CITY OF MANCHESTER, GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2011

Prepared by:

Department of Finance and Administration

CITY OF MANCHESTER, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2011

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City of Manchester
P. O. BOX 366
MANCHESTER, GEORGIA 31816
(706) 846-3141 OR (706) 846-3142

November 17, 2011

TO: The Citizens of the City of Manchester, Georgia
The Honorable Mayor and Members of the City Council
of the City of Manchester, Georgia

The Comprehensive Annual Financial Report (CAFR) of the City of Manchester, Georgia (City) is submitted for the fiscal year ended June 30, 2011. Management of the City accepts all responsibility for the accuracy of the data and completeness and fairness of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Our goal has been to relate the City's financial position in a format that is informative for the general public.

Georgia law requires cities to perform an audit every two years by independent certified public accountants. The City chooses to have an annual audit and this year Council selected the firm of Abbott, Jordan & Koon to perform the audit. The independent auditor's report is included in the financial section of this report.

The MD&A, which immediately follows the independent auditor's report, provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Manchester is located in the west central part of Georgia approximately 65 miles southwest of Atlanta and 35 miles north of Georgia's second largest city, Columbus.

This report includes all funds of the City of Manchester. The City of Manchester, incorporated in 1909, operates under the council-manager form of government. The City is organized under the following departments: City Hall Administration, Police, Fire, Highways and Street, Health and Welfare, Culture and Recreation, Code Enforcement, Public Works, Water and Sewerage, Gas System, Solid Waste and Broadband. These departments operate under the supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services for approximately 4,000 citizens. Included among these services are traditional city functions, such as police and fire protection, street construction and maintenance, parks and recreation services, building inspection, zoning enforcement and economic development, as well as gas, water, and sewer utilities, solid waste disposal and broadband services

The restoration of the historic *President Theatre* is still ongoing and has been able to acquire a large amount of grant funds and local donors to continue the project. Four homes have been refurbished through the *CHIPS* project and more families with limited income will be touched through this project during the upcoming 2011-2012 period. *Callaway Close*, a habitat subdivision, originated in 2010-2011 with its first home being completed during that time. Through the growth of this subdivision, suitable housing will be provided for even more additional families with limited income.

The Housing Authority of the City of Manchester has not met the established criteria for inclusion in the reporting entity and is excluded from this report. The Manchester Development Authority and the Downtown Development Authority of the City of Manchester (the "DDA") have been included in these financial statements as discretely presented component units. The DDA was formed in 1997, but did not become financially active until the fall of 2009.

The City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of Manchester. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is exercised by the City Council at the department level. Additional information on the budgetary process can be found in Note 1(D) in the Notes to the Basic Financial Statements.

FACTORS AFFECTING ECONOMIC CONDITION

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

Local Economy

The City continues to be plagued with high unemployment due to the stagnant local economy.

The City of Manchester and the Manchester Development Authority have been successful in acquiring a foundry to locate in the vacant foundry building. *Eccomelt LLC*, a division of the *House of Metals* of Toronto, Canada, closed on the property mid June of 2011 and plans to be in operation by calendar year end. The foundry will hire 30 full time employees within the next three years.

Long-Term Financial Planning

The City sold the broadband cable system during the last fiscal year to Charter Communications and has been able to retain the proceeds to provide for additional operating capital in case of a shortfall. Timber has also been sold from acreage belonging to the City which has served as a resource to assist in balancing the budget.

Meriwether Park, an industrial park located in northern Meriwether County, has become an additional resource for gas revenue due to an intergovernmental contract which provides for the sale of natural gas to industrial customers by the City. Two industries are currently located at the park with interest increasing due to the location of a KIA plant within close proximity.

Major Initiatives

The revamp of the waste water treatment facility is close to completion and should be operating before year end. Finding innovative approaches to addressing dilapidated structures and nuisance properties has been a challenge, but plans to assist in the removal of such issues are being discussed at this time.

AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Manchester for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2010. This was the nineteenth consecutive year that the government has received this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The timely preparation of this report was possible because of the efficiency and dedicated service of the entire staff at City Hall. Each member of the department has our sincere appreciation for their contributions in the preparation of this report. We wish to thank the Mayor and Council Members for their continued support as we strive for excellence in financial reporting for the City of Manchester. We also wish to acknowledge the professional and dedicated services of the staff of Abbott, Jordan & Koon, Certified Public Accountants.

Respectfully submitted,

Kathy Storey, City Manager

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Manchester
Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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.

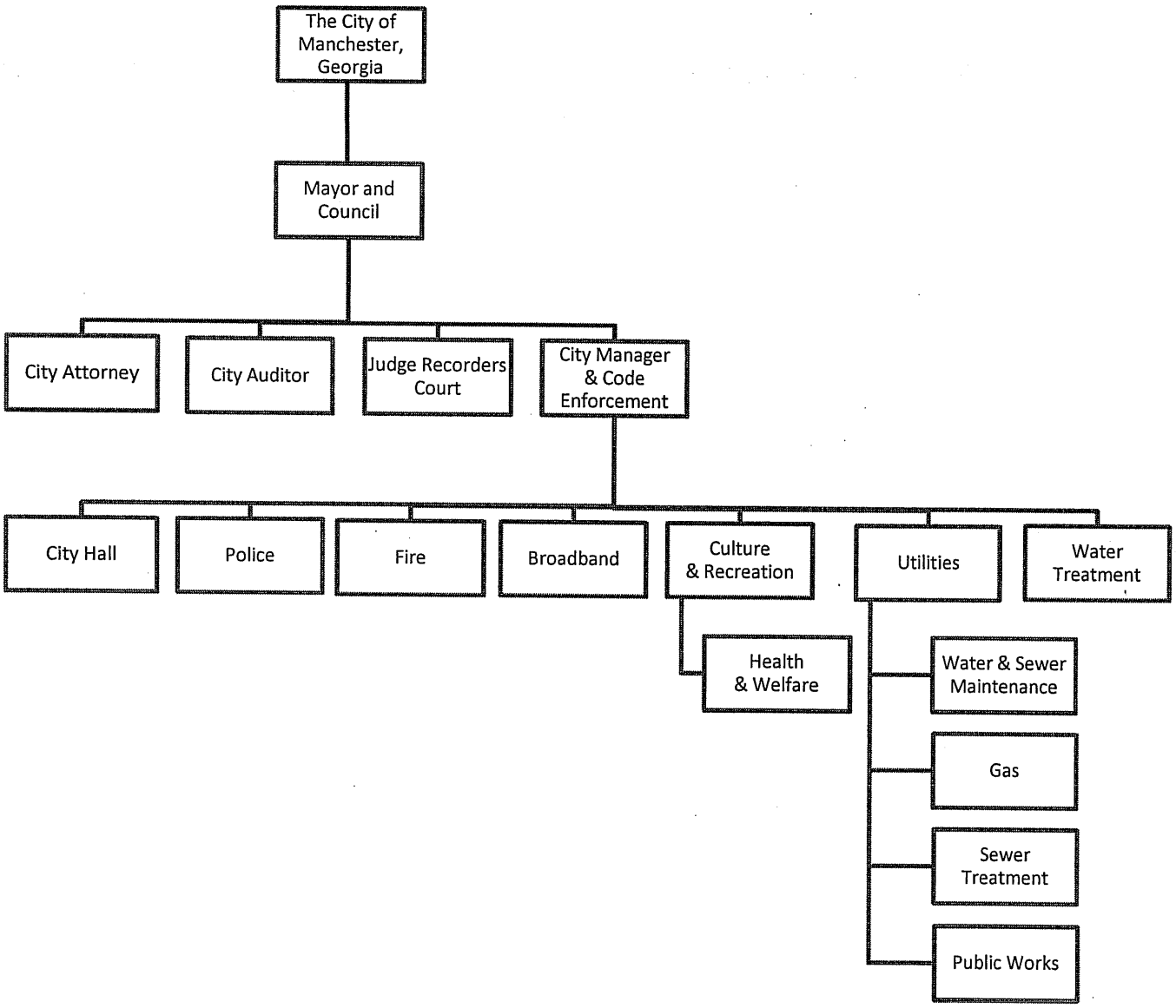


Linda C. Davidson

President

Executive Director

CITY OF MANCHESTER, GEORGIA
ORGANIZATION CHART
June 30, 2011



CITY OF MANCHESTER, GEORGIA
LIST OF PRINCIPAL OFFICIALS
June 30, 2011

ELECTED OFFICIALS

Anthony D. Clifton	Mayor
Bruce S. Burt	Mayor Pro-Tem
Solomon Ferguson	Council Member
Pattisue S. Elliott	Council Member
Travis L. Ferguson	Council Member

OTHER OFFICIALS

Kathy M. Storey	City Manager
Kristen C. Price	City Clerk
Glover & Davis, P.A.	City Attorney
John Gilson	City Judge

AJ&K

Abbott, Jordan & Koon, LLC

CERTIFIED PUBLIC ACCOUNTANTS

P.O. Box 609 □ 405 Second Street □ Manchester, GA 31816
(706) 846-8401 □ Fax (706) 846-3370

INDEPENDENT AUDITORS' REPORT

To the City Council
City of Manchester
Manchester, Georgia 31816

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Manchester, Georgia, as of and for the year ended June 30, 2011, 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 Manchester, Georgia management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, the aggregate remaining fund information of the City of Manchester, Georgia, as of June 30, 2011, 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 November 17, 2011, on our consideration of the City of Manchester, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedules of funding progress information on pages 3 through 8 and page 39 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's financial statements as a whole. The combining, comparative, and individual fund financial statements and schedules, and other supplemental information, the introductory section, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining, comparative, and individual fund financial statements and schedules and other supplemental information, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. We also have previously audited, in accordance with auditing standards generally accepted in the United States, the City of Manchester, Georgia's basic financial statements for the year ended June 30, 2010, which are not presented with the accompanying financial statements. In our report dated December 6, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manchester, Georgia's financial statements as a whole. The 2010 individual fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2010 financial statements. The information has been subjected to the auditing procedures applied in the audit of those financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2010 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Abbott Rogers & Knox

Manchester, Georgia
November 17, 2011

Management's Discussion and Analysis

As management of the City of Manchester (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iii of this report.

FINANCIAL HIGHLIGHTS

- At June 30, 2011, the City's assets exceeded its liabilities by $13,388,664 (net assets). Net assets invested in governmental activities decreased $108,587 or 1.61 percent, and net assets of our business-type activities increased $300,841 or 4.65 percent.
- The City's total net assets increased $192,254 from the previous year.
- As of the close of 2011, the City's governmental funds reported combined ending fund balances of $829,606, a decrease of $183,852 from the prior year. The majority of the decrease can be accounted for in the Capital Projects Fund (2008 SPLOST Fund). Monies received in prior years were spent during the current year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis are intended to serve as an introduction to the City's basic financial statements. These financial statements will present an overview of the City's financial activities and are presented in three components- 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The government-wide statements are intended to present information about the City as a whole using accounting methods similar to the private sector.

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

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

The government-wide financial statements of the City are separated into three kinds of activities:

- Governmental activities: Most of the City's programs and services are reported here, including police, fire, senior center, recreation, public works, and general administration. These governmental activities are funded primarily by property taxes and state and federal grants.

- Business-type activities: These activities include the business-like operations of the City which are intended to recover all or a significant portion of their costs through user fees and charges. These services include water, sewer, gas, garbage and broadband.

- Component units: The Manchester Development Authority and the Downtown Development Authority of the City of Manchester are included as discretely presented component units of the City. Although they are legally separate from the City, the City is financially accountable. Additional information can be found on the Manchester Development Authority in their separately issued financial statements. The DDA does not issue separate financial statements. The Manchester Public Utilities Authority, although also legally separate, functions for all practical purposes as part of the City's Water and Sewerage Fund; therefore, it has been included as part of the business-type activities.

Fund Financial Statements

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

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided, along with the financial resources available.

By comparing the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison.

The City maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund which is the City's only major governmental fund. Individual data from the remaining nonmajor governmental funds are combined into a single, aggregate column marked "Other Governmental Funds." Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements and other supplementary data provided within the financial section of the report.

Proprietary Funds - The City presents only enterprise funds for its proprietary fund type. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The City utilizes enterprise funds to account for the Water & Sewer operations, Gas operations, and Solid Waste disposal activities, and Broadband services. The Water & Sewer, Gas, Solid Waste and Broadband funds are all considered to be major enterprise funds.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water & Sewer, Gas, Solid Waste and Broadband funds since all are considered to be major funds of the City.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided on the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following summarizes the components of the City's net assets of the primary government at June 30, 2011 and 2010.

