length budget which was adopted when voters approved the SPLOST referendum. This budget is prepared for the projected total SPLOST revenues and capital outlays.

Compliance with Bond Covenants. The City complied with its bond covenants in all material respects.

Deposits with Financial Institutions. State statutes require that the City's deposits be collateralized by securities held in the name of the City by the trust department of a bank that does not hold the collateralized deposits.

Deficit Fund Equity. The General Fund had a deficit fund balance of $447,660 as of September 30, 2012. Additional funding transfers from the City's enterprise funds in the next fiscal year should correct the imbalance. The Lab Technology Fund had a deficit fund balance of $8,582 as of September 30, 2012, which is the effect of timing differences in outlays and revenues. This is expected to reverse itself in the next fiscal year. The Hotel Motel Fund had a deficit fund balance of $40,726 as of September 30, 2012, which is the effect of timing differences in outlays and revenues. This is expected to reverse itself in the next fiscal year.

NOTE 3. CASH AND INVESTMENTS

Cash and investments as of September 30, 2012 are classified in the financial statements as follows:

Statement of Net Assets:		
Cash	$	35,171
Restricted Cash		1,757,565
Total Cash	$	1,792,736

All deposits with financial institutions are fully insured or collateralized by securities held in the City's name. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and certificates of deposit. Investments are stated at fair value (the City has no investments other than cash.)

Cash and investments consist of the following:

Cash on hand	$	900
Cash deposits in financial institutions		1,540,478
Investments		251,358
Total Cash and Investments	$	1,792,736

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This can be measured by the assignment of a rating by a rating organization. The City does not have a formal policy that addresses credit risk.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The City has no investments that meet the criteria for concentration of credit risk disclosure. The City does not have a formal policy that addresses concentration of credit risk.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of the failure of the custodian, the City may not be able to recover the value of its investments. There is no custodial credit risk exposure for the City's investments because they are either insured or held in the City's name by the custodian. The City does not have a formal policy that addresses custodial credit risk.

NOTE 4. RECEIVABLES

Accounts receivable consists of amounts due from customers for charges related to providing electric, gas, water/sewer and sanitation services. Taxes due consist of property tax and LOST. Amounts due as of September 30, 2012, including the applicable allowances for uncollectible accounts, are as follows:

	General	Capital Projects	Enterprise	Total
Receivables				
Accounts	$ 4,116	$ -	$ 3,798,119	$ 3,802,235
Taxes	91,953	113,077	-	205,030
Total	96,069	113,077	3,798,119	4,007,265
Less: Allowance for Uncollectible	(21,383)	-	(1,643,970)	(1,665,353)
Net Total Receivables	$ 74,686	$ 113,077	$ 2,154,149	$ 2,341,912

Property Tax

Property tax is levied upon receipt of the digest from Walker County and based upon the assessed value at January 1. Taxes were levied October 15, 2011 and due by December 20, 2011. The billings are considered past due 60 days after the tax billing date, at which time the applicable property is subject to lien and penalties and interest begins to accrue. Assessed values are established by the Walker County Board of Tax Assessors and are currently calculated at 40% of market value. The gross assessed value of property at January 1, 2011 was $141,173,998. Based on the 2011 millage levy of 2.99, a property owner would pay $2.99 per $1,000 of assessed valuation. Current tax collections of $367,858 were 94 percent of the tax levy.

All property taxes are recognized in compliance with NCGAI-3 (Revenue Recognition-Property Taxes) which states that such revenue is recorded when it becomes measurable and available. Available means due, or past due, and receivable within the current period and collected no longer than 60 days after the close of the current period.

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

As of September 30, 2012, interfund receivables and payables that resulted from various interfund transactions were as follows:

Receivable Fund	Payable Fund	Amount
General	Water/Sewer	$ 211,200
	Capital Projects	25,739
	Golf	1,578,021
	Airport	593,353
	Solid Waste	361,748
	Police Technology	28,048
	Hotel Motel	40,726
Electric	General	2,141,816
	Water/Sewer	5,730
	Gas	5,730
Gas	General	722,652
	Capital Projects	7,999
	Water/Sewer	12,500
	Golf	286
Water/Sewer	Healthcare	308,095
	Solid Waste	2,652
	Capital Projects	82,861
Airport	Capital Projects	6,338

The interfund balances related to working capital loans between funds. No significant portion of the outstanding balances is expected to be repaid in the subsequent year.

As of September 30, 2012, interfund transfers were as follows:

RECEIVING FUND	TRANSFERRING FUND							
	General	Solid Waste	Hotel Motel	Electric	Gas	W/S	Airport	Total
General	$ -	$ 221,772	$ 25,524	$ 1,022,150	$ 555,500	$ 400,000	$ -	$ 2,224,946
Self-ins.	372,000	-	-	-	-	-	-	372,000
Golf	-	-	-	-	-	-	14,500	14,500
Total	$ 372,000	$ 221,772	$ 25,524	$ 1,022,150	$ 555,500	$ 400,000	$ 14,500	$ 2,611,446

Routine transfers and payments between funds are to subsidize operations, fund capital projects and asset acquisition. SPLOST funds are accumulated in the capital project fund to complete various projects identified in the SPLOST referendum.

NOTE 6. CAPITAL ASSETS

The following table provides a summary of the City's capital asset activity:

Primary Government

Governmental activities:	Balance October 1, 2011	Additions	Deletions & Transfers	Balance September 30, 2012
Capital assets, not being depreciated				
Land and improvements	$ 3,336,429	$ -	$ -	$ 3,336,429
Construction in progress	244,703	-	(244,703)	-
Total capital assets, not being depreciated	3,581,132	-	(244,703)	3,336,429
Capital assets, being depreciated				
Infrastructure	1,213,185	93,082	183,546	1,489,813
Buildings and improvements	2,015,802	-	-	2,015,802
Park improvements	2,278,710	45,409	61,157	2,385,276
Equipment	2,686,525	241,523	-	2,928,048
Total capital assets, being depreciated	8,194,222	380,014	244,703	8,818,939
Less accumulated depreciation for:				
Infrastructure	(142,469)	(67,976)	-	(210,445)
Buildings and improvements	(1,965,650)	(29,625)	-	(1,995,275)
Park improvements	(971,330)	(55,327)	-	(1,026,657)
Equipment	(1,680,516)	(196,688)	-	(1,877,204)
Total accumulated depreciation	(4,759,965)	(349,616)	-	(5,109,581)
Total capital assets, being depreciated, net	3,434,257	30,398	-	3,709,358
Governmental activities capital assets, net	$ 7,015,389	$ 30,398	$ -	$ 7,045,787

Additions to capital assets consist of general fund additions of $380,014.

Business-type activities:	Balance October 1, 2011	Additions	Deletions & Transfers	Balance September 30, 2012
Capital assets, not being depreciated				
Land	$ 2,272,084	$ -	$ -	$ 2,272,084
Construction in progress	5,465,497	1,081,121	-	6,546,618
Total capital assets, not being depreciated	7,737,581	1,081,121	-	8,818,702
Capital assets, being depreciated				
Utility systems	29,894,707	139,493	(103,280)	29,930,920
Buildings	4,125,435	-	2,459	4,127,894
Improvements other than buildings	3,524,376	197,188	21,896	3,743,460
Equipment	4,549,510	450,421	(185,225)	4,814,706
Total capital assets, being depreciated	42,094,028	787,102	(264,150)	42,616,980
Less accumulated depreciation for:				
Utility systems	(16,527,862)	(945,238)	55,641	(17,417,459)
Buildings	(1,374,241)	(100,707)	-	(1,474,948)
Improvements other than buildings	(403,951)	(38,278)	-	(442,229)
Equipment	(2,588,218)	(224,685)	103,870	(2,709,033)
Total accumulated depreciation	(20,894,272)	(1,308,908)	159,511	(22,043,669)
Total capital assets, being depreciated, net	21,199,756	(521,806)	(104,639)	20,573,311
Business-type activities capital assets, net	$ 28,937,337	$ 559,315	$ (104,639)	$ 29,392,013