NET ASSETS

	Governmental Activities		Business-type		Totals	
	2011	2010	2011	2010	2011	2010
Assets:						
Current &Other Assets	$ 1,052,313	$ 1,266,888	$ 2,227,067	$ 1,832,342	$ 3,279,380	$ 3,099,230
Capital Assets, Net	6,674,854	6,802,413	12,164,631	12,271,506	18,839,485	19,073,919
Total Assets	7,727,167	8,069,301	14,391,698	14,103,848	22,118,865	22,173,149
Liabilities:						
Current & Other Liabilities	405,347	458,818	1,003,870	907,645	1,409,217	1,366,463
Long-term Liabilities	706,704	886,780	6,614,280	6,723,496	7,320,984	7,610,276
Total Liabilities	1,112,051	1,345,598	7,618,150	7,631,141	8,730,201	8,976,739
Net Assets:						
Invested in Capital Assets, Net of Related Debt	5,899,570	5,924,123	7,182,172	7,363,268	13,081,742	13,287,391
Restricted	771,920	110,741			771,920	110,741
Unrestricted	(56,374)	688,839	(408,624)	(890,561)	(464,998)	(201,722)
Total Net Assets	$ 6,615,116	$ 6,723,703	$ 6,773,548	$ 6,472,707	$ 13,388,664	$ 13,196,410

As noted earlier, changes in net assets over time can be a useful indicator of a government's financial position. In the case of the City of Manchester, assets exceeded liabilities by $13,388,664 at June 30, 2011. The City's investment in capital assets (e.g. land, buildings, infrastructure, machinery, equipment and vehicles), less any outstanding related debt used to acquire the asset equals approximately 97.71% of net assets. The City uses these capital assets to provide services to citizens and consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the assets themselves cannot be used to liquidate these liabilities.

The following shows the changes in net assets for 2011 and 2010.

CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues:						
Charges for services	$ 679,920	$ 680,624	$ 3,685,066	$ 3,558,953	$ 4,364,986	$ 4,239,577
Operating grants and contributions	333,270	155,292	0	0	333,270	155,292
Capital grants and contributions	143,722	586,406	0	0	143,722	586,406
General Revenues:						
Property taxes	1,094,171	1,127,332	0	0	1,094,171	1,127,332
Franchise tax	210,722	194,708	0	0	210,722	194,708
Insurance premium tax	214,681	221,107	0	0	214,681	221,107
Motor vehicle and mobile home tax	98,654	86,774	0	0	98,654	86,774
Alcoholic beverage tax	92,336	89,694	0	0	92,336	89,694
Sales tax	395,138	395,807	0	0	395,138	395,807
Other	20,804	17,242	0	0	20,804	17,242
Investment earnings	1,098	8,163	946	537	2,044	8,700
Total Revenues	3,284,516	3,563,149	3,686,012	3,559,490	6,970,528	7,122,639
Expenses:						
General government	963,147	1,115,872	0	0	963,147	1,115,872
Public safety	1,425,739	1,491,837	0	0	1,425,739	1,491,837
Health and welfare	129,721	164,498	0	0	129,721	164,498
Culture and recreation	447,241	410,603	0	0	447,241	410,603
Highways and streets	587,832	680,166	0	0	587,832	680,166
Community development	159,378	12,883	0	0	159,378	12,883
Interest on long-term debt	44,254	106,183	0	0	44,254	106,183
Water and sewer	0	0	1,599,354	1,354,612	1,599,354	1,354,612
Gas	0	0	797,554	848,029	797,554	848,029
Solid waste	0	0	281,548	296,420	281,548	296,420
Broadband	0	0	342,506	322,163	342,506	322,163
Total Expenses	3,757,312	3,982,042	3,020,962	2,821,224	6,778,274	6,803,266
Increase (decrease) in net assets before transfers	(472,796)	(418,893)	665,050	738,266	192,254	319,373
Transfers	364,209	1,266,299	(364,209)	(1,266,299)	0	0
Increase (decrease) in net assets	(108,587)	847,406	300,841	(528,033)	192,254	319,373
Net Assets, beginning of year	6,723,703	5,876,297	6,472,707	7,000,740	13,196,410	12,877,037
Net Assets, end of year	$ 6,615,116	$ 6,723,703	$ 6,773,548	$ 6,472,707	$ 13,388,664	$ 13,196,410

Governmental Activities

Governmental activities decreased the City's net assets by $108,587. Key elements of this decrease are shown in the preceding table *Changes in Net Assets*. Noteworthy variances are:

- Operating grants and contributions increased $177,978. The majority of this increase was due to various grants received for housing rehabilitation and community development.
- Capital grants and contributions decreased $442,684. In the prior year, the City received $593,679 CDBG Capital grant that it did not receive in the current year; however, during the current year the City did receive $77,662 capital grant from the County for recreation and several other smaller capital grants.
- Expenses for community development increased $146,495 due to the housing rehabilitation and community development the City was able to fund with the operating grants received.

Business-Type Activities

Business-type activities increased the City's net assets by $300,841. Noteworthy variances are:

- Revenues had a net increase of $126,522. The water and sewerage had an increase in operating revenue of approximately $213,000; however, since the majority of the Broadband Fund was sold in April 2011, it had a decrease of approximately $100,000 in operating revenue.

- Expenses in the Water and Sewer Fund increased almost $245,000. This is due to an increase in operating expenses of approximately $82,000 (for various maintenance done on the system) and an increase in interest expense and amortization of bond cost of approximately $163,000 (due to a full year of expense on the bonds issued last year and an increase in the GEFA loan balance).

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

As of June 30, 2011, the City's governmental funds reported a combined ending fund balance of $829,606, a decrease of $183,852 in comparison with the prior year. The fund balance is classified as nonspendable ($38,002), restricted ($771,920), committed ($12,502) and unassigned ($7,182) to indicate the purpose for which the resources can be used. The restricted fund balance (amounts constrained to specific purposes by their providers) represents 93% of the fund balance. The unassigned fund balance, which represents approximately .87% of the total fund balance, is available for any purpose.

The General Fund is the City's chief operating fund. The fund balance of the City's General Fund decreased by $80,832 during year ended 2011 and the Capital Projects Fund decreased by $99,234. The decrease in the General Fund is due to a decrease in transfers to the fund. The decrease in the Capital Projects Fund is due to capital projects being paid for with money the City received in prior years.

Proprietary Funds

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

The change for net assets in the Proprietary Funds for the year ended June 30, 2011 was an increase of $300,841. The factors concerning this increase have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City of Manchester City Council adopts the annual operating budgets for the City on or about May 1 each year for the fiscal year commencing July 1. The most significant budgeted fund of the City is the General Fund. During the year, amendments to the budget are adopted as needed. The significant amendments during the year were:

- Revenue was increase approximately $78,000 to reflect a recreation grant received from Meriwether County, Recreation expenses were increased accordingly.
- Salaries were adjusted in most departments to reflect actual amounts paid. The net adjustments to salaries was approximately a $38,000 increase.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2011 was $13,081,742, net of accumulated depreciation and related debt. This investment in capital assets includes land, buildings, improvements, machinery, equipment, vehicles, infrastructure, and construction in progress.

Long-Term Debt

As of June 30, 2011 the City had total bonded outstanding debt of $4,900,332 and a GEFA note payable of $1,418,732.

More detailed information about the City's capital assets and long-term debt is presented in the notes to the basic financial statements in Note 3 and Note 6, respectively.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the following:

Kathy M. Storey, City Manager
Department of Financial Administration
P.O. Box 366
Manchester, Georgia 31816
706-846-3141

BASIC FINANCIAL STATEMENTS

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Manchester Development Authority	Downtown Development Authority
Assets					
Cash	$ 410,370	$ 1,387,865	$ 1,798,235	$ 138,630	$ 20,086
Receivables (net where applicable of allowances for uncollectible):					
Tax and tax liens	12,202		12,202		
Accounts		414,117	414,117		
Fines and forfeitures	15,424		15,424		
Nutrition program	12,955		12,955		
Other	68,986		68,986		
Due from component unit	494,374		494,374		
Inventory, at cost	28,398	16,805	45,203		
Prepaid items	9,604		9,604		
Restricted assets:					
Temporarily restricted:					
Cash		263,315	263,315		
Capital assets not being depreciated	388,033	537,065	925,098	61,936	
Capital assets being depreciated, net of accumulated depreciation	6,286,821	11,627,566	17,914,387	3,153,833	
Bond issue cost, net of accumulated amortization		144,965	144,965		
Total assets	7,727,167	14,391,698	22,118,865	3,354,399	20,086
Liabilities					
Accounts payable and other current liabilities	190,505	14,441	204,946	38,641	50
Accrued payroll	20,715		20,715		
Accrued interest on bonds	12,952	4,830	17,782		
Customer deposits		83,220	83,220		
Customer overpayments		14,713	14,713		
Deferred revenue	11,487	24,600	36,087	15,796	
Due to primary government				494,374	
Current liabilities payable from restricted assets		657,132	657,132		
Noncurrent liabilities:					
Due within one year	169,688	204,934	374,622	111,512	
Due in more than one year	706,704	6,614,280	7,320,984	2,248,564	
Total liabilities	1,112,051	7,618,150	8,730,201	2,908,887	50
Net Assets					
Invested in capital assets, net of related debt	5,899,570	7,182,172	13,081,742	855,693	
Restricted for:					
Debt service	198		198	27,144	
Small cities program	850		850		
Economic development activities	713,556		713,556		
Cemetery maintenance	1,095		1,095		
Capital projects	11,310		11,310		
Debt covenants	44,911		44,911		
Unrestricted	(56,374)	(408,624)	(464,998)	(437,325)	20,036
Total net assets	$ 6,615,116	$ 6,773,548	$ 13,388,664	$ 445,512	$ 20,036

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services, Fees, Fines and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Units: Manchester Development Authority	Component Units: Downtown Development Authority
Primary government:									
Governmental activities:									
General government	$ 963,147	$ 484,127	$ 80,747	$ 1,039	$(397,234)		$(397,234)		
Public safety	1,425,739	129,646	10,821	14,937	(1,270,335)		(1,270,335)		
Health and welfare	129,721	7,347	92,852		(29,522)		(29,522)		
Culture and recreation	447,241	58,800		107,330	(281,111)		(281,111)		
Highways and streets	587,832			20,416	(567,416)		(567,416)		
Community development	159,378		148,850		(10,528)		(10,528)		
Interest on long-term debt	44,254				(44,254)		(44,254)		
Total governmental activities	3,757,312	679,920	333,270	143,722	(2,600,400)		(2,600,400)		
Business-type activities:									
Water and sewerage	1,599,354	2,108,600				$ 509,246	509,246		
Gas	797,554	949,673				152,119	152,119		
Solid waste	281,548	446,503				164,955	164,955		
Broadband	342,506	180,290				(162,216)	(162,216)		
Total business-type activities	3,020,962	3,685,066	0	0	0	664,104	664,104		
Total primary government	$ 6,778,274	$ 4,364,986	$ 333,270	$ 143,722	(2,600,400)	664,104	(1,936,296)		
Component units:									
Manchester Development Authority	$ 356,496	$ 198,311						$(158,185)	
Downtown Development Authority									$ 0
Total component units	$ 356,496	$ 198,311	$ 0	$ 0				(158,185)	0
General revenues:									
Taxes:									
Property taxes					1,094,171		1,094,171		
Sales tax					395,138		395,138		
Franchise tax					210,722		210,722		
Insurance premium tax					214,681		214,681		
Motor vehicle and mobile home tax					98,654		98,654		
Alcoholic beverage tax					92,336		92,336		
Other					20,804		20,804		
Intergovernmental support - Unrestricted								181,354	
Investment earnings					1,098	946	2,044	1,769	20
Transfers					364,209	(364,209)			
Total general revenues and transfers					2,491,813	(363,263)	2,128,550	183,123	20
Change in net assets					(108,587)	300,841	192,254	24,938	20
Net assets at beginning of year					6,723,703	6,472,707	13,196,410	420,574	20,016
Net assets at end of year					$ 6,615,116	$ 6,773,548	$ 13,388,664	$ 445,512	$ 20,036