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

Governmental activities:		
General government	$	20,396
Police		77,506
Fire		89,230
Public works		85,658
Engineering		-
Garage		332
Recreation		76,494
Total depreciation expense	$	349,616
Business-type activities:		
Electric	$	165,043
Gas		47,377
Water and Sewer		735,497
Solid Waste		67,294
Golf		104,062
Airport		189,635
Total depreciation expense	$	1,308,908

Estimated useful lives used to compute depreciation are:

Infrastructure	30 years
Improvements	5-20 years
Equipment	3-10 years
Buildings	20-50 years
Utility Systems	20-75 years

NOTE 7. LEASES

Capital Leases

During fiscal year 2011, the City entered into a lease agreement with BB&T Governmental Finance as lessee for financing the acquisition of a 2011 Peterbilt garbage truck for $214,393. During the current fiscal year, the City entered into a lease agreement with BB&T Governmental Finance as lessee for financing the purchase of a New Holland Model B95B backhoe for $42,915.00. Additionally, the City entered into a lease agreement with BB&T Governmental Finance as lessee for financing natural gas line extensions for $356,672.63. The City also executed a lease agreement with PNC Equipment Finance as lessee for financing the purchase of sixty-one golf carts for the golf course for $179,097.19.

These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date the equipment is acquired.

The City's equipment under lease has a cost of $793,078 and no accumulated depreciation as of September 30, 2012. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at September 30, 2012. The effective interest rate at September 30, 2012 for the garbage truck lease is 2.39%, the effective interest rate at September 30, 2012 for the backhoe lease is 3.39%, the effective interest rate at September 30, 2012 for the gas line extension lease is 2.59%, and the effective interest rate at September 30, 2012 for the golf carts lease is 2.79%

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2012, are as follows:

Year Ending September 30	Governmental Activities	Business-Type Activities
2013	$ 13,681	$ 111,490
2014	14,925	150,610
2015	12,437	150,610
2016	-	118,728
2017	-	56,222
2018-2022	-	204,550
Total Minimum Lease Payments	41,043	792,210
Less Amount Representing Interest	(1,908)	(70,970)
Present Value of Future Minimum Lease Payments	$ 39,135	$ 721,240

NOTE 8. LONG-TERM DEBT

Debt outstanding as of September 30, 2012 is composed of the following:

General Obligation Bonds

	Interest Rates	Date of Issue	Date of Last Payment	Amount Issued	Amount Outstanding
Governmental Activities:					
SPLOST Bonds	3.97%	11/06/08	6/1/2015	$ 3,400,000	$ 1,810,000

The following schedule presents debt service requirements to maturity for general obligation bonds:

Year Ending September 30	Governmental Activities Principal	Interest
2013	$ 580,000	$ 60,344
2014	605,000	36,822
2015	625,000	12,406
Total	$ 1,810,000	$ 109,572

Notes Payable

	Interest Rates	Date of Issue	Date of Last Payment	Amount Issued	Amount Outstanding
Business-type Activities:					
Water/Sewer - System	2.0%	08/01/01	08/01/18	$ 1,062,522	$ 416,748
Water/Sewer - System	4.3%	02/01/03	02/01/23	2,020,945	1,271,441
Water/Sewer - System	4.1%	04/15/09	07/01/30	5,286,705	5,222,194
Water/Sewer - System	3.0%	11/01/10	07/01/32	473,000	470,115
				$ 8,843,172	$ 7,380,498

Notes payable debt service requirements to maturity are presented below:

	Business-Type Activities	
Year Ending September 30	Principal	Interest
2013	$ 341,087	$ 264,089
2014	353,896	251,279
2015	367,215	237,961
2016	381,063	224,113
2017	395,462	209,714
2018-2022	1,907,345	823,005
2023-2027	1,505,266	470,981
2028-2032	2,129,164	154,106
Total	$ 7,380,498	$ 2,635,248

The following is a summary of the City's long-term debt transactions for the year ended September 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within one year
Governmental activities:					
Compensated Absences	$ 140,962	$ 99,132	$ 117,000	$ 123,094	$ 82,473
Capital Leases	-	42,515	3,380	39,135	12,642
General Obligation Bonds	2,370,000	-	560,000	1,810,000	580,000
Total Governmental Funds	$ 2,510,962	$ 99,132	$ 677,000	$ 1,972,229	$ 675,115
Business-type activities:					
Compensated Absences	$ 122,047	$ 81,391	$ 84,273	$ 119,165	$ 56,008
Notes Payable	6,979,262	630,228	228,992	7,380,498	341,087
Capital Leases	214,393	535,769	28,922	721,240	92,055
Landfill Closure/Post Closure	83,903	-	-	83,903	-
	$ 7,399,605	$ 1,247,388	$ 342,187	$ 8,304,806	$ 489,150

Note 9. OTHER COMMITMENTS

Under the terms of a power sales contract dated October 1, 1975 and for a period not to exceed 50 years, the City agrees to purchase its electric power and energy through the Municipal Electric Authority of Georgia (MEAG). This energy is priced to cover MEAG's cost of operating the system and to retire any debt incurred by MEAG. In return, MEAG agrees to purchase or provide the generating capacity necessary for reliable and economical power output for the City to operate its electric system. In the event that the operating revenues of the City's electric system are insufficient to cover its obligation to MEAG, or the City does not purchase the required amount of electric power and energy as specified in the contract (calculated annually), the City has agreed to assess and collect property tax sufficient to make all remaining payments due under this contract. At September 30, 2012, the outstanding debt of MEAG was $5,663,839,837. The City's guarantee varies by individual project and totals $62,413,345.

NOTE 10. PENSION PLAN

Plan Description. The City has a non-contributory defined benefit plan covering all full time employees. The plan was established by the City and the authority to amend or discontinue the plan is assigned to the City. The plan, the City of LaFayette Retirement Plan, is administered by the Georgia Municipal Employees Benefit System (GMEBS) a statewide, agent multiple employer defined benefit plan. GMEBS policy direction and oversight for the fund is provided by a 15 member board comprised of elected and appointed municipal officials from among the fund's membership. GMEBS handles all administrative and investment functions relative to the plan. The plan provides pension benefits and death and disability benefits for all employees that have been employed full time for one year and employees are vested after 5 years. Members may retire at age 65 with 5 years of service or at age 55 with 10 years of service. Benefits are calculated at 1% to 1.75% of the average monthly earnings for the period of the five highest years prior to retirement.

The Georgia Municipal Employees Benefit System issues a publicly available annual financial report that includes financial statements and required supplementary information. This report may be obtained by contacting the Georgia Municipal Employees Benefit System, C/O Georgia Municipal Association – Risk Management and Employee Benefit Services, 201 Pryor Street, SW, Atlanta, Georgia 30303.

Funding Policy and Pension Cost.

The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution as set forth in GASB Statement No. 27. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from May 1, 1982, and the current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan ear. On the basis of the current valuation, it was determined that the current contribution rate is 10.65% of annual covered payroll.

The Plan is subject to minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). The estimated minimum annual contribution under these standards is $430,318. The employer contributes the recommended contribution developed under the actuarial funding policy each year, so it meets or exceeds the requirements of this law.

The recommended contribution to the plan from the actuarial report dated January 1, 2011, was $438,991 ($0 employee and $438,991 employer; 0% and 10.65% of covered payroll respectively). The City's covered payroll for eligible employees was$4,016,372. Based upon the actuarial valuation of January 1, 2012, the recommended contribution for the coming year is $479,407, which is 10.92% of estimated payroll of $4,278,893.

Funded Status

GASB No. 27 requires disclosure of the City's annual pension cost, percentage of annual percentage cost contributed and net pension obligation for the most recent three years.