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

CITY OF MANCHESTER, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	Major Governmental Fund Types	Nonmajor Governmental Fund Types	
	General	Other Governmental Funds	Total Governmental Funds
Assets			
Cash	$ 147,735	$ 262,635	$ 410,370
Receivables (net where applicable of allowances for uncollectibles):			
Taxes and tax liens	12,202		12,202
Fines and forfeitures	15,424		15,424
Nutrition program	12,955		12,955
Other	68,986		68,986
Due from component unit		494,374	494,374
Inventory, at cost	28,398		28,398
Prepaid items	9,604		9,604
Total assets	$ 295,304	$ 757,009	$ 1,052,313
Liabilities			
Accounts payable	$ 160,505	$ 30,000	$ 190,505
Accrued payroll	20,715		20,715
Deferred revenue	11,487		11,487
Total liabilities	192,707	30,000	222,707
Fund Balances			
Fund balances:			
Nonspendable for:			
Inventory	28,398		28,398
Prepaids	9,604		9,604
Restricted for:			
Debt service		198	198
Small cities program		850	850
Economic development activities		713,556	713,556
Cemetery maintenance		1,095	1,095
Capital projects		11,310	11,310
Debt covenants	44,911		44,911
Committed to special incentives	12,502		12,502
Unassigned	7,182		7,182
Total fund balances	102,597	727,009	829,606
Total liabilities and fund balances	$ 295,304	$ 757,009	$ 1,052,313

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

CITY OF MANCHESTER, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS TO NET ASSETS OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET ASSETS
June 30, 2011

Fund balances - Total governmental funds		$ 829,606
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds:		
Add - Capital assets		10,047,707
Deduct - Accumulated depreciation		(3,372,853)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at June 30, 2011 are:		
Accrued interest payable on bonds		(12,952)
Bonds payable	$(645,000)	
Capital leases	(130,284)	
Compensated absences	(101,108)	
Total long-term liabilities		(876,392)
Net assets of governmental activities		$ 6,615,116

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	Major Governmental Fund Types	Nonmajor Governmental Fund Types	
	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Property	$ 976,461	$ 117,710	$ 1,094,171
Sales	395,138		395,138
Franchise	210,722		210,722
Insurance premium	214,681		214,681
Motor vehicle and mobile home	98,654		98,654
Alcoholic beverage	92,336		92,336
Other	14,813	5,991	20,804
Licenses and permits	79,535		79,535
Intergovernmental		29,668	29,668
Grants and subsidies	195,858	148,850	344,708
Charges for services	58,800		58,800
Fines and forfeitures	129,646		129,646
Interest revenue	348	1,789	2,137
Other revenue	493,100		493,100
Total revenues	2,960,092	304,008	3,264,100
Expenditures:			
Current:			
General government	913,022		913,022
Public safety	1,373,271		1,373,271
Health and welfare	146,660		146,660
Culture and recreation	389,168		389,168
Highway and streets	415,793		415,793
Other governmental services	31,130		31,130
Community development		159,378	159,378
Debt service:			
Principal retirement	23,006	80,000	103,006
Interest and fees	8,013	37,710	45,723
Capital outlay:			
Public safety	86,869	4,950	91,819
Culture and recreation	18,200	30,108	48,308
Highways and streets		94,883	94,883
Total expenditures	3,405,132	407,029	3,812,161
Excess of revenues over (under) expenditures	(445,040)	(103,021)	(548,061)
Other financing sources (uses):			
Transfers in	5,051,360	246,396	5,297,756
Transfers out	(4,687,152)	(246,395)	(4,933,547)
Total other financing sources (uses)	364,208	1	364,209
Net change in fund balances	(80,832)	(103,020)	(183,852)
Fund balances at beginning of year	183,429	830,029	1,013,458
Fund balances at end of year	$ 102,597	$ 727,009	$ 829,606

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

CITY OF MANCHESTER, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2011

Net change in fund balances - Total governmental funds	$(183,852)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense ($279,323) exceeded capital outlays ($131,348) in the current period.	(147,975)
The net effect of various transactions involving capital assets (i.e., sales, trade-ins and donations) is to increase net assets	20,416
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	103,006
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 governmental funds.	99,818
Change in net assets of governmental activities	$(108,587)

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive(Negative)
Revenues:				
Taxes:				
Property	$ 1,090,100	$ 1,124,797	$ 976,461	$(148,336)
Sales	400,000	400,000	395,138	(4,862)
Franchise	191,000	212,000	210,722	(1,278)
Insurance premium	222,000	214,682	214,681	(1)
Motor vehicle and mobile home	88,000	88,000	98,654	10,654
Alcoholic beverage	93,000	93,000	92,336	(664)
Other	12,500	14,706	14,813	107
Licenses and permits	72,650	80,350	79,535	(815)
Grants and subsidies	114,500	207,102	195,858	(11,244)
Charges for services	55,700	63,082	58,800	(4,282)
Fines and forfeitures	115,800	115,800	129,646	13,846
Interest revenue	400	400	348	(52)
Other revenue	1,035,383	1,026,633	493,100	(533,533)
Total revenues	3,491,033	3,640,552	2,960,092	(680,460)
Expenditures:				
General government:				
Elected officials	81,956	75,956	74,467	1,489
City manager	91,244	100,451	99,360	1,091
General administration	763,072	742,943	737,082	5,861
Purchasing	5,950	5,950	2,113	3,837
Total general government	942,222	925,300	913,022	12,278
Public safety:				
Police	933,121	979,743	1,004,630	(24,887)
Fire	356,985	365,088	368,641	(3,553)
Total public safety	1,290,106	1,344,831	1,373,271	(28,440)
Highway and streets:				
Streets	400,005	405,298	415,793	(10,495)
Health and welfare:				
Senior center	114,753	115,201	111,992	3,209
Animal control	36,429	36,505	34,668	1,837
Total health and welfare	151,182	151,706	146,660	5,046
Culture and recreation:				
Recreation	268,495	331,545	347,168	(15,623)
Library	42,000	42,000	42,000	
Total culture and recreation	310,495	373,545	389,168	(15,623)
Other governmental services:				
Vehicle maintenance	44,853	39,470	31,130	8,340
Community development:				
Better hometown	0	0	0	0
Debt service:				
Principal	29,414	47,839	23,006	24,833
Interest			8,013	(8,013)
Capital outlay		29,807	105,069	(75,262)
Total expenditures	3,168,277	3,317,796	3,405,132	(87,336)
Excess (deficiency) of revenues over (under) expenditures	322,756	322,756	(445,040)	(767,796)
Other financing sources (uses):				
Transfers in			5,051,360	5,051,360
Transfers out	(322,756)	(322,756)	(4,687,152)	(4,364,396)
Total other financing sources (uses)	(322,756)	(322,756)	364,208	686,964
Net change in fund balances	0	0	(80,832)	(80,832)
Fund balance at beginning of year	0	0	183,429	183,429
Fund balance at end of year	$ 0	$ 0	$ 102,597	$ 102,597

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	Business-Type Activities Major Fund Types				
	Water and Sewerage	Gas System	Solid Waste	Broadband	Total
Assets					
Current assets:					
Cash	$ 1,138,559	$ 25		$ 249,281	$ 1,387,865
Receivables (net where applicable of allowances for uncollectibles):					
Accounts	300,442	67,332	$ 44,882	1,461	414,117
Inventories	1,130	849		14,826	16,805
Total unrestricted current assets	1,440,131	68,206	44,882	265,568	1,818,787
Restricted cash:					
Debt service fund	263,315				263,315
Total restricted cash	263,315	0	0	0	263,315
Total current assets	1,703,446	68,206	44,882	265,568	2,082,102
Noncurrent assets:					
Bond issue cost, net of accumulated amortization	144,965	0	0	0	144,965
Capital assets:					
Land and land improvements	537,065				537,065
Buildings	9,447,167	10,088			9,457,255
Improvements other than building	5,452,471	2,408,781			7,861,252
Machinery and equipment	786,590	74,628	21,060		882,278
Less, accumulated depreciation	(6,223,519)	(328,640)	(21,060)		(6,573,219)
Total capital assets (net of accumulated depreciation)	9,999,774	2,164,857	0	0	12,164,631
Total noncurrent assets	10,144,739	2,164,857	0	0	12,309,596
Total assets	11,848,185	2,233,063	44,882	265,568	14,391,698
Liabilities					
Current liabilities:					
Accounts payable	4,049	7,950		403	12,402
Customer deposits	50,237	32,983			83,220
Customer overpayments	14,713				14,713
Accrued compensated absences	4,319	1,308		353	5,980
Accrued sales tax		2,039			2,039
Accrued interest		4,830			4,830
Deferred revenue	24,600				24,600
Note payable, current portion	47,151				47,151
Obligations under capital leases, current portion		151,803			151,803
Current liabilities payable from restricted assets:					
Accrued interest	103,993				103,993
Revenue bonds, current portion	553,139				553,139
Total current liabilities	802,201	200,913	0	756	1,003,870
Noncurrent liabilities:					
Compensated absences	2,325	704		189	3,218
Deferred revenues	791,300				791,300
Revenue bonds payable	3,385,742				3,385,742
Note payable	1,371,581				1,371,581
Obligation under capital lease		1,062,439			1,062,439
Total noncurrent liabilities	5,550,948	1,063,143	0	189	6,614,280
Total liabilities	6,353,149	1,264,056	0	945	7,618,150
Net Assets					
Invested in capital assets, net of debt	6,231,557	950,615			7,182,172
Unrestricted	(736,521)	18,392	44,882	264,623	(408,624)
Total net assets	$ 5,495,036	$ 969,007	$ 44,882	$ 264,623	$ 6,773,548

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Business-Type Activities Major Fund Types				
	Water and Sewerage	Gas System	Solid Waste	Broadband	Total
Operating revenues:					
Charges for services:					
Sales	$ 1,848,575	$ 825,470	$ 446,503	$ 180,290	$ 3,300,838
Other fees	260,025	124,203			384,228
Total operating revenues	2,108,600	949,673	446,503	180,290	3,685,066
Operating expenses:					
Salaries and wages	222,437	79,357		54,635	356,429
Payroll taxes and employee benefits	75,541	30,291		12,648	118,480
Gas purchased for resale		324,669			324,669
Sales tax expense		52,320			52,320
Utilities	179,957	2,870		15,582	198,409
Repairs and maintenance	131,838	66,382		17,210	215,430
Materials, supplies and chemicals	76,867	3,970		7,194	88,031
Office supplies and postage	2,499	77			2,576
Engineering and other professional services	24,451	10,816			35,267
Depreciation and amortization	327,100	50,299		28,074	405,473
Administrative charges	212,579	113,375	35,430		361,384
Sanitation expense			246,118		246,118
Retransmission and other fees				143,987	143,987
Miscellaneous	9,058	931		13,149	23,138
Total operating expenses	1,262,327	735,357	281,548	292,479	2,571,711
Operating income (loss)	846,273	214,316	164,955	(112,189)	1,113,355
Non-operating revenues (expenses):					
Interest income	946				946
Amortization of bond cost	(19,638)				(19,638)
Interest expense	(317,389)	(62,197)			(379,586)
Loss on sale of equipment				(50,027)	(50,027)
Total non-operating revenues (expenses)	(336,081)	(62,197)	0	(50,027)	(448,305)
Income (loss) before transfers	510,192	152,119	164,955	(162,216)	665,050
Transfers in	3,837,643	904,715	450,545	218,131	5,411,034
Transfers out	(4,031,311)	(941,729)	(616,327)	(185,876)	(5,775,243)
Changes in net assets	316,524	115,105	(827)	(129,961)	300,841
Total net assets at beginning of year	5,178,512	853,902	45,709	394,584	6,472,707
Total net assets at end of year	$ 5,495,036	$ 969,007	$ 44,882	$ 264,623	$ 6,773 548