Three-Year Trend Information

Plan Year Ending	Employer Annual Pension Cost (APC)	Percentage Of APC Contributed	Net (EOY) Pension Obligation
January 1, 2012	$ 479,407	100%	$ -
January 1, 2011	438,991	100%	-
January 1, 2010	425,394	100%	-

Schedule of Funding Progress

Actuarial Valuation For Plan Year Ending 1/1	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability	(3) Unfunded Actuarial Accrued Liability (Excess) (2) – (1)	(4) Funded Ratio (1) / (2)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as % Of Covered Payroll (3) / (5)
2012	$ 8,317,550	$ 9,888,648	$ 1,571,098	84.11%	$ 4,278,893	36.72%
2011	7,905,296	9,296,670	1,391,374	85.03%	4,016,372	34.64%
2010	7,347,268	8,773,552	1,426,284	83.74%	3,953,883	36.07%

Significant Actuarial Assumptions

The significant actuarial assumptions used to compute the actuarial accrued liability and the annual recommended contribution of the plan meet the Actuarial Standard of Practice No. 4, Measuring Pension Obligations, establishing generally accepted actuarial principles and practices.

The significant actuarial assumptions used in the current valuation are:

Rate of Return on Investment	7.75% per year
Projected Salary Increase for Inflation	3.5% per year
Postretirement Benefit Increases	Not Applicable
Economic Assumptions	
Annual Rates of increase in Salaries	Per rate tables
Future Social Security Wage Bases	3.5%
Inflation Rate	3.5%
Cost of Living Adjustment	N/A
Actuarial Methods	
Normal Cost and Actuarial Accrued Liability	Projected Unit Credit
Amortization method	Level dollar, closed
Actuarial Value of Assets	Sum of actuarial value at the beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at the end of year. The actuarial value is adjusted, if necessary, to be within 50% of market value for 2009, 44% of market value for 2010, 38% of market value for 2011, 32% of market value for 2012, 26% of market value for 2013, and 20% of market value for 2014 and later years.

The plan provisions and actuarial assumptions and cost methods are the same as those used to determine the contribution requirement for the preceding year.

As of January 1, 2012, the plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	72
Terminated employees entitled to benefits but not yet receiving them	48
Vested active participants	101
Nonvested participants	26
Total	247

NOTE 11. SPECIAL LOCAL OPTION SALES TAX

In June 2003, voters approved a referendum to continue collection of a 1% Special Local Option Sales Tax. Collections began on October 1, 2003 and end September 2008. The City's distributive share of this tax was projected to be $3,209,250 or 11.67%. The proceeds from this sales tax were used for acquisition and construction of improvements and the purchase of equipment for public safety, solid waste, recreation and water and sewer, the acquisition of public works equipment, the acquisition, construction and equipping of new streetscapes, new buildings and improvements for public works and equipment, building and improvements for the municipal airport.

In June 2008, voters approved a referendum to continue collection of a 1% Special Local Option Sales Tax. Collections began on October 1, 2008 and are scheduled to end September 2014. The City's distributive share of this tax is projected to be $4,434,600, or 11.67%. The proceeds from this sales tax are to be used for acquisition and construction of improvements and the purchase of equipment for public safety, solid waste, recreation and water and sewer, the acquisition of public works equipment, the acquisition, construction and equipping of new streetscapes, new buildings and improvements for public works and equipment.

NOTE 12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures exceeded appropriations in the following General Fund departments as follows:

Public Works	$ 44,032

Expenditures exceeded appropriations in the Hotel/Motel Special Revenue Fund.

In order to prevent excess expenditures in the following years, the City's management will monitor monthly budget reports and make adjustments or amendments when necessary, with approval from the City Council.

The fund balance in the City of LaFayette General Fund was a negative $447,660 for the year ended September 30, 2012.

NOTE 13. RISK MANAGEMENT

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The City has joined with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency (GIRMA) for its property and liability insurance, and the Worker's Compensation Self-Insurance Fund (WCSIF) for injuries to employees. Both are public entity risk pools currently operating as common risk management and insurance programs for member local governments. The Georgia Municipal Association (GMA) administers both risk pools.

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

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

During the past three fiscal years the cost of any settlements have not exceeded insurance coverage.

NOTE 14. UNEARNED/DEFERRED REVENUES

Governmental fund unearned/deferred revenue at year-end is current year property tax revenues of $22,727.

NOTE 15. RESTRICTED ASSETS

At September 30, 2012, the restricted assets account balances are comprised of the following:

Governmental activities:

	General
Restricted assets:	
Cash-Perpetual care	$ 94,895
Cash-Shop With A Cop	5,219
Cash-Bond Debt Service	401,186
Total restricted assets	$ 501,300

Business-type activities

	Water/Sewer	Electric	Solid Waste	Gas
Restricted assets:				
Cash-MEAG	$ -	$ 251,358	$ -	$ -
Cash-construction cash	16,800	-	-	-
Cash-Renewal and replacement	3,178	-	-	-
Cash-Capital lease	-	-	20	274,374
Cash-Compliance account	16,039	-	-	-
Cash-GEFA loan account	694,496	-	-	-
Total restricted assets	$ 730,513	$ 251,358	$ 20	$ 274,374

NOTE 16. FUND BALANCE/NET ASSETS

Restricted amounts are used to indicate that a portion of the fund balance/net assets is not available for appropriation or is legally segregated for specific future use. The following restricted amounts are used by the City:

Capital Projects Fund and Police Special Revenue Funds:

Restricted for capital projects - Restricted for completion of construction projects financed by SPLOST proceeds and debt retirement - Restricted for law enforcement activities – confiscated funds which must, by law, be utilized for specific activities/programs.

Water & Sewer Fund:

Reserved for Debt Service and Renewals and Replacement. These reserves were created in conjunction with the issuance of revenue bonds and are funded by initial deposits from the proceeds of such bonds and by transfers from the revenue accounts to accounts that are restricted to debt service and payments for system renewals and extensions.

Fiduciary Fund:

Held in trust for revolving loans-This reserve was created to segregate a portion of the net assets as required by grant agreement.

NOTE 17. LANDFILL CLOSURE/POSTCLOSURE COSTS

The City of LaFayette operates a municipal solid waste landfill for City use only and does not accept waste from any outside parties. State and federal laws and regulations require that the City place a final cover on its landfill when closed and perform certain maintenance and monitoring functions for a period of 30 years after closure. While the City has immaterial operating costs related to the current activity at the landfill, an expense provision and related liability are being recognized based on projected future closure and postclosure care costs that will be incurred.

The recognition of these costs is based on the amount of landfill space used to date. The liability for landfill closure and postclosure costs at September 30, 2012 is $93,571. Estimated total current cost of closure and postclosure care remaining to be recognized is $398,348. However, the actual cost of closure and postclosure care may be higher due to the effects of inflation, changes in technology, or changes in landfill laws and regulations. The City currently meets applicable financial assurance requirements.

The landfill capacity used to date is approximately 17.0%. According to the most recent study, at the current usage rate, the estimated remaining life of the landfill is 98 years.

NOTE 18. HOTEL/MOTEL TAX REVENUES AND TOURISM EXPENDITURES

The City of LaFayette levies a 5% hotel/motel tax in accordance with provisions of the Official Code of Georgia section 48-13-51. This code section requires that the City expend an amount equal to the amount by which the total taxes collected under this section exceed the taxes that would be collected at a rate of 3 percent. For the year ended September 30, 2012, the amount the City collected was $25,524. In accordance with a contractual agreement, 100% of the 2% difference in collections had been paid to the Walker County Chamber of Commerce and was to be used for promotion of tourism.

NOTE 19. JOINT VENTURE

The City of LaFayette is a member of the Coosa Valley Regional Development Center (RDC). The RDC was created under the laws of the State of Georgia and cities and counties in the area served by the RDC are required to be members. The membership of the RDC includes 10 counties and 35 municipalities. The City has no equity interest in the RDC nor does the City materially contribute to the continued existence of the RDC. The Official Code of Georgia Annotated Section 50-8-39.1 states that in the event the RDC ceases operation, the membership can be assessed for any debt or obligation of the RDC. Separate financial statements may be obtained from: Coosa Valley Regional Development Center, P. O. Box 1793, Rome, Georgia 30162.

Note 20. PRIOR PERIOD ADJUSTMENT

The City had a prior period adjustment of $82,973 in the Capital Projects fund to correct a non-accrual of bond interest payable.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF LAFAYETTE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012

	Special Revenue				
	Police Technology	Police	Police Forfeiture	Hotel Motel	Total Nonmajor Governmental Funds
ASSETS					
Cash	$ 19,466	$ 24,437	$ 1,860	$ -	$ 45,763
Total Assets	$ 19,466	$ 24,437	$ 1,860	$ -	$ 45,763
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to Other Funds	$ 28,048	$ -	$ -	$ 40,726	$ 68,774
Total Liabilities	28,048	-	-	40,726	68,774
Fund Balance:					
Restricted for:					
Law enforcement activities	-	24,437	1,860	-	26,297
Unassigned	(8,582)	-	-	(40,726)	(49,308)
Total Fund Balances	(8,582)	24,437	1,860	(40,726)	(23,011)
Total Liabilities and Fund Balances	$ 19,466	$ 24,437	$ 1,860	$ -	$ 45,763

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Special Revenue				
	Police Technology	Police	Police Forfeiture	Hotel Motel	Total Nonmajor Governmental Funds
REVENUES					
Taxes	$ -	$ -	$ -	$ 25,524	$ 25,524
Fines and Forfeitures	-	119,460	-	-	119,460
Interest Income	39	98	4	-	141
Total Revenues	39	119,558	4	25,524	145,125
EXPENDITURES					
Current:					
General Government	-	-	-	5,000	5,000
Police	4,676	110,880	-	-	115,556
Total Expenditures	4,676	110,880	-	5,000	120,556
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,637)	8,678	4	20,524	24,569
OTHER FINANCING SOURCES (USES)					
Transfers - Out	-	-	-	(25,524)	(25,524)
Transfers - In	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(25,524)	(25,524)
Net Change in Fund Balances	(4,637)	8,678	4	(5,000)	(955)
Fund Balance (Deficit) - Beginning of Year	(3,945)	15,759	1,856	(35,726)	(22,056)
Fund Balance - End of Year	$ (8,582)	$ 24,437	$ 1,860	$ (40,726)	$ (23,011)

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
HOTEL/MOTEL TAX SPECIAL REVENUE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 23,500	$ 23,500	$ 25,524	$ 2,024
Total Revenues	23,500	23,500	25,524	2,024
EXPENDITURES				
Tourism Promotion	5,500	5,500	5,000	500
Total Expenditures	5,500	5,500	5,000	500
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,000	18,000	20,524	2,524
OTHER FINANCING SOURCES (USES)				
Transfers - Out	(18,000)	(18,000)	(25,524)	(7,524)
Total Other Financing Sources (Uses)	(18,000)	(18,000)	(25,524)	(7,524)
Net Change in Fund Balance	-	-	(5,000)	(5,000)
Fund Balance (Deficit) - Beginning of Year	(35,726)	(35,726)	(35,726)	-
Fund Balance (Deficit) - End of Year	$ (35,726)	$ (35,726)	$ (40,726)	$ (5,000)

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
CAPITAL PROJECTS FUND
2008 SPLOST
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Project Length Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Taxes	$ 4,434,600	$ 4,434,600	$ 651,716	$ (3,782,884)
Intergovernmental	-	-	-	-
Interest Income	-	-	1,675	1,675
Total Revenues	4,434,600	4,434,600	653,391	(3,781,209)
EXPENDITURES				
Current:				
General Government	-	-	1,320	1,320
Debt Service:				
Principal	-	-	560,000	560,000
Interest	-	-	60,344	60,344
Bond Issuance Costs	-	-	-	-
Capital Outlays	4,434,600	4,434,600	43,800	(4,390,800)
Total Expenditures	4,434,600	4,434,600	665,464	(3,769,136)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	(12,073)	(7,550,345)
OTHER FINANCING SOURCES (USES)				
2008 Bonds Issued	-	-	-	-
Transfers - In	-	-	-	-
Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	(12,073)	(7,550,345)
Fund Balance (Deficit) - Beginning of Year	-	-	751,921	751,921
Prior Period adjustment	-	-	(82,973)	(82,973)
Fund Balance (Deficit) - End of Year	$ -	$ -	$ 656,875	$ (6,881,397)

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
POLICE SPECIAL REVENUE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Fines and Forfeitures	$ 224,800	$ 224,800	$ 119,460	$ (105,340)
Interest	100	100	98	(2)
Total Revenues	224,900	224,900	119,558	(105,342)
EXPENDITURES				
Current:				
Police	123,000	123,000	110,880	12,120
Total Expenditures	123,000	123,000	110,880	12,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	101,900	101,900	8,678	(93,222)
OTHER FINANCING SOURCES (USES)				
Payments to Other Governments	(101,900)	(101,900)	-	101,900
Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	(101,900)	(101,900)	-	101,900
Net Change in Fund Balance	-	-	8,678	8,678
Fund Balance (Deficit) - Beginning of Year	15,759	15,759	15,759	-
Fund Balance (Deficit) - End of Year	$ 15,759	$ 15,759	$ 24,437	$ 8,678

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
POLICE FORFEITURE SPECIAL REVENUE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Fines and Forfeitures	$ -	$ -	$ -	$ -
Interest	10	4	4	(0)
Total Revenues	10	4	4	(0)
EXPENDITURES				
Current:				
Police	10	4	-	4
Total Expenditures	10	4	-	4
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	4	4
OTHER FINANCING SOURCES (USES)				
Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	-	4	4
Fund Balance (Deficit) - Beginning of Year	1,856	1,856	1,856	-
Fund Balance (Deficit) - End of Year	$ 1,856	$ 1,856	$ 1,860	$ 4

The accompanying notes are an integral part of this financial statement.

CITY OF LAFAYETTE, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
POLICE TECHNOLOGY SPECIAL REVENUE
BUDGET AND ACTUAL
FOR THE YEAR ENDED SEPTEMBER 30, 2012

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
REVENUES				
Fine Add-Ons	$ 4,000	$ 2,000	$ -	$ (2,000)
Interest	50	50	40	(10)
Total Revenues	4,050	2,050	40	(10)
EXPENDITURES				
Current:				
Police	19,712	19,712	4,676	15,036
Total Expenditures	19,712	19,712	4,676	15,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,662)	(17,662)	(4,636)	15,025
OTHER FINANCING SOURCES (USES)				
Transfers - Out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(15,662)	(17,662)	(4,636)	15,025
Fund Balance (Deficit) - Beginning of Year	(3,945)	(3,945)	(3,945)	-
Fund Balance (Deficit) - End of Year	$ (19,607)	$ (21,607)	$ (8,581)	$ 15,025

The accompanying notes are an integral part of this financial statement.