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

CITY OF MANCHESTER, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	Business-Type Activities Major Fund Types				
	Water and Sewerage	Gas System	Solid Waste	Broadband	Total
Cash flows from operating activities:					
Receipts from customers	$ 2,051,121	$ 940,867	$ 447,330	$ 195,672	$ 3,634,990
Receipts from (refund of) customer overpayments	308	(1,660)			(1,352)
Receipts from (refund of) customer deposits	(2,123)				(2,123)
Payments to employees	(298,371)	(112,841)		(66,741)	(477,953)
Payments to vendors	(630,129)	(559,821)	(281,548)	(185,385)	(1,656,883)
Net cash provided (used) by operating activities	1,120,806	266,545	165,782	(56,454)	1,496,679
Cash flows from noncapital financing activities:					
Transfers in	3,837,643	904,715	450,545	218,131	5,411,034
Transfers out	(4,031,311)	(941,729)	(616,327)	(185,876)	(5,775,243)
Net cash provided (used) by noncapital financial activities	(193,668)	(37,014)	(165,782)	32,255	(364,209)
Cash flows from capital and related financing activities:					
Proceeds on sale of equipment				269,215	269,215
Proceeds from capital debt	591,137				591,137
Acquisition of capital assets	(596,639)	(21,200)			(617,839)
Principal paid on revenue bonds	(530,668)				(530,668)
Capital lease payments		(145,556)			(145,556)
Interest expense	(200,927)	(62,775)			(263,702)
Net cash provided (used) by capital and related financing activities	(737,097)	(229,531)	0	269,215	(697,413)
Cash flows from investing activities:					
Interest income	946				946
Net cash provided (used) by investing activities	946	0	0	0	946
Net increase (decrease) in cash	190,987			245,016	436,003
Cash at beginning of year	1,210,887	25		4,265	1,215,177
Cash at end of year	$ 1,401,874	$ 25	$ 0	$ 249,281	$ 1,651,180
Reported on statement of net assets:					
Cash	$ 1,138,559	$ 25		$ 249,281	$ 1,387,865
Restricted cash	263,315				263,315
Total cash per statement of cash flows	$ 1,401,874	$ 25	$ 0	$ 249,281	$ 1,651,180
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	$ 846,273	$ 214,316	$ 164,955	$(112,189)	$ 1,113,355
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation and amortization	327,100	50,299		28,074	405,473
(Increase) decrease in:					
Accounts receivable	(32,879)	(8,806)	827	35,263	(5,595)
Inventory	6,334	8,038		12,863	27,235
Increase (decrease) in:					
Accounts payable	786	6,967		(1,126)	6,627
Customer deposits	308	(1,660)			(1,352)
Customer overpayments	(2,123)				(2,123)
Accrued compensated absences	(393)	(3,193)		542	(3,044)
Deferred revenue	(24,600)			(19,881)	(44,481)
Accrued sales tax		584			584
Net cash provided (used) by operating activities	$ 1,120,806	$ 266,545	$ 165,782	$(56,454)	$ 1,496,679

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Manchester, Georgia (the "City") was incorporated on August 16, 1909, under the provisions of the State of Georgia. The City operates under an elected Mayor-Council form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and welfare services, culture and recreation, public works, public utilities, code enforcement, community development and general administrative services.

The accounting policies of the City of Manchester, Georgia conform to generally accepted accounting principles applicable to governments. The following is a summary of the City's more significant accounting policies used in the preparation of the accompanying financial statements.

A. The Reporting Entity

The City of Manchester, Georgia is a municipal corporation governed by an elected Mayor and four member Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that it is legally separate from the government.

- **Blended Component Units** - The Manchester Public Utilities Authority (the "PUA") serves all the citizens of the City and is governed by a board comprised of the City's elected council. The rates for any user charges and bond issuance authorizations are approved by the City's council and the legal liability for the general obligation portion of the PUA's debt remains with the City. The PUA is combined with the Water and Sewerage Fund in these financial statements and does not issue separate financial statements.

- **Discretely Presented Component Units** - The Manchester Development Authority (the "Authority") was created to attract new industry and promote existing industry in the City. The board members of the Manchester Development Authority are appointed by the Mayor and City Council of the City. The Authority's operational and capital budgets are not subject to approval or modification by the City, the City is not legally or morally obligated for the Authority's debt, except as disclosed in Note 11, and the Authority is responsible for fiscal management and determines its own fees; however, bonded debt issued by the Authority must be approved by the City Council. The Manchester Development Authority is presented as a governmental fund type. Complete financial statements can be obtained from the Manchester Development Authority, P.O. Box 583, Manchester, Georgia 31816.

  The Downtown Development Authority of the City of Manchester, Georgia (the "DDA") was created to revitalize and redevelop the central business district of the City. The DDA's board members are appointed by the Mayor and City Council of the City. The City possesses the authority to review, approve, and revise the budget and governs collection and disbursement of funds. The DDA is presented as a governmental fund type; however, separate financial statements are not prepared.

- **Related Organization** - The City Council is responsible for appointing the members of the Manchester Housing Authority board, but the City's accountability for this organization does not extend beyond making the appointments.

B. Government-Wide and Fund Financial Statements

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

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

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column on the governmental and proprietary fund financial statements.

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

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. 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, including property taxes, are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, grants from other governments, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental fund:

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

The City reports the following major proprietary funds:

- The ***Water and Sewerage Fund*** accounts for the activities of the government's water and sewerage activities.
- The ***Gas Fund*** accounts for the activities of the government's gas system activities.
- The ***Solid Waste Fund*** accounts for the activities of the government's waste disposal activities.
- The ***Broadband Fund*** accounts for the activities of the government's cable, telephone and internet services.

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

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

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

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

The City's net assets are reported in three parts - 1) invested in capital assets, net of related debt; 2) restricted net assets; and 3) unrestricted net assets. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The City prepares and adopts its budget and complies with the auditing requirements for local governments so as to provide local taxpayers with an opportunity to gain information concerning the purposes for which local revenues are proposed to be spent and are actually spent and to assist local governments in generally improving local financial management practices while maintaining, preserving and encouraging the principle of home rule over local matters. The procedures are as follows:

1. On or about May 1 of each year, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of a resolution. The General Fund, the Special Revenue Funds and the Debt Service Fund have legally adopted budgets that are prepared by fund, function, and department. Any revisions that alter the total expenditures of any fund or any transfers between departments must be approved by the City Council. All appropriations lapse at year end. The legal level of control (level at which expenditures may not legally exceed the budget) is exercised by the City Council at the department level.

4. The budgets for the General Fund, Special Revenue Funds and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles.

The capital project fund representing the 2008 Special Purpose Local Option Sales Tax adopts its budget on a project-length basis instead of an annual basis.

The budget amounts shown in these financial statements include any amendments approved by the City Council during the year. The Council made several amendments during the year. In the General Fund, the most significant one recorded a recreation grant received from Meriwether County for approximately $78,000 and increased recreation expenses accordingly. Also, the amendments recorded a net increase in salaries of approximately $38,000 and affected most departments in the General Fund. The Special Revenue Fund, CDBG Revolving Loan Fund, recorded an amendment to reflect grant income and the related expenditure for $30,000.

E. Deposits and Investments

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

The statutes of the State of Georgia authorize the City to invest in U.S. government obligations; U.S. governmental agency obligation; State of Georgia obligations; obligations of other counties, municipal corporations and political subdivisions of the State of Georgia which are rated "a" or better by Moody's Investors Service Inc.; negotiable certificates of deposit issued by any bank or trust company organized under the laws of any state of the United States of America or any national banking association; repurchase agreements when collateralized by U.S. government or agency obligations; and pooled investment programs sponsored by the State of Georgia for the investment of local government funds.

Investments for the City, as well as for its component units, are reported at fair value. Neither the City, nor its component units, have any investments.

F. Receivables and Payables

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

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

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

G. Revenue Recognition - Property Taxes

Property taxes attach as an enforceable lien on property as of January 1. Taxes are normally levied on October 20, and are due and payable on December 20. All unpaid taxes levied October 20 become delinquent December 21 of that year, at which time the applicable property is subject to lien, and penalties and interest are assessed.

H. Inventory

Inventory is valued at cost using the first-in, first-out (FIFO) method and consists of expendable supplies. The City uses the consumption method to record inventory, which means that inventory acquisitions are recorded in inventory accounts when purchased and charged as expenditures or expenses when used.

I. Prepaid Items

The City uses the consumption method to record prepaid items. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements when paid and charged to expenditures or expenses when used.

J. Restricted Cash

Certain cash in the Proprietary Funds of the City is restricted for the Combined Public Utilities debt service.

K. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Infrastructure assets acquired subsequent to July 1, 1980 are reported at historical cost.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Assets	Years
Buildings	20-40
Improvements	20-30
Public domain infrastructure	40
System infrastructure	20-50
Machinery and equipment	5-20
Pool	30

L. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

M. Long-Term Obligations

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

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

N. Fund Equity

Beginning with the year ended June 30, 2011, the City implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable Fund Balance** - Amounts that are not in a spendable form (such as inventory or prepaid items) or are required to be maintained intact;
- **Restricted Fund Balance** - Amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions, or by enabling legislation;
- **Committed Fund Balance** - Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- **Assigned Fund Balance** - Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- **Unassigned Fund Balance** - Amounts that are available for any purpose; positive amounts are reported only in the general fund.

City Council establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by City Council through adoption or amendment of the budget as intended for specific purpose (such as purchase of capital assets, construction, debt service or for other purposes). It is the City's policy to use committed amounts first, assigned amounts next, and then unassigned amounts.

O. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Administrative Expenses

The City does not allocate indirect costs. It is the City's policy to allocate to the proprietary funds overhead administrative expenses that are paid by and expended in the General Fund. This allocation is to recover the direct costs of General Fund services provided (finance, personnel, purchasing, legal, etc.). These expenses allocated to the proprietary funds are presented in these financial statements as "administrative charges" on the proprietary funds financial statement and are included in "other revenue" on the General Fund financial statements.

Q. Use of Estimates to Prepare Financial Statements

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were assumed in preparing the financial statements.

R. Subsequent Events

Subsequent events have been evaluated by management through November 17, 2011, which is the date the financial statements were available to be issued.

2. DEPOSITS AND INVESTMENTS

At year end, the City had $1,905 in petty cash on hand and the carrying amount of the City's deposits (checking, savings and certificates of deposit) was $2,059,645 and the bank balance was $2,111,045. Of the bank balance, $789,356 was covered by federal depository insurance and $1,321,689 was covered by collateral held in the pledging bank's trust department or by its agent in the City's name. The City does not have a deposit policy for custodial credit risk.

At year end, the Manchester Development Authority, a discretely presented component unit, did not have any investments and the carrying amount of the authority's deposits (checking and savings accounts) was $138,630 and the bank balance was $140,361. Of the bank balance, $140,361 was covered by federal depository insurance.

At year end, the Downtown Development Authority, the other discretely presented component unit, did not have any investments and the carrying amount of the DDA deposits (checking and savings accounts) was $20,086 and the bank balance was $20,086. Of the bank balance, $20,086 was covered by federal depository insurance.

Neither of the discretely presented component units have a deposit policy for custodial credit risk.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 388,033			$ 388,033
Total capital assets, not being depreciated	388,033			388,033
Capital assets, being depreciated:				
Land improvements	23,160			23,160
Buildings and improvements	5,048,567	$ 8,975		5,057,542
Pool	46,092			46,092
Machinery and equipment	1,419,870	142,789	$(26,620)	1,536,039
Infrastructure	2,996,841			2,996,841
Total capital assets being depreciated	9,534,530	151,764	(26,620)	9,659,674
Less, accumulated depreciation for:				
Land improvements	(2,027)	(579)		(2,606)
Buildings	(1,757,197)	(108,126)		(1,865,323)
Pool	(33,798)	(1,536)		(35,334)
Machinery and equipment	(1,019,869)	(94,161)	26,620	(1,087,410)
Infrastructure	(307,259)	(74,921)		(382,180)
Total accumulated depreciation	(3,120,150)	(279,323)	26,620	(3,372,853)
Total capital assets, being depreciated, net	6,414,380	(127,559)	0	6,286,821
Governmental activities capital assets, net	$ 6,802,413	$(127,559)	$ 0	$ 6,674,854
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 537,065			$ 537,065
Construction in progress	872,601	$ 591,137	$(1,463,738)	
Total capital assets, not being depreciated	1,409,666	591,137	(1,463,738)	537,065
Capital assets, being depreciated:				
Buildings	7,993,516	1,463,739		9,457,255
Improvements other than buildings	8,222,552	21,200	(382,500)	7,861,252
Machinery and equipment	955,446	5,502	(78,670)	882,278
Total capital assets being depreciated	17,171,514	1,490,441	(461,170)	18,200,785
Less, accumulated depreciation for:				
Buildings	(2,910,842)	(177,697)		(3,088,539)
Improvements other than buildings	(2,751,750)	(162,569)	27,892	(2,886,427)
Machinery and equipment	(647,082)	(65,207)	114,036	(598,253)
Total accumulated depreciation	(6,309,674)	(405,473)	141,928	(6,573,219)
Total capital assets, being depreciated, net	10,861,840	1,084,968	(319,242)	11,627,566
Business-type activities capital assets, net	$ 12,271,506	$ 1,676,105	$(1,782,980)	$ 12,164,631