STATISTICAL SECTION

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time. 67-72

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant revenue source, the property tax. 73-76

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the Agency's ability to issue additional debt in the future. 77-81

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. 82-83

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. 84-86

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Lafayette, Georgia
Net Assets By Component
Last Six Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012
Governmental activities						
Invested in capital assets, net of related debt	$ 6,925,052	$ 5,415,144	$ 2,587,120	$ 3,851,948	$ 4,645,389	$ 5,073,558
Restricted	655,142	159,095	370,207	372,480	1,741,229	1,676,815
Unrestricted	817,772	(478,789)	1,888,574	430,307	(1,953,591)	(1,627,242)
Total governmental activities net assets	$ 8,397,966	$ 5,095,450	$ 4,845,901	$ 4,654,735	$ 4,433,027	$ 5,123,131
Business-type activities						
Invested in capital assets, net of related debt	$ 18,053,148	$ 21,967,815	$ 21,644,406	$ 21,723,541	$ 21,958,075	$ 21,048,371
Restricted	1,202,647	1,229,047	1,230,702	1,156,598	217,585	36,038
Unrestricted	2,626,272	1,538,196	2,666,153	3,851,985	4,142,161	3,331,174
Total business-type activities net assets	$ 21,882,067	$ 24,735,058	$ 25,541,261	$ 26,732,124	$ 26,317,821	$ 24,415,583
Primary government						
Invested in capital assets, net of related debt	$ 24,978,200	$ 27,382,959	$ 24,231,526	$ 25,575,489	$ 26,603,464	$ 26,121,929
Restricted	1,857,789	1,388,142	1,600,909	1,529,078	1,958,814	1,712,853
Unrestricted	3,444,044	1,059,407	4,554,727	4,282,292	2,188,570	1,703,932
Total primary government net assets	$ 30,280,033	$ 29,830,508	$ 30,387,162	$ 31,386,859	$ 30,750,848	$ 29,538,714

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2007. Therefore, ten years of data is not available, but will be accumulated over time.

City of Lafayette, Georgia
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

	2007	2008	2009	2010	2011	2012
Expenses						
Governmental activities:						
General Government	$ 936,752	$ 984,479	$ 1,071,282	$ 984,125	$ 1,079,171	$ 1,080,027
Police	1,354,576	1,596,423	1,616,848	1,731,578	1,804,053	1,799,349
Fire	273,813	381,843	411,645	424,828	427,647	425,276
Public Works	949,226	959,681	952,337	1,198,003	1,122,605	963,898
Engineering	313,863	371,007	313,018	241,806	211,138	204,827
Recreation	845,284	990,485	836,134	880,389	872,255	881,464
Garage	171,259	239,752	170,778	172,978	221,800	181,492
Animal Control	45,876	49,090	49,073	57,768	46,076	41,833
Interest on Long-term Debt	-	-	88,112	125,154	187,682	60,695
Total governmental activities expenses	4,890,649	5,572,760	5,509,227	5,816,629	5,972,427	5,638,861
Business-type activities:						
Electric	7,476,015	6,415,012	5,941,777	6,356,037	6,787,899	7,823,639
Gas	3,173,016	3,195,382	2,524,138	2,326,496	2,250,743	1,781,896
Water & Sewer	3,050,299	3,092,514	3,062,970	3,166,961	3,271,779	3,350,313
Solid Waste	566,598	571,896	468,771	547,797	577,842	621,608
Golf	663,517	720,431	729,031	768,208	805,176	775,168
Airport	203,707	288,331	338,773	348,963	375,148	341,807
Total business-type activities expenses	15,133,152	14,283,566	13,065,460	13,514,462	14,068,587	14,694,431
Total primary government expenses	$ 20,023,801	$ 19,856,326	$ 18,574,687	$ 19,331,091	$ 20,041,014	$ 20,333,292

City of Lafayette, Georgia
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

(continued)

	2007	2008	2009	2010	2011	2012
Program Revenues						
Governmental activities:						
Charges for services:						
General Government	$ 744,994	$ 727,865	$ 741,448	$ 762,271	$ 789,344	$ 796,124
Police	234,411	265,671	226,688	331,889	343,163	208,702
Fire	-	-	-	-	-	-
Public Works	36,705	62,065	63,480	39,650	38,750	45,515
Engineering	-	-	10,619	7,041	15,955	8,388
Recreation	121,526	114,843	106,635	124,327	126,270	147,914
Garage	-	-	-	-	-	-
Animal Control	78	48	124	59	44	63
Operating grants and conributions	84,164	73,729	37,162	72,571	68,212	93,656
Capital grants and contributions	262,651	41,474	279,448	222,297	276,066	916,182
Total governmental activities program revenues	1,484,529	1,285,695	1,465,604	1,560,105	1,657,804	2,216,544
Business-type activities:						
Charges for services:						
Electric	6,952,011	7,150,710	7,313,826	8,082,649	7,454,354	7,302,789
Gas	3,698,030	3,692,304	3,079,206	2,977,647	2,726,493	2,277,444
Water & Sewer	3,276,325	3,170,295	3,322,222	3,688,544	3,754,331	3,739,296
Solid Waste	422,076	470,525	504,938	485,433	490,800	565,453
Golf	539,918	527,709	598,882	554,463	572,607	580,127
Airport	118,819	114,928	99,184	112,222	122,131	125,643
Operating grants and conributions	-	-	-	-	-	-
Capital grants and contributions	-	1,391,617	75,211	301,847	355,939	338,842
Total business-type activities program revenues	15,007,179	16,518,088	14,993,469	16,202,805	15,476,655	14,929,594
Total primary government program revenues	16,491,708	17,803,783	16,459,073	17,762,910	17,134,459	17,146,138
Net (expense) revenue						
Governmental activities	(3,406,120)	(4,287,065)	(4,043,623)	(4,256,524)	(4,314,623)	(3,422,317)
Business-type activities	(125,973)	2,234,522	1,928,009	2,688,343	1,408,068	235,163
Total primary government net (expense)	(3,532,093)	(2,052,543)	(2,115,614)	(1,568,181)	(2,906,555)	(3,187,154)

City of Lafayette, Georgia
Changes in Net Assets
Last Six Fiscal Years
(accrual basis of accounting)

(continued)

	2007	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Taxes:						
Property	438,279	507,138	533,775	464,412	472,937	437,343
Sales	1,006,545	545,066	1,380,487	1,116,086	1,149,233	493,200
Hotel/Motel	29,975	29,153	27,889	28,065	22,972	25,524
Insurance Premium	351,184	366,324	375,099	371,580	360,781	334,005
Business/Occupation	76,763	74,973	75,158	76,521	71,226	75,656
Beverage	129,065	123,495	132,496	117,584	122,097	115,330
Franchise	216,981	266,226	279,595	268,837	291,322	286,851
Other	30,846	625,632	375,690	16,166	11,882	37,702
Investment Earnings	40,547	22,316	45,862	25,067	6,048	3,600
Miscellaneous	304,805	126,193	41,230	62,563	23,751	36,216
Payments to Other Governments	(165,148)	(200,471)	(87,013)	(116,103)	(100,239)	-
Gain on Sale of Capital Assets	-	(1,378,995)	44,200	17,381	-	67,574
Transfers	1,974,000	(122,501)	989,519	1,617,199	1,691,150	2,199,422
Total governmental activities	4,433,842	984,549	4,213,987	4,065,358	4,123,160	4,112,423
Business-type activities:						
Investment earnings	209,097	108,671	39,503	10,104	9,589	5,388
Gain on Sale of Capital Assets	-	(258,915)	745	115,561	1,304	56,633
Transfers	(1,974,000)	122,501	(989,519)	(1,617,199)	(1,691,150)	(2,199,422)
Total business-type activities	(1,764,903)	(27,743)	(949,271)	(1,491,534)	(1,680,257)	(2,137,401)
Total primary government	$ 2,668,939	$ 956,806	$ 3,264,716	$ 2,573,824	$ 2,442,903	$ 1,975,022
Change in Net Assets						
Governmental activities	$ 1,027,722	$ (3,302,516)	$ 170,364	$ (191,166)	$ (191,463)	$ 690,106
Business-type activities	(1,890,876)	2,206,779	978,738	1,196,809	(272,189)	(1,902,238)
Total primary government	$ (863,154)	$ (1,095,737)	$ 1,149,102	$ 1,005,643	$ (463,652)	$ (1,212,132)

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2007. Therefore, ten years of data is not available, but will be accumulated over time.

City of Lafayette, Georgia
Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012
General Fund						
Nonspendable	$ -	$ -	$ -	$ -	$ 35,190	$ 34,410
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	116,276	94,895
Unassigned	835,558	702,378	749,250	196,308	(626,543)	(576,965)
Total general fund	$ 835,558	$ 702,378	$ 749,250	$ 196,308	$ (475,077)	$ (447,660)
All other governmental funds						
Nonspendable	$ 655,142	$ (338,635)	$ 370,207	$ 372,480	$ -	$ -
Restricted	-	-	-	-	765,591	683,172
Committed	-	-	-	-	-	-
Unassigned	38,099	(583,994)	1,349,121	443,945	(35,726)	(49,308)
Total all other governmental funds	$ 693,241	$ (922,629)	$ 1,719,328	$ 816,425	$ 729,865	$ 633,864

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2007. Therefore, ten years of data is not available, but will be accumulated over time.

City of Lafayette, Georgia
Changes in Fund Balances of Governmental Funds
Last Six Fiscal Years
(modified accrual basis of accounting)

	2007	2008	2009	2010	2011	2012
Revenues						
Taxes	$ 2,279,636	$ 1,856,607	$ 2,708,982	$ 2,401,737	$ 1,819,765	$ 1,737,158
Grant Revenue	262,651	53,551	129,917	249,387	265,329	229,324
Licenses and Permits	29,521	17,011	11,519	8,191	20,259	11,088
Intergovernmental	64,133	39,624	180,545	340	678,286	724,859
Payments in lieu of taxes	-	17,811	30,907	12,212	12,212	12,212
Fines and Forfeitures	234,411	278,683	273,686	365,015	377,112	228,377
Charges for Services	907,498	232,636	223,217	227,744	221,676	257,814
Contributions and donations	-	3,281	7,015	8	3,779	23,168
Miscellaneous Income	271,796	1,448,638	1,127,298	813,863	786,787	826,405
Interest Income	40,547	22,293	45,848	25,000	6,048	3,600
Total revenues	4,090,193	3,970,135	4,738,934	4,103,497	4,191,253	4,054,005
Expenditures						
General Government	874,087	885,421	927,908	931,920	1,019,574	1,015,374
Police	1,288,673	1,494,251	1,406,363	1,595,702	1,652,233	1,631,180
Fire	252,814	322,461	294,913	325,242	323,770	315,646
Public Works	888,993	862,912	787,221	1,073,030	1,017,074	839,336
Engineering	313,303	331,100	278,499	232,890	205,498	193,517
Recreation	739,367	850,184	740,019	802,517	765,844	764,731
Garage	170,945	200,080	152,250	167,943	211,514	173,471
Animal Control	45,876	49,090	43,749	55,980	44,564	39,783
Intergovernmental Expenditures	165,148	125,869	87,013	116,103	100,239	-
Principal	-	-	-	495,000	535,000	563,380
Interest	-	-	88,112	125,154	104,709	60,695
Bond Issuance Costs	-	-	105,807	-	-	-
Capital Outlay	705,815	1,995,556	1,122,077	1,113,142	633,329	380,014
Total expenditures	5,445,021	7,116,924	6,033,931	7,034,623	6,613,348	5,977,127
Excess of revenues over (under) expenditures	(1,354,828)	(3,146,789)	(1,294,997)	(2,931,126)	(2,422,095)	(1,923,122)
Other financing sources (uses)						
2008 Bonds Issued	-	-	3,400,000	-	-	-
Transfers out	(187,275)	(566,635)	(984,700)	(974,461)	(91,177)	(397,524)
Transfers in	2,161,275	1,941,100	1,524,326	2,432,361	1,755,327	2,224,946
Capital leases	-	-	-	-	-	42,515
Sale of capital assets	-	23,273	44,200	17,381	-	67,574
Total other financing sources (uses)	1,974,000	1,397,738	3,983,826	1,475,281	1,664,150	1,937,511
Net change in fund balances	$ 619,172	$ (1,749,051)	$ 2,688,829	$ (1,455,845)	$ (757,945)	$ 14,389
Debt service as a percentage of non capital expenditures	0.0%	0.0%	3.9%	10.5%	10.7%	11.1%

(1) The City implemented GASB 34, the new reporting standard, in fiscal year 2007. Therefore, ten years of data is not available, but will be accumulated over time.

City of Lafayette, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Nine Fiscal Years

Fiscal Year Ended September 30	Real Property			Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value[1] as a Percentage of Actual Value
	Residential Property	Industrial Property	Commercial Property	Motor Vehicles	Other					
2004	$ 55,338,599	$ 54,650,805	$ 39,305,084	$ -	$ 3,094,031	$ 18,087,874	$ 134,300,645	3.31	$ 335,751,613	40%
2005	56,169,149	54,590,950	37,214,445	-	3,068,048	19,205,764	131,836,828	3.20	329,592,070	40%
2006	68,346,204	48,118,166	37,757,322	-	3,392,759	12,732,550	144,881,901	3.00	362,204,753	40%
2007	70,343,584	48,454,969	38,307,577	-	3,687,189	12,781,998	148,011,321	2.99	370,028,303	40%
2008	70,343,584	48,454,469	38,307,577	-	3,687,189	12,781,998	148,010,821	2.99	370,027,053	40%
2009	71,519,493	43,460,692	39,974,969	-	3,704,303	15,266,054	143,393,403	2.99	358,483,508	40%
2010	71,988,686	39,362,080	41,235,497	-	3,308,916	17,039,910	138,855,269	2.99	347,138,173	40%
2011	71,984,905	33,188,102	41,860,053	-	2,979,759	13,694,518	136,318,301	2.99	340,795,753	40%
2012	71,535,907	28,059,977	41,413,918		3,241,204	12,750,760	131,500,246	2.99	328,750,615	40%

Source: Property in Walker County is reassessed annually. The county assesses property at approximately 40 percent of actual value for all types of real and personal property. Estimated actual value is calculated by dividing the assessed value by this percentage.
Tax rates are per $1,000 of assessed value.

[1] Includes tax-exempt property.

[2] Data not currently available earlier than 2004. As it becomes available, and as future years' data accrue, ten years' worth of trend data will be presented.

City of Lafayette, Georgia
Direct and Overlapping Governments Property Tax Rates
Last Ten Fiscal Years

	Direct Rates	Overlapping Rates		
Fiscal Year	City of Lafayette Operating Millage	Walker County (A)	State of Georgia (B)	Total Direct and Overlapping Rates
2003	3.34	20.57	0.25	24.16
2004	3.31	20.57	0.25	24.13
2005	3.20	22.56	0.25	26.01
2006	3.00	22.33	0.25	25.58
2007	2.99	22.29	0.25	25.53
2008	2.99	22.29	0.25	25.53
2009	2.99	22.07	0.25	25.31
2010	2.99	22.07	0.25	25.31
2011	2.99	22.07	0.25	25.31
2012	2.99	22.07	0.25	25.31

(A) Includes levy for Walker County Board of Education
(B) This statewide levy is collected for the State by the County on the basis of the County's assessed value (40% of fair market value)

City of Lafayette, Georgia
Principal Property Taxpayers
September 30, 2012

	2012			2003		
Taxpayer	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**	**Taxable Assessed Value**	**Rank**	**Percentage of Total Taxable Assessed Value**
Ropcor LP	$ 11,110,407	1	8.4%	$ 28,095,393	1	18.59%
Zorn, Eric, As Trustee	2,423,322	2	1.8%	-		-
Walmart	2,280,275	3	1.7%	2,589,500	3	1.71%
Georgia Windstream, Inc.	2,265,319	4	1.7%	-		-
Syntec Industries	1,937,674	5	1.5%	-		-
Blue Bird of N. Georgia	1,438,405	6	1.1%	5,839,161	2	3.86%
LaFayette Station	1,274,826	7	1.0%	-		-
Unique Fabricating South	1,102,688	8	0.8%	-		-
Lucky Pointe LP	971,183	9	0.7%	-		-
NorthEast Enterprises	945,136	10	0.7%	-		-
Georgia Alltel Telecom	-		-	2,220,578	4	1.47%
William J. Wade, Trustee	-		-	1,548,092	5	1.02%
Blue Bird Body Company	-		-	1,438,405	6	0.95%
Colorspectrum	-		-	1,389,411	7	0.92%
Ronile of Georgia	-		-	1,215,089	8	0.80%
Kmart Corporation	-		-	1,055,899	9	0.70%
Solution First, Inc	-		-	1,031,122	10	0.68%
Totals	$ 25,749,235		19.6%	$ 46,422,650		30.71%