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

Governmental activities:	
General government	$ 59,301
Public safety	77,043
Highways and streets, including depreciation of general infrastructure assets	82,251
Health and welfare	1,290
Culture and recreation	59,438
Total depreciation expense - Governmental activities	$ 279,323
Business-type activities:	
Water and sewerage	$ 327,100
Gas	50,299
Broadband	28,074
Total depreciation expense - Business-type activities	$ 405,473

Activity for the Manchester Development Authority for the year ended June 30, 2011, was as follows:

Discretely Presented Component Unit	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land	$ 61,936			$ 61,936
Total capital assets not being depreciated	61,936	$ 0	$ 0	61,936
Capital assets being depreciated:				
Infrastructure	287,076			287,076
Buildings and improvements	3,667,918			3,667,918
Furniture and equipment	31,573	4,000		35,573
Total capital assets being depreciated	3,986,567	4,000	0	3,990,567
Less, accumulated depreciation for:				
Infrastructure	(174,558)	(10,141)		(184,699)
Building and improvements	(573,410)	(52,996)		(626,406)
Furniture and equipment	(23,217)	(2,412)		(25,629)
Total accumulated depreciation	(771,185)	(65,549)	0	(836,734)
Total capital assets being depreciated, net	3,215,382	(61,549)	0	3,153,833
Development Authority capital assets, net	$ 3,277,318	$(61,549)	$ 0	$ 3,215,769

Depreciation expense for the Authority was charged to functions as follows:

Business promotion and tourism	$ 63,137
General and administrative	2,412
	$ 65,549

4. DEFERRED REVENUE

On August 4, 1992, the City entered into a joint services contract with Talbot County, Georgia regarding the City's water treatment facility. The contract entitles Talbot county to 29% of the City's total water treatment plant capacity, 29% of the total reservoir capacity, and 29% of total water line capacity for the sum of $1,230,000. This amount was received by the City during the year ended June 30, 1995, and has been recorded as deferred revenue, to be recognized into income over the life of the contract, which is 50 years. The balance of deferred revenue at June 30, 2011 was $815,900 and is shown as deferred revenue in the business-type activities, Water and Sewerage Fund, in these financial statements as current liability ($24,600) and noncurrent liabilities ($791,300).

5. SHORT-TERM DEBT

Component Unit

The Manchester Development Authority had a line of credit at a local bank. This note was for the purpose of providing funds for operations of the Authority. The amount of this line of credit was $95,350 and matured on April 20, 2011. The note was repaid from General Fund revenues.

	Beginning Balance	Increases	Decreases	Ending Balance
Line of credit	$ 52,428	$ 0	$(52,428)	$ 0

6. LONG-TERM DEBT

A. General Obligation Bonds

Primary Government

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for governmental activities and are paid from the debt service fund. The original amount of general obligations bonds issued in prior years was $1,400,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Amount
Governmental activities	4.8 - 6.5%	$ 645,000

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

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2012	$ 80,000	$ 31,995
2013	50,000	27,560
2014	55,000	25,160
2015	55,000	22,520
2016	60,000	19,880
2017-2021	345,000	53,370
	$ 645,000	$ 180,485

B. Revenue Bonds

Primary Government

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The business-type activities currently have revenue bonds outstanding to be paid from the Water and Sewerage Fund and Gas Fund. The original amount of revenue bonds issued in prior years is $3,915,000.

Also, in prior years, revenue bonds were issued by the Manchester Public Utilities Authority for the purpose of providing funds to carry out the duties of the PUA. The proceeds were used to supplement the operations of the City. These bonds will be repaid through an intergovernmental contract (the "contract") between the City and the PUA under which the City agreed to make the bond principal and interest payments (the "Contract Payments") and to levy an annual tax on all taxable property located within the City as may be necessary to make the required payments. The bonds are secured by a pledge of and lien on the Contract and the Contract Payments. The original amount of these revenue bonds issued in prior years is $1,500,000.

Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Public utility revenue refunding and improvement:		
Water & Sewerage and Gas	3.08%	$ 2,860,000
Public Utilities Authority Revenue Bonds	Variable, 6.5% to 8.5%	1,395,332
		$ 4,255,332

Revenue bond debt service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2012	$ 553,139	$ 175,336
2013	574,983	154,062
2014	601,354	131,831
2015	628,285	108,486
2016	653,814	83,988
2017-2020	1,243,757	117,518
	$ 4,255,332	$ 771,221

Component Unit

The Manchester Development Authority currently has revenue bonds outstanding to be paid from the Authority's General Fund. These bonds are secured by the pledge of amounts payable under a contract between the Authority and the City of Manchester, which is explained in detail at Note 11. The original amount of revenue bonds issued in prior years is $1,600,000. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rate	Amount
Construct, install, renovate and equip existing industrial building - Debt service	6.25%	$ 1,550,000

Revenue bond debt service requirements to maturity are as follows:

Year ending June 30:	Principal	Interest
2012	$ 55,000	$ 96,875
2013	55,000	93,437
2014	60,000	90,000
2015	65,000	86,250
2016	70,000	82,188
2017-2021	410,000	340,937
2022-2026	560,000	195,000
2027-2028	275,000	25,938
	$ 1,550,000	$ 1,010,625

C. Notes Payable

Primary Government

The City's Water and Sewerage Fund has entered into a notes payable agreement with the Georgia Environmental Facilities Authority (GEFA) whereby the City could borrow up to $2,060,608 for improvements to the water and sewer system. At June 30, 2011, the City had drawn $1,418,732. This note payable will be repaid through the Water and Sewerage Fund.

Notes payable are direct obligations of the City and pledge the full faith and credit of the City. Notes payable currently outstanding are as follows:

Purpose	Interest Rates	Amounts
Water and sewer system improvements	4.1%	$ 1,418,732

Notes payable debt service requirements to maturity are as follows:

	Business-Type Activities	
Year ending June 30:	Principal	Interest
2012	$ 47,151	$ 58,168
2013	49,084	56,235
2014	51,097	54,222
2015	53,192	52,127
2016	55,373	49,947
2017-2021	312,838	213,758
2022-2026	382,448	144,148
2027-2031	467,549	59,048
	$ 1,418,732	$ 687,653

Component Unit

The Manchester Development Authority issues notes payable to provide funds for the expansion and improvements to the industrial park building. The Authority assumed a note payable to provide funds for land and building in the industrial park. The original amount of the note payable is $411,000 and is being repaid through the Debt Service Fund.

The Authority has issued a note payable to provide funds for the purchase of an existing industrial building. The original amount of the note payable issued is $500,000 and will be repaid through the Debt Service Fund. This note payable is secured by the industrial building purchased. The terms of the note payable provides for deferred payments for five years. If the building is sold by the Authority, the purchaser assumes the note payable and must begin repayment. If at the end of the five years the Authority still owns the building, then the Authority must begin repayment. Quarterly payments of $6,250 will be made once repayment begins. The balance at June 30, 2011 was $500,000.

Notes payable are direct obligations of the component unit and pledge the full faith and credit of the component unit. Notes payable currently outstanding are as follows:

Purpose	Interest Rates	Amounts
Purchase land and building - Manchester Development Authority	0%	$ 359,625
Purchase of existing industrial building - Manchester Development Authority	0%	500,000
Total notes payable at June 30, 2011		$ 859,625

Note payable debt service requirements to maturity are as follows:

Year ending June 30:	Principal	Interest
2012	$ 56,512	
2013	20,550	
2014	26,800	
2015	45,550	
2016	45,550	
2017-2021	227,750	
2022-2026	227,750	
2027-2031	140,413	
2032-2034	68,750	
	$ 859,625	$ 0

D. Capital Leases

Primary Government

The City has entered into lease agreements as lessee for financing the acquisition of various pieces of equipment and vehicles for the governmental activities. All of these leases are being paid by the general fund. The gas fund of the business activities has also entered into lease agreements for the expansion and improvements to the gas distribution system and for vehicles. These leases are being repaid from revenues earned by the gas fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities	Gas Fund
Improvements other than buildings		$ 2,000,000
Machinery and equipment	$ 393,694	11,500
Less, accumulated depreciation	(242,861)	(227,580)
Total	$ 150,833	$ 1,783,920

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011, were as follows:

	Governmental Activities	Gas Fund
Year ending June 30:		
2012	$ 29,413	$ 208,330
2013	29,413	208,330
2014	29,413	208,330
2015	29,413	208,330
2016	29,413	208,330
2017-2018		399,495
Total minimum lease payments	147,065	1,441,145
Less, amount representing interest	(16,781)	(226,903)
Present value of minimum lease payments	$ 130,284	$ 1,214,242

E. Accrued Compensated Absences

Primary Government

The government accrues compensated absences for their employees. Both governmental activities and business-type activities have accrued compensated absences at June 30, 2011. Accrued compensated absences from governmental activities are repaid through the general fund. Business-type activities accrued compensated absences are repaid through the water and sewerage, gas, and solid waste funds.

F. Changes in Long-Term Liabilities

Primary Government

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bond payable:					
General obligation bonds	$ 725,000		$(80,000)	$ 645,000	$ 80,000
Capital leases	153,290		(23,006)	130,284	23,968
Accrued compensated absences	129,727	$ 43,169	(71,788)	101,108	65,720
Governmental activity long-term liabilities	$ 1,008,017	$ 43,169	$(174,794)	$ 876,392	$ 169,688
Business-type activities:					
Bonds payable:					
Revenue bonds	$ 4,786,000		$(530,668)	$ 4,255,332	$ 553,139
Less, loss on existing debt	(371,091)		54,640	(316,451)	
Total bonds payable	4,414,909		(476,028)	3,938,881	553,139
Note payable	827,595	$ 591,137		1,418,732	47,151
Capital leases	1,359,798		(145,556)	1,214,242	151,803
Accrued compensated absences	12,242	8,279	(11,323)	9,198	5,980
Business-type activities long-term liabilities	$ 6,614,544	$ 599,416	$(632,907)	$ 6,581,053	$ 758,073

The government-wide statement of net assets noncurrent liabilities due in more than one year for business-type activities of $6,614,280 includes $791,300 of deferred revenue which is not reported in the business-type activities in the schedule above.

Also, the government-wide statement of net assets includes $553,139 of the long-term liabilities due within one year for business-type activities in "liabilities payable from restricted assets." The remaining amount of $204,934 is displayed as "noncurrent liabilities, due within one year" on that same statement.

At June 30, 2011, the City had $194,064 in unspent GEFA note proceeds that had not been spent for capital projects.

Component Unit

Long-term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds payable:					
Revenue bonds	$ 1,600,000		$(50,000)	$ 1,550,000	$ 55,000
Less, issuance discounts	(52,478)		2,929	(49,549)	
Notes payable	859,625			859,625	56,512
Component unit long-term liabilities	$ 2,407,147	$ 0	$(47,071)	$ 2,360,076	$ 111,512

7. INTERFUND TRANSFERS AND BALANCES

Interfund transfers for the year ended June 30, 2011, consisted of the following:

	Transfers In						
Transfers Out	General Fund	Nonmajor Governmental	Water and Sewerage Fund	Gas Fund	Solid Waste Fund	Broadband Fund	Total
General Fund		$ 246,396	$ 2,902,864	$ 869,216	$ 450,545	$ 218,131	$ 4,687,152
Nonmajor Governmental	$ 246,395						246,395
Water & Sewerage Fund	3,995,812			35,499			4,031,311
Gas Fund	6,950		934,779				941,729
Solid Waste Fund	616,327						616,327
Broadband Fund	185,876						185,876
Total	$ 5,051,360	$ 246,396	$ 3,837,643	$ 904,715	$ 450,545	$ 218,131	$10,708,790

Transfers are primarily used to (1) move funds from the proprietary funds to the General Fund for the allocated amount of administrative expense, (2) move funds between all funds and the General Fund for expenses paid through the accounts payable system, and (3) to supplement operations.

At June 30, 2011, there were no interfund balances owed between funds.

8. DEFINED BENEFIT PENSION PLAN

The City of Manchester Retirement Plan ("Plan"), a defined benefit pension plan, is affiliated with the Georgia Municipal Employees Benefit System ("System"), an agent multiple-employer public employee retirement system administered by the Georgia Municipal Association.

All full-time City employees with one year service and all City officials are eligible to participate in the System. Benefits fully vest after ten years of service. Annual retirement benefits are based on 2% of covered compensation. Normal retirement age is 65 with 5 years of service and early retirement age is 55 with 10 years of credited service. The System also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and city ordinance.