Source:Walker County Tax Commissioner

Total Taxable Assessed Value 131,500,246

City of Lafayette, Georgia
Property Tax Levies and Collections
September 30, 2012

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal year	Collected within the Fiscal year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2003	$ 419,595	$ 400,824	95.5%	$ 5,552	$ 406,376	96.8%
2004	393,199	381,394	97.0%	10,500	391,894	99.7%
2005	410,943	395,902	96.3%	13,700	409,602	99.7%
2006	386,687	382,371	98.9%	3,746	386,117	99.9%
2007	403,693	387,906	96.1%	8,350	396,256	98.2%
2008	442,552	361,551	81.7%	39,939	401,490	90.7%
2009	454,485	370,025	81.4%	10,444	380,469	83.7%
2010	401,490	378,712	94.3%	19,167	397,879	99.1%
2011	399,173	381,666	95.6%	12,111	393,777	98.6%
2012	393,186	367,858	93.6%	-	367,858	93.6%

Source:Walker County Tax Commissioner

City of Lafayette, Georgia
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Acitivities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita	Per Capita Income	Population Per Capita Income
	General Obligation Bonds	Notes Payable	Capitilized Leases	Water/Sewer Revenue Bonds	Notes Payable	Capitilized Leases					
2003	$ -	$ 89,121	$ -	$ 4,325,000	$ 2,943,927	$ -	$ 7,358,048	5.12%	1,102	$ 21,542	$ 143,814,392
2004	-	-	-	3,940,000	2,822,026	-	6,762,026	4.38%	1,010	23,093	154,538,356
2005	-	-	-	3,535,000	2,695,988	-	6,230,988	5.77%	916	15,867	107,911,467
2006	-	-	-	3,105,000	2,739,607	-	5,844,607	3.66%	841	22,979	159,612,134
2007	-	-	-	2,670,000	2,562,113	-	5,232,113	3.15%	753	23,942	166,301,132
2008	-	-	-	2,185,000	2,377,656	-	4,562,656	5.10%	661	12,967	89,472,300
2009	3,400,000	-	-	1,680,000	3,574,017	-	8,654,017	9.67%	1,254	12,967	89,472,300
2010	2,905,000	-	-	1,125,000	5,710,556	-	9,740,556	10.89%	1,368	12,967	89,472,300
2011	2,370,000	-	-	-	6,979,262	214,393	9,563,655	10.01%	1,343	13,849	95,558,100
2012	1,810,000	-	39,135	-	7,380,498	721,240	9,950,873	10.09%	1,397	13,849	98,618,729

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
See the Schedule of Demographic and Economic Statistics on page 76 for person income and population data.

City of Lafayette, Georgia
Direct and Overlapping Governmental Activities Debt
As of September 30, 2012

Governmental unit	Debt Outstanding	Estimated Percentage Applicable[1]	Estimated Share of Overlapping Debt
Debt repaid with property taxes:Walker County	$ 3,605,177	12%	$ 432,621
City of Lafayette direct debt	1,810,000	100%	1,810,000
Total direct and overlapping debt	$ 5,415,177		$ 2,242,621

Sources: Assessed value data used to estimate applicable percentages provided by the Walker County Tax Commissioner. Debt outstanding data provided by Walker County and the City.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and business of the City of Lafayette. This process recognizes that, when considering the City's ability to issue and repay long-term debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

[1] The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

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

Fiscal Year	Revenue Bonds					
	Utility Service Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2003	$ 2,925,570	$ 1,775,367	$ 1,150,203	$ 550,000	$ 132,995	1.7
2004	3,120,287	1,916,832	1,203,455	575,000	104,413	1.8
2005	3,024,137	1,918,945	1,105,192	405,000	192,375	1.9
2006	3,213,657	1,926,659	1,286,998	430,000	167,385	2.2
2007	3,047,748	2,819,078	228,670	510,000	111,090	0.4
2008	3,032,877	2,917,010	115,867	530,000	90,720	0.2
2009	3,253,674	2,258,290	995,384	505,000	84,461	1.7
2010	3,697,314	2,292,818	1,404,496	555,000	133,166	2.0
2011	3,763,252	2,409,801	1,353,451	1,125,000	97,101	1.1

All outstanding revenue bonds were retired during the 2011 fiscal year. There is no 2012 information to report.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements. Utility service charges and other includes water/sewer charges and investment earnings but not tap fees. Operating expenses do not include depreciation or interest.

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt limit	$ 15,115,796	$ 16,859,233	$ 16,155,761	$ 14,488,190	$ 14,801,132	$ 14,801,082	$ 14,339,340	$ 15,275,046	$ 14,719,726	$ 14,117,400
Total net debt applicable to limit							3,400,000	2,905,000	2,370,000	1,810,000
Legal debt margin	$ 15,115,796	$ 16,859,233	$ 16,155,761	$ 14,488,190	$ 14,801,132	$ 14,801,082	$ 10,939,340	$ 12,370,046	$ 12,349,726	$ 12,307,400
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	23.71%	19.02%	16.10%	12.82%

Legal Debt Margin Calculation for Fiscal Year 2012

Total taxable assessed value	$ 141,173,998
Debt limit (10% of assessed taxable value)	14,117,400
Debt applicable to limit:	
General obligation bonds	1,810,000
Legal debt margin	$ 12,307,400

Note: The Constitution of the State of Georgia Article IX, Section V limits outstanding general obligation debt to 10 percent of the assessed value of all taxable property.

City of Lafayette, Georgia
Ratios of General Bonded Debt Outstanding
Last Four Fiscal years

Fiscal Year	General Obligation Bonds	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2009	$ 3,400,000	N/A	$ 493
2010	2,905,000	N/A	408
2011	2,370,000	N/A	333
2012	1,810,000	N/A	254

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

City of LaFayette, Georgia
Demographic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income [1]	Median Age [1]	Education Level in Years of Formal Schooling	School Enrollment	Unemployment Rate/Percent
2003	6,676	$ 143,814,392	$ 21,542	37.1	12	8,500	3.0
2004	6,692	154,538,356	23,093	38.0	12	8,930	2.5
2005	6,801	107,911,467	15,867	37.1	12	9,000	4.7
2006	6,946	159,612,134	22,979	37.0	12	9,290	4.5
2007	6,946	166,301,132	23,942	37.0	12	9,143	6.4
2008	6,900	89,472,300	12,967	37.0	12	9,337	5.8
2009	6,900	89,472,300	12,967	38.0	12	9,279	10.4
2010	7,121	92,338,007	12,967	38.0	12	9,198	9.8
2011	7,121	98,618,729	13,849	38.0	12	9,064	9.4
2012	7,121	98,618,729	13,849	38.0	12	9,064	9.4

Sources: NW Georgia Joint Development Authority,Georgia Department of Education, and the most recent U.S. Census