The City's employees participation is noncontributory. However, the City is subject to the minimum funding standards of the Public Retirement Systems Standard Law. Policy set by the City for contributing the annual pension expense exceeds the minimum requirements.

The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling their office at 404-688-0472.

Total pension expense amounted to approximately $204,000 for the year ended June 30, 2011. The participant data and the asset values used in the actuarial valuation are as of January 1, 2011.

Significant actuarial assumptions and other information used to compute the actuarial accrued liability and the annual recommended contribution of the plan are as follows:

Actuarial Cost Method	Projected unit credit.
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset Valuation Method	Sum of actuarial value at 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 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.
Actuarial Assumptions:	
Investment rate of return	7.75%
Projected salary increases	3.50% plus age and service based merit increases
Cost of living adjustments	0.00%
Post retirement benefit increases	Not applicable

It is the City's policy to contribute an amount equal to the recommended contribution each year.

The System has adopted an actuarial funding policy for determination of annual contributions and the systematic funding of liabilities arising under the Plan. The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the System, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly). Amortization periods are closed for this plan year.

The annual recommended contribution is the greater of 1) the minimum contribution described above or 2) normal cost (including administrative expenses) with interest, adjusted by a full funding credit to insure that contributions are not required if a plan's assets exceed the present value of future benefits.

Listed below is a summary of the key valuation results.

Contributions for plan year beginning January 1, 2011:		
Recommended	$	206,268
Recommended as a percent of payroll		15.23%
State minimum requirement	$	165,423
Funding elements for plan year beginning January 1, 2011:		
Normal cost, including administrative expenses	$	131,854
Market value of assets	$	2,424,581
Actuarial value of assets	$	3,082,574
Actuarial accrued liability	$	3,553,553
Unfunded (surplus) actuarial accrued liability	$	470,979
Ratio of unfunded (surplus) to annual covered payroll		35.37%
GASB 25/27 for plan year beginning January 1, 2011:		
Annual required contributions	$	165,423
Funded ratio		86.75%
Demographic data for plan year beginning January 1, 2011:		
Number of retired participants and beneficiaries		46
Number of vested former participants		29
Number of active employees, including 4 elected officials:		
Fully vested		24
Partially vested		5
Not vested		18
Total membership in the plan		122
Annual covered payroll	$	1,331,600
Average payroll	$	30,967

Historical trend information is shown in the table below:

TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06/30/2011	$ 204,000	100%	$ 0
06/30/2010	$ 232,000	100%	$ 0
06/30/2009	$ 149,000	100%	$ 0

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

9. DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary (not to exceed $16,500) until future years. The deferrals are not available to employees until termination, retirement, death, or unforeseeable emergency. All assets and income of the Deferred Compensation Plan are being held in a trust administered by a third party for the exclusive benefit of the participants and their beneficiaries.

10. RISK MANAGEMENT

The City is exposed to various risks of loss for claims associated with torts, theft of, damage to and destruction of assets, errors and omissions, and natural disasters for which the City carries commercial insurance.

There were no significant reductions of insurance coverage from coverage in the prior year. Management believes that the coverage is adequate to preclude any significant uninsured risk exposure to the City. Settled claims have not exceeded the commercial excess coverage in any of the past three fiscal years.

Self Insurance

The City pays unemployment claims to the state department of labor on a reimbursement basis. Liabilities for such claims are immaterial and are not accrued.

11. COMMITMENTS AND CONTINGENT LIABILITIES

The activities of the City include revenues received from Federal and State governments and expenditures related to Federal and State funded grant programs. These programs are subject to program compliance audits by the grantors or their representative. The amount, if any, of expenditures which may be disallowed by the granting agencies' audits cannot be determined at this time, although the City believes any such amounts to be immaterial.

Various claims and lawsuits are pending against the City. Although the outcome of these lawsuits is not presently determinable, in the opinion of City management, after consultation with legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The Manchester Development Authority, which has been discretely presented as a component unit in these financial statements, is a non-profit authority that was organized to attract and promote new industry for the City of Manchester. The City has entered into a contract with the Manchester Development Authority to pay the Authority the sum of three mill per dollar of assessed taxable property in the City as provided by state law. The Authority agrees to use the funds to identify, attract and locate new business, industry and tourism in the City of Manchester for the purpose of increasing trade, commerce, industry, tourism and employment opportunities. The effective date of the contract is March 11, 1996 and continues through 2028. During the year ended June 30, 2011, the City paid the Authority under this contract, $181,354. This contract is pledged as collateral on certain debt of the Authority as explained in Note 6.

A private company that received an economic incentive program loan from the City through the Manchester Development Authority filed for bankruptcy. The Development Authority is liable to the City for $494,374 related to the portion of the loan originally passed through the City. The ability of the Development Authority to satisfy this obligation could be impaired by unforseen future adverse economic events.

12. INTERGOVERNMENTAL AGREEMENT

On July 11, 2007, Meriwether County (the "County") entered into a Sales and Use Tax Intergovernmental Agreement with the various municipalities in the County, including the City of Manchester (the "City"), relating to the imposition of a one percent county special purpose local option sales and use tax (SPLOST) for the purpose of financing capital outlay projects. The County issued General Obligation Sales Tax Bonds, Series 2007 for $7,800,000 in December 2007 and Series 2008 for $1,200,000 in January 2008 (the "Bonds"). The cities were advanced their pro rata share of the net bond proceeds. The Bonds are secured first by the proceeds of the SPLOST received by the County, then from general funds of the County as well as the municipalities. Each city is responsible for the payment of that portion of the Bonds allocable to its projects, should the SPLOST receipts be inadequate to service the debt. The City of Manchester's share is 24.86%. The amount, if any, required to be funded by the City cannot be determined at this time.

13. HOTEL-MOTEL TAX

The City of Manchester has levied a 3% hotel-motel tax. A summary of the transactions for the year ended June 30, 2011 follows:

Balance of hotel-motel tax funds on hand at beginning of year	$ 0
Hotel-motel tax receipts	5,991
Disbursements for tourism and promotion	(5,991)
Balance of hotel-motel tax funds on hand at end of year	$ 0

The activity for hotel-motel tax receipts and related expenditures is shown in the Hotel-Motel Tax Fund, a Special Revenue Fund. The expenditures were for promotion of tourism as required by OCGA 48-13-51.

14. JOINT VENTURE

Under Georgia law, the City, in conjunction with other cities and counties in the ten county west Georgia area, is a member of the Three Rivers Regional Commission (RC) and is required to pay annual dues thereto. During its year ended June 30, 2011, the City paid $3,769 in such dues. Membership in an RC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RC in Georgia. The RC Board membership includes three members from each county of the area and five at-large members. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RC. Separate financial statements may be obtained from:

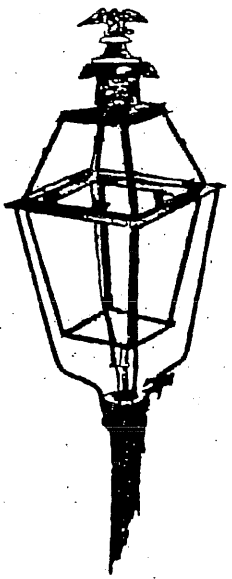
Three Rivers Regional Commission
P.O. Box 1600
Franklin, Georgia 30217

15. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund reported material budget violations when expenditures of the primary government exceeded budgeted appropriations in some of the departments, as shown on page 15 of these financial statements. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

NOTICE

Certain pages of this report have been left blank intentionally.
These pages are identified as shown on this page.



REQUIRED SUPPLEMENTARY INFORMATION

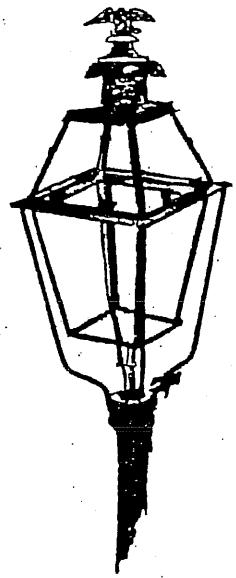
Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

Schedule of Funding Progress - Defined Benefit Pension Plan

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF FUNDING PROGRESS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2011

	Actuarial Valuation Date		
	01/01/2011	01/01/2010	01/01/2009
Actuarial value of plan assets	$ 3,082,574	$ 2,920,900	$ 2,293,746
Actuarial accrued liability	$ 3,553,553	$ 3,362,452	$ 3,143,111
Total unfunded actuarial liability (or funding excess)	$ 470,979	$ 441,552	$ 849,365
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	86.75%	86.87%	72.98%
Annual covered payroll	$ 1,331,600	$ 1,482,646	$ 1,276,983
Ratio of the unfunded actuarial liability (or funding excess) to annual covered payroll	35.37%	29.78%	66.51%

SUPPLEMENTAL INFORMATION



NONMAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUND

This fund accounts for the accumulation of resources and the subsequent disbursement of such resources to pay principal and interest on long-term debt of the City (other than debt of Proprietary Fund Types).

SPECIAL REVENUE FUNDS

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

CDBG Small Cities Fund - This fund is used to account for the City's multi-activity community development block grants that are funding the street paving, drainage and housing activities for the small cities program.

CDBG Revolving Loan Fund - This fund is used to account for the community development block grants that are funding the revolving loan fund for economic development activities.

Hotel-Motel Tax Fund - This fund is used to account for the City's share of hotel-motel tax revenues that are legally restricted to promote tourism, conventions, and trade shows.

Mausoleum Trust Fund - This fund is used to account for assets held by the City to be used for mausoleum maintenance.

CAPITAL PROJECTS FUND

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

2008 SPLOST Fund - This fund is used to account for the City's portion of SPLOST funds received from the County for the purpose of improvement or acquisition of assets and infrastructure.

CITY OF MANCHESTER, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2011

	Special Revenue Funds					Capital Projects Fund	
	Debt Service Fund	CDBG Small Cities	CDBG RLF	Hotel-Motel	Mausoleum Trust Fund	2008 SPLOST Fund	Total Nonmajor Governmental Funds
Assets							
Cash	$ 198	$ 850	$ 249,182		$ 1,095	$ 11,310	$ 262,635
Due from component unit			494,374				494,374
Total assets	$ 198	$ 850	$ 743,556	$ 0	$ 1,095	$ 11,310	$ 757,009
Liabilities							
Accounts payable			$ 30,000				$ 30,000
Total liabilities	$ 0	$ 0	30,000	$ 0	$ 0	$ 0	30,000
Fund Balance							
Restricted for:							
Debt service	198						198
Small cities program		850					850
Economic development activities			713,556				713,556
Cemetery maintenance					1,095		1,095
Capital projects						11,310	11,310
Total fund balance	198	850	713,556	0	1,095	11,310	727,009
Total liabilities and fund balances	$ 198	$ 850	$ 743,556	$ 0	$ 1,095	$ 11,310	$ 757,009

CITY OF MANCHESTER, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2011

	Special Revenue Funds					Capital Projects Fund	
	Debt Service Fund	CDBG Small Cities	CDBG RLF	Hotel-Motel	Mausoleum Trust Fund	2008 SPLOST Fund	Total Nonmajor Governmental Funds
Revenues:							
Taxes:							
Property	$ 117,710						$ 117,710
Hotel and motel				$ 5,991			5,991
Intergovernmental						$ 29,668	29,668
Grant income		$ 118,850	$ 30,000				148,850
Interest revenue			748		$ 2	1,039	1,789
Total revenues	117,710	118,850	30,748	5,991	2	30,707	304,008
Expenditures:							
Current:							
Community development		123,387	30,000	5,991			159,378
Debt service:							
Principal retirement	80,000						80,000
Interest and fees	37,710						37,710
Capital outlay:							
Public safety						4,950	4,950
Culture and recreation						30,108	30,108
Highway and streets						94,883	94,883
Total expenditures	117,710	123,387	30,000	5,991	0	129,941	407,029
Excess of revenues over (under) expenditures	0	(4,537)	748	0	2	(99,234)	(103,021)
Other financing sources (uses):							
Transfers in	246,396						246,396
Transfers out	(246,395)						(246,395)
Total other financing sources (uses)	1	0	0	0	0	0	1
Net change in fund balances	1	(4,537)	748	0	2	(99,234)	(103,020)
Fund balances, beginning of year	197	5,387	712,808	0	1,093	110,544	830,029
Fund balances, end of year	$ 198	$ 850	$ 713,556	$ 0	$ 1,095	$ 11,310	$ 727,009