[1] Estimated

CITY OF LAFAYETTE, GEORGIA
PRINCIPLE EMPLOYERS
CURRENT YEAR AND SIX YEARS AGO

	2012			2006	
Employer	Employees	Rank	Percentage Of Total	Employees	Rank
Walker Co Bd of Education	1,416	1	36.21%	1,500	2
Roper Corp	1,362	2	34.83%	1,600	1
Walker Co Government	447	3	11.43%	250	5
Walmart	192	4	4.91%	265	4
Syntec Industries	152	5	3.89%	150	6
City of LaFayette	135	6	3.45%	140	7
Walker co Sheriff Dept	115	7	2.94%	100	8
Bank of LaFayette	65	8	1.66%	-	-
Quality Cushion	26	9	0.66%	68	10
Bluebird N Ga	-	-	0.00%	400	3
R E Canteen	-	-	0.00%	70	9
Totals	3,910		100.0%	4,543	

Source: Respective Employers

City of Lafayette, Georgia
Number of City Employees By Function/Program
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	7	7	7	7	7	7	7	7	11	10
Police	18	19	19	19	19	19	21	23	23	23
Fire	4	4	4	4	5	5	5	5	5	6
Garage	3	3	3	3	3	3	3	4	3	3
Culture and recreation	15	15	15	15	13	12	9	10	10	12
Public works	15	17	16	16	16	16	14	14	15	15
Sanitation	7	6	6	6	6	6	4	4	6	7
Total	69	71	70	70	69	68	63	67	73	76

City of Lafayette, Georgia
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Physical arrests	414	467	430	411	363	507	462	423	485	401
Parking violations	145	75	98	125	9	25	11	20	21	20
Traffic violations	1,367	1,552	1,449	878	980	1,129	763	1,434	1,088	1,013
Fire										
Emergency responses	166	215	231	206	360	326	553	655	751	941
Fires extinguished	34	65	60	45	92	55	78	64	64	39
Culture and recreation										
Participation fees	$ 94,201	$ 86,839	$ 98,467	$ 111,150	$ 129,808	$ 118,484	$ 117,482	$ 116,762	$ 130,937	$ 153,348
Library volumes	76,000	76,000	101,257	69,002	70,000	69,297	71,203	76,985	75,847	78,000
Public works										
Street resurfacing miles	1.40	1.02	1.00	1.13	1.37	1.15	1.09	0.53	1.01	0.00
Housing and development										
Building permits issued	221	230	147	149	113	73	59	60	46	46
Sanitation										
Number of customers	2,702	2,692	2,695	2,685	2,763	2,773	2704	2,686	2,858	2,667

City of Lafayette, Georgia
Capital Asset Statistics by Function
Last Ten Fiscal Years

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	18	19	19	19	19	20	20	23	23	23
Culture and recreation										
Acreage	147.5	147.5	147.5	147.5	147.5	147.5	147.5	147.5	147.5	147.5
Baseball/softball fields	9	9	9	9	9	6	6	10	9	9
Soccer/football fields	2	2	2	2	2	3	3	5	5	5
Public works										
Miles of streets	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1	82.1
Housing and development										
Building permits issued	221	230	147	149	113	113	59	60	46	46
Sanitation										
Collection vehicles	3	3	3	3	3	3	3	3	3	8

COMPLIANCE SECTION

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LLOYD WILLIAMSON
CHRISTIAN HATCH

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*

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of LaFayette, Georgia, as of and for the year ended September 30, 2012, which collectively comprise the City of LaFayette, Georgia's basic financial statements and have issued our report thereon dated March 8, 2013. 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 LaFayette, 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 LaFayette, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of LaFayette, Georgia's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City of LaFayette, Georgia's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City of LaFayette, Georgia's financial statements that is more than inconsequential will not be prevented or detected by the City of LaFayette, Georgia's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting. These deficiencies are listed as findings 09-2 and 10-1 in the Schedule of Findings and Questioned Costs.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that the significant deficiencies described above are not material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of LaFayette, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests did disclose instances of noncompliance that are required to be reported under *Government Auditing Standards*, and which are described in the Schedule of Findings and Responses as items 09-2 and 10-1.

We noted certain matters that we reported to management of the City of LaFayette, Georgia, in a separate letter dated March 8, 2013.

The City of LaFayette, Georgia's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the City of LaFayette, Georgia's responses and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, City Council, and the Georgia Department of Audits and is not intended to be and should not be used by anyone other than these specified parties.

Williamson and Company

Williamson and Company
Certified Public Accountants
March 8, 2013

Finding 09-2 Monthly and Year-End Adjusting Entries

Continues from previous year, some improvements have been made but it continues to be a finding and a problem for statements at year end.

Condition: The City required numerous adjusting and reclassifying entries at year-end. This results in the monthly statements being unreliable for the City Manager and council to use for planning and decision-making, in addition to contributing to budget overruns as items are correctly reclassified, sometimes resulting in departmental overruns.

Criteria: The monthly general ledger should be reviewed and adjusted as needed. The general ledger should be reconciled to subsidiary ledgers or other supporting documents.

Recommendation: The monthly working trial balance should be printed each month and the "month-end" balances compared to the following:

Reconciled cash
Outstanding billing reports
Accounts payable reports
Unpaid property tax reports
Others as needed

Management's response: As part of the change in City Managers there is a renewed emphasis on Department Heads paying close attention to the monthly reports, prepared by the Finance Department, and verifying expenses and resolving discrepancies with Finance as they occur. Additionally, the city will continue to enforce an earlier purchasing close out for the fiscal year; to be set between September 9 and September 14, 2013. This should help ensure the vast majority of invoices are received and processed in the fiscal year in which they are incurred. We continue to look into an opportunity to having the Walker County Tax Commissioner bill and collect the City taxes, for a fee, and converting/reallocating the existing Tax Clerk's position to handle additional financial issues.

Finding 10-1 Budget Reports

Continues from previous year.

Condition: The City's actual expenditures exceeded the general fund budget as follows:

Public Works	$ 44,032

Criteria: The budget should control the expenditures for the City.

Recommendation: As the actual expenditures start to exceed the budget an amendment to the budget should be made or the expense should not be incurred. The City Manager and City Council should review the "budget vs. actual" expenditure report each month to make certain the City does not exceed approved spending levels.

Management's response: As mentioned in the previous Finding, with a new City Manager comes policy changes to address day to day operational activities. We will implement a mid-year budget review with City Council to make needed/required revenue and expenditure changes to the budget. Additionally, this will provide an additional opportunity to remind staff and the Department Heads that they must live within their approved budgets. Additional finance staff or reallocation of positions should also help us better track expenditures and keep the departments within their approved budgets.

City of LaFayette, Georgia
Schedule of Special Purpose Local Option Sales Tax
For the Fiscal Year Ended September 30, 2012

Project	Estimated Cost		Expenditures		
	Original	Current	Prior Years	Current Year	Total
SPLOST V					
Roads & Streets	$ 200,000	$ 200,000	$ 367,405	$ -	$ 367,405
Other Projects					
Admin					
Equipment	-	-	33,613	-	33,613
Public Safety					
Equipment	-	-	244,253	-	244,253
Solid Waste					
Equipment	-	-	306,442	-	306,442
Public Works					
Equipment	-	-	153,805	-	153,805
Streetscapes	-	-	317,371	-	317,371
Recreation					
Equipment	-	-	82,593	6,048	88,641
Site Improvements	-	-	920,681	37,752	958,433
Airport					
Buildings	-	-	-	-	-
Site Improvements	-	-	34,457	-	34,457
Water and Sewer					
Equipment	-	-	-	-	-
Improvements	-	-	121,937	-	121,937
Gas					
Equipment	-	-	29,711	-	29,711
Improvements	-	-	-	-	-
Electric					
Equipment	-	-	3,046	-	3,046
Improvements	-	-	-	-	-
Golf					
Equipment	-	-	-	-	-
Improvements	-	-	59,416	-	59,416
Total other projects	4,234,600	4,234,600	2,307,325	43,800	2,351,125
Total for all projects	$ 4,434,600	$ 4,434,600	$ 2,674,730	$ 43,800	$ 2,718,530

Note: This schedule has been prepared on the accrual basis of accounting.