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DEBT SERVICE FUND
Year Ended June 30, 2011

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenue:			
Property taxes	$ 117,710	$ 117,710	$ 0
Total revenues	117,710	117,710	0
Expenditures:			
Debt service:			
Principal retirement	80,000	80,000	0
Interest and fees	37,710	37,710	0
Total expenditures	117,710	117,710	0
Excess of revenues over (under) expenditures	0	0	0
Other financing sources (uses):			
Transfers in		246,396	246,396
Transfers out		(246,395)	(246,395)
Total other financing sources (uses)	0	1	1
Net change in fund balances	0	1	1
Fund balance at beginning of year	197	197	0
Fund balance at end of year	$ 197	$ 198	$ 1

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - CDBG SMALL CITIES
Year Ended June 30, 2011

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Grant income	$ 189,141	$ 118,850	$(70,291)
Total revenues	189,141	118,850	(70,291)
Expenditures:			
Current:			
Community development	107,541	123,387	(15,846)
Capital outlay:			
Highway and streets	81,600		81,600
Total expenditures	189,141	123,387	65,754
Excess of revenues over expenditures	0	(4,537)	(4,537)
Net change in fund balances	0	(4,537)	(4,537)
Fund balance at beginning of year	5,387	5,387	0
Fund balance at end of year	$ 5,387	$ 850	$(4,537)

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - CDBG - REVOLVING LOAN FUND
Year Ended June 30, 2011

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:				
Grant income		$ 30,000	$ 30,000	
Interest revenue	$ 200	200	748	$ 548
Total revenues	200	30,200	30,748	548
Expenditures:				
Current:				
Community development		30,000	30,000	
Total expenditures	0	30,000	30,000	0
Excess of revenues over expenditures	200	200	748	548
Net change in fund balances	200	200	748	548
Fund balance at beginning of year	712,808	712,808	712,808	0
Fund balance at end of year	$ 713,008	$ 713,008	$ 713,556	$ 548

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - HOTEL/MOTEL TAX FUND
Year Ended June 30, 2011

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Hotel-motel tax	$ 5,500	$ 5,991	$ 491
Total revenues	5,500	5,991	491
Expenditures:			
Current:			
Community development:			
Tourism and promotion	5,500	5,991	(491)
Total expenditures	5,500	5,991	(491)
Excess of revenues over expenditures	0	0	0
Net change in fund balances	0	0	0
Fund balance at beginning of year	0	0	0
Fund balance at end of year	$ 0	$ 0	$ 0

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
SPECIAL REVENUE FUND - MAUSOLEUM TRUST FUND
Year Ended June 30, 2011

	Original and Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Interest	$ 100	$ 2	$(98)
Total revenues	100	2	(98)
Expenditures:			
Current:			
Culture and recreation:			
Cemetery maintenance	100		100
	100	0	100
Excess of revenues over expenditures	0	2	2
Net change in fund balances	0	2	2
Fund balance at beginning of year	1,093	1,093	0
Fund balance at end of year	$ 1,093	$ 1,095	$ 2

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
DEBT SERVICE FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Cash	$ 198	$ 197
Total assets	$ 198	$ 197
Fund Balance		
Restricted for debt service	$ 198	$ 197
Total fund balance	$ 198	$ 197

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
DEBT SERVICE FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Revenues:		
Taxes:		
Property	$ 117,710	$ 116,820
Total revenues	117,710	116,820
Expenditures:		
Debt service:		
Principal retirement	80,000	75,000
Interest and fees	37,710	41,820
Total expenditures	117,710	116,820
Excess of revenues over (under) expenditures	0	0
Other financing sources (uses):		
Transfers in	246,396	250,760
Transfers out	(246,395)	(250,760)
Total other financing sources (uses)	1	0
Net change in fund balances	1	0
Fund balances at beginning of year	197	197
Fund balances at end of year	$ 198	$ 197

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND - CDBG SMALL CITIES
June 30, 2011 and 2010

	2011	2010
Assets		
Cash	$ 850	$ 33,387
Grant receivable		65,754
Total assets	$ 850	$ 99,141
Liabilities		
Deferred revenue		$ 28,000
Due to other funds		65,754
Total liabilities	$ 0	93,754
Fund Balance		
Restricted for small cities program	850	5,387
Total fund balance	850	5,387
Total liabilities and fund balances	$ 850	$ 99,141

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND - CDBG SMALL CITIES
Years Ended June 30, 2011 and 2010

	2011	2010
Revenue:		
Grant income	$ 118,850	$ 593,679
Expenditures:		
Current:		
Community development	123,387	
Highways and streets		171,508
Capital outlay:		
Highways and streets		421,820
Total expenditures	123,387	593,328
Excess of revenues over (under) expenditures	(4,537)	351
Net change in fund balances	(4,537)	351
Fund balances at beginning of year	5,387	5,036
Fund balances at end of year	$ 850	$ 5,387

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND - CDBG REVOLVING LOAN FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Cash	$ 249,182	$ 205,007
Due from component unit	494,374	507,801
Total assets	$ 743,556	$ 712,808
Liabilities		
Accounts payable	$ 30,000	
Total liabilities	30,000	$ 0
Fund Balance		
Restricted for economic development activities	713,556	712,808
Total liabilities and fund balance	$ 743,556	$ 712,808

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND - CDBG REVOLVING LOAN FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Revenues:		
Grant income	$ 30,000	
Interest revenue	748	$ 6,239
Total revenue	30,748	6,239
Expenditures:		
Current:		
Community development	30,000	
Total expenditures	30,000	0
Excess of revenues over (under) expenditures	748	6,239
Net change in fund balances	748	6,239
Fund balances at beginning of year	712,808	706,569
Fund balances at end of year	$ 713,556	$ 712,808

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND - HOTEL/MOTEL TAX FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Cash		
Total assets	$ 0	$ 0
Liabilities		
Accounts payable		
Total liabilities	$ 0	$ 0
Fund Balance		
Restricted		
Total fund balance	0	0
Total liabilities and fund balance	$ 0	$ 0

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND - HOTEL/MOTEL TAX FUND
Years ended June 30, 2011 and 2010

	2011	2010
Revenues:		
Taxes:		
Hotel and motel	$ 5,991	$ 4,856
Expenditures:		
Current:		
Community development	5,991	4,856
Excess of revenues over (under) expenditures	0	0
Net change in fund balances	0	0
Fund balances at beginning of year	0	0
Fund balances at end of year	$ 0	$ 0

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
SPECIAL REVENUE FUND - MAUSOLEUM TRUST FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Cash	$ 1,095	$ 1,093
Fund Balance		
Restricted for cemetery maintenance	$ 1,095	$ 1,093

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND - MAUSOLEUM TRUST FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Revenues:		
Interest revenue	$ 2	$ 3
Other revenue		100
Total revenue	2	103
Expenditures:		
Current:		
Repairs and maintenance to cemetery	0	0
Excess of revenues over (under) expenditures	2	103
Net change in fund balances	2	103
Fund balances at beginning of year	1,093	990
Fund balances at end of year	$ 1,095	$ 1,093

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
2008 SPLOST FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Cash	$ 11,310	$ 110,544
Total assets	$ 11,310	$ 110,544
Liabilities		
Accounts payable		
Total liabilities	$ 0	$ 0
Fund Balances		
Restricted for capital projects	11,310	110,544
Total fund balances	11,310	110,544
Total liabilities and fund balances	$ 11,310	$ 110,544

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
2008 SPLOST FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Revenues:		
Intergovernmental	$ 29,668	
Interest revenue	1,039	$ 1,644
Total revenues	30,707	1,644
Expenditures:		
Capital outlay:		
General government		598
Public safety	4,950	7,953
Culture and recreation	30,108	25,598
Highway and streets	94,883	72,522
Total expenditures	129,941	106,671
Excess of revenues over (under) expenditures	(99,234)	(105,027)
Other financing sources (uses):		
Transfers in		7,700
Transfers out		(42,747)
Total other financing sources (uses)	0	(35,047)
Net change in fund balances	(99,234)	(140,074)
Fund balances at beginning of year	110,544	250,618
Fund balances at end of year	$ 11,310	$ 110,544

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

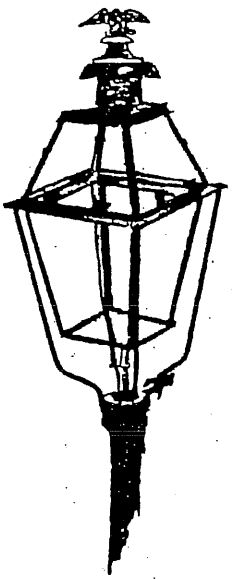
This fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE BALANCE SHEETS
GENERAL FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Cash	$ 147,735	$ 145,965
Receivables (net where applicable of allowances for uncollectibles):		
Taxes and tax liens	12,202	37,788
Fines and forfeitures	15,424	15,106
Nutrition program	12,955	16,837
Other	68,986	63,271
Due from other funds		65,754
Inventory at cost	28,398	28,355
Prepaid items	9,604	35,783
Total assets	$ 295,304	$ 408,859
Liabilities		
Accounts payable	$ 160,505	$ 189,088
Accrued payroll	20,715	18,376
Customer overpayments		3,572
Deferred revenue	11,487	14,394
Total liabilities	192,707	225,430
Fund Balances		
Nonspendable for:		
Inventory	28,398	28,355
Prepaids	9,604	35,783
Restricted for debt covenants	44,911	
Committed to special incentives	12,502	
Unassigned	7,182	119,291
Total fund balances	102,597	183,429
Total liabilities and fund balances	$ 295,304	$ 408,859

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GENERAL FUND
Years Ended June 30, 2011 and 20010

	2011	2010
Revenues:		
Taxes:		
Property	$ 976,461	$ 1,010,512
Sales	395,138	395,807
Franchise	210,722	194,708
Insurance premium	214,681	221,107
Motor vehicle/mobile home	98,654	86,774
Alcoholic beverage	92,336	89,694
Other	14,813	12,386
Licenses and permits	79,535	70,492
Grants and subsidies	195,858	130,898
Charges for services	58,800	56,276
Fines and forfeitures	129,646	142,425
Interest revenue	348	277
Other revenue	493,100	440,601
Total revenues	2,960,092	2,851,957
Expenditures:		
Current:		
General government	913,022	922,739
Public safety	1,373,271	1,386,289
Health and welfare	146,660	143,637
Culture and recreation	389,168	319,063
Highway and streets	415,793	405,255
Other governmental services	31,130	34,940
Community development		8,027
Debt service:		
Principal retirement	23,006	22,083
Interest and fees	8,013	65,750
Capital outlay:		
Public safety	86,869	
Culture and recreation	18,200	
Total expenditures	3,405,132	3,307,783
Excess of revenue over (under) expenditures	(445,040)	(455,826)
Other financing services (uses):		
Transfers in	5,051,360	4,802,021
Transfers out	(4,687,152)	(3,500,675)
Total other financing sources (uses)	364,208	1,301,346
Net change in fund balances	(80,832)	845,520
Fund balances at beginning of year	183,429	(662,091)
Fund balances at end of year	$ 102,597	$ 183,429



PROPRIETARY FUNDS

These funds account for the provision of utility service to the residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to administration, financing and related debt service, and billing and collection.

Water and Sewerage - This fund accounts for the operations of the City's water and sewerage activities.

Gas System - This fund accounts for the operations of the City's gas system activities.

Solid Waste - This fund accounts for the operations of the City's waste disposal activity.

Broadband - This fund accounts for the operations of the City's cable service, telephone and internet services.

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET ASSETS
WATER AND SEWERAGE FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Current assets:		
Cash	$ 1,138,559	$ 947,864
Receivables (net where applicable, of allowances for uncollectibles):		
Accounts	300,442	267,563
Inventories	1,130	7,464
Total unrestricted current assets	1,440,131	1,222,891
Restricted cash:		
Debt service fund	263,315	263,023
Total restricted cash	263,315	263,023
Total current assets	1,703,446	1,485,914
Noncurrent assets:		
Bond issue cost, net of accumulated amortization	144,965	164,603
Capital assets:		
Land and land improvements	537,065	537,065
Buildings and systems	9,447,167	7,983,428
Improvements other than buildings	5,452,471	5,452,471
Machinery and equipment	786,590	824,758
Construction in progress		872,601
Less, accumulated depreciation	(6,223,519)	(5,940,089)
Total capital assets (net of accumulated depreciation)	9,999,774	9,730,234
Total noncurrent assets	10,144,739	9,894,837
Total assets	11,848,185	11,380,751
Liabilities		
Current liabilities:		
Accounts payable	4,049	3,263
Customer deposits	50,237	49,929
Customer overpayments	14,713	16,836
Accrued compensated absences	4,319	4,574
Deferred revenue	24,600	24,600
Note payable	47,151	22,658
Total current liabilities	145,069	121,860
Current liabilities payable from restricted assets:		
Accrued interest	103,993	42,170
Revenue bonds, current portion	553,139	530,668
Total current liabilities payable from restricted assets	657,132	572,838
Noncurrent liabilities:		
Compensated absences	2,325	2,463
Deferred revenues	791,300	815,900
Revenue bonds payable	3,385,742	3,884,241
Note payable	1,371,581	804,937
Total noncurrent liabilities	5,550,948	5,507,541
Total liabilities	6,353,149	6,202,239
Net Assets		
Invested in capital assets, net of debt	6,231,557	6,181,794
Unrestricted	(736,521)	(1,003,282)
Total net assets	$ 5,495,036	$ 5,178,512

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND NET ASSETS
WATER AND SEWERAGE FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Operating revenues:		
Charges for services:		
Sales	$ 1,848,575	$ 1,827,787
Other fees	260,025	67,060
Total operating revenues	2,108,600	1,894,847
Operating expenses:		
Salaries and wages	222,437	225,924
Payroll taxes and employee benefits	75,541	85,587
Utilities	179,957	161,446
Repairs and maintenance	131,838	96,328
Materials, supplies and chemicals	76,867	59,814
Office supplies and postage	2,499	2,326
Engineering and other professional services	24,451	22,384
Depreciation and amortization	327,100	314,154
Administrative charges	212,579	205,660
Miscellaneous	9,058	7,063
Total operating expenses	1,262,327	1,180,686
Operating income	846,273	714,161
Non-operating revenues (expenses):		
Interest income	946	537
Amortization of bond cost	(19,638)	(10,802)
Interest expense	(317,389)	(163,124)
Total non-operating revenues (expenses)	(336,081)	(173,389)
Income (loss) before transfers	510,192	540,772
Transfers in	3,837,643	2,886,517
Transfers out	(4,031,311)	(4,016,576)
Changes in net assets	316,524	(589,287)
Net assets at beginning of year	5,178,512	5,767,799
Net assets at end of year	$ 5,495,036	$ 5,178,512

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
WATER AND SEWERAGE FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Receipts from customers	$ 2,051,121	$ 1,920,313
Receipts from (refund of) customer deposits	308	894
Receipts from (refund of) customer overpayments	(2,123)	(822)
Payments to employees	(298,371)	(309,255)
Payments to vendors	(630,129)	(574,367)
Net cash provided by operating activities	1,120,806	1,036,763
Cash flows from noncapital financing activities:		
Proceeds from debt		1,398,587
Transfers in	3,837,643	2,843,770
Transfers out	(4,031,311)	(4,016,576)
Net cash provided (used) by noncapital financial activities	(193,668)	225,781
Cash flows from capital and related financing activities:		
Transfers in		42,747
Proceeds from capital debt	591,137	827,595
Acquisition of capital assets	(596,639)	(633,563)
Principal paid on revenue bonds	(530,668)	(405,000)
Interest expense	(200,927)	(113,683)
Net cash provided (used) by capital and related financing activities	(737,097)	(281,904)
Cash flows from investing activities:		
Interest income	946	537
Net increase (decrease) in cash	190,987	981,177
Cash at beginning of year	1,210,887	229,710
Cash at end of year	$ 1,401,874	$ 1,210,887
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 846,273	$ 714,161
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	327,100	314,154
(Increase) decrease in:		
Accounts receivable	(32,879)	50,066
Inventory	6,334	
Increase (decrease) in:		
Accounts payable	786	(6,261)
Due to other funds		(13,085)
Customer deposits	308	894
Customer overpayments	(2,123)	(822)
Accrued compensated absences	(393)	2,256
Deferred revenue	(24,600)	(24,600)
Net cash provided (used) by operating activities	$ 1,120,806	$ 1,036,763

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET ASSETS
GAS SYSTEM FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Current assets:		
Cash	$ 25	$ 25
Receivables (net where applicable of allowances for uncollectibles):		
Accounts	67,332	58,526
Inventories	849	8,887
Total current assets	68,206	67,438
Noncurrent assets:		
Capital assets:		
Buildings	10,088	10,088
Improvements other than buildings	2,408,781	2,387,581
Machinery and equipment	74,628	74,628
Less, accumulated depreciation	(328,640)	(278,341)
Total capital assets (net of accumulated depreciation)	2,164,857	2,193,956
Total noncurrent assets	2,164,857	2,193,956
Total assets	2,233,063	2,261,394
Liabilities		
Current liabilities:		
Accounts payable	7,950	983
Accrued interest	4,830	5,408
Customer deposits	32,983	34,643
Accrued compensated absences	1,308	4,342
Accrued sales tax	2,039	1,455
Obligations under capital leases, current portion	151,803	144,706
Total current liabilities	200,913	191,537
Noncurrent liabilities:		
Compensated absences	704	863
Obligation under capital lease	1,062,439	1,215,092
Total noncurrent liabilities	1,063,143	1,215,955
Total liabilities	1,264,056	1,407,492
Net Assets		
Invested in capital assets, net of debt	950,615	834,158
Unrestricted	18,392	19,744
Total net assets	$ 969,007	$ 853,902

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
GAS SYSTEM FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Operating revenues:		
Charges for services:		
Sales	$ 825,470	$ 838,248
Other fees	124,203	126,450
Total operating revenues	949,673	964,698
Operating expenses:		
Salaries and wages	79,357	108,285
Payroll taxes and employee benefits	30,291	40,728
Gas purchases for resale	324,669	380,761
Sales tax expense	52,320	50,972
Utilities	2,870	2,811
Repairs and maintenance	66,382	21,950
Materials, supplies and chemicals	3,970	4,570
Office supplies and postage	77	118
Engineering and other professional services	10,816	7,200
Depreciation and amortization	50,299	51,358
Administrative charges	113,375	109,686
Miscellaneous	931	466
Total operating expenses	735,357	778,905
Operating income (loss)	214,316	185,793
Non-operating revenues (expenses):		
Interest expense	(62,197)	(69,124)
Total non-operating revenues (expenses)	(62,197)	(69,124)
Income (loss) before transfers	152,119	(116,669)
Transfers in	904,715	985,062
Transfers out	(941,729)	(1,028,229)
Changes in net assets	115,105	73,502
Net assets at beginning of year	853,902	780,400
Net assets at end of year	$ 969,007	$ 853,902

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
GAS SYSTEM FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Receipts from customers	$ 940,867	$ 989,351
Receipts from (refund of) customer deposits	(1,660)	(1,095)
Payments to employees	(112,841)	(153,243)
Payments to vendors	(559,821)	(583,516)
Net cash provided by operating activities	266,545	251,497
Cash flows from noncapital financing activities:		
Transfers in	904,715	985,062
Transfers out	(941,729)	(1,028,229)
Net cash provided (used) by noncapital financial activities	(37,014)	(43,167)
Cash flows from capital and related financing activities:		
Capital lease payments	(145,556)	(138,621)
Acquisition of capital assets	(21,200)	
Interest expense	(62,775)	(69,709)
Net cash provided (used) by capital and related financing activities	(229,531)	(208,330)
Cash flows from investing activities:		
Interest income	0	0
Net increase (decrease) in cash	0	0
Cash at beginning of year	25	25
Cash at end of year	$ 25	$ 25
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 214,316	$ 185,793
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	50,299	51,358
(Increase) decrease in:		
Accounts receivable	(8,806)	24,653
Inventory	8,038	
Increase (decrease) in:		
Accounts payable	6,967	(4,982)
Customer deposits	(1,660)	(1,095)
Accrued compensated absences	(3,193)	(4,230)
Accrued sales tax	584	
Net cash provided (used) by operating activities	$ 266,545	$ 251,497

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET ASSETS
SOLID WASTE FUND
June 30, 2011 and 2010

	2011	2010
Assets		
Current assets:		
Receivables (net where applicable of allowances for uncollectibles):		
Accounts	$ 44,882	$ 45,709
Total current assets	44,882	45,709
Noncurrent assets:		
Capital assets:		
Machinery and equipment	21,060	21,060
Less, accumulated depreciation	(21,060)	(21,060)
Total capital assets (net of accumulated depreciation)	0	0
Total noncurrent assets	0	0
Total assets	44,882	45,709
Net Assets		
Unrestricted	44,882	45,709
Total net assets	$ 44,882	$ 45,709

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
SOLID WASTE FUND
Years Ended June 2011 and 2010

	2011	2010
Operating revenues:		
Charges for services:		
Sales	$ 446,503	$ 419,367
Total operating revenues	446,503	419,367
Operating expenses:		
Administrative charges	35,430	34,277
Sanitation expense	246,118	262,143
Total operating expenses	281,548	296,420
Operating income (loss)	164,955	122,947
Income (loss) before transfers	164,955	122,947
Transfers in	450,545	335,173
Transfers out	(616,327)	(446,400)
Changes in net assets	(827)	11,720
Net assets, at beginning of year	45,709	33,989
Net assets, at end of year	$ 44,882	$ 45,709

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
SOLID WASTE FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Receipts from customers	$ 447,330	$ 407,647
Payments to vendors	(281,548)	(296,420)
Net cash provided by operating activities	165,782	111,227
Cash flows from noncapital financing activities:		
Transfers in	450,545	335,173
Transfers out	(616,327)	(446,400)
Net cash provided (used) by noncapital financial activities	(165,782)	(111,227)
Net increase in cash	0	0
Cash at beginning of year	0	0
Cash at end of year	$ 0	$ 0
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$ 164,955	$ 122,947
Adjustments to reconcile operating income to net cash provided by operating activities:		
(Increase) decrease in:		
Accounts receivable	827	(11,720)
Net cash provided (used) by operating activities	$ 165,782	$ 111,227

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF NET ASSETS
BROADBAND FUND
June 30, 2011 and 2010

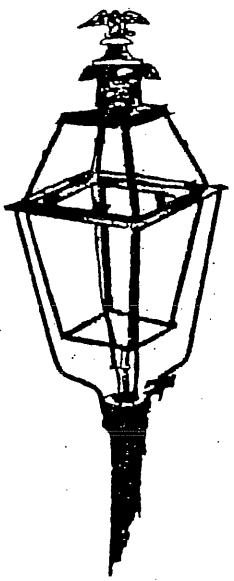
	2011	2010
Assets		
Current assets:		
Cash	$ 249,281	$ 4,265
Receivables (net where applicable of allowances for uncollectibles):		
Accounts	1,461	36,724
Inventories	14,826	27,689
Total current assets	265,568	68,678
Noncurrent assets:		
Capital assets:		
Improvements other than building		382,500
Machinery and equipment		35,000
Less, accumulated depreciation		(70,184)
Total capital assets (net of accumulated depreciation)	0	347,316
Total noncurrent assets	0	347,316
Total assets	265,568	415,994
Liabilities		
Current liabilities:		
Accounts payable	403	1,529
Accrued compensated absences	353	
Deferred revenue		19,881
Total current liabilities	756	21,410
Noncurrent liabilities:		
Accrued compensated absences	189	
Total noncurrent liabilities	189	0
Total liabilities	945	21,410
Net Assets		
Invested in capital assets, net of debt		347,316
Unrestricted	264,623	47,268
Total net assets	$ 264,623	$ 394,584

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET ASSETS
BROADBAND FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Operating revenues:		
Charges for services:		
Sales	$ 180,290	$ 280,041
Total operating revenues	180,290	280,041
Operating expenses:		
Salaries and wages	54,635	38,705
Payroll taxes and employee benefits	12,648	10,200
Utilities	15,582	13,895
Repairs and maintenance	17,210	17,906
Materials, supplies and chemicals	7,194	10,877
Depreciation and amortization	28,074	33,688
Retransmission and other fees	143,987	189,700
Miscellaneous	13,149	7,192
Total operating expenses	292,479	322,163
Operating income (loss)	(112,189)	(42,122)
Non-operating revenues (expenses):		
Loss on sale of equipment	(50,027)	
Total non-operating revenues (expenses)	(50,027)	0
Income (loss) before transfers	(162,216)	(42,122)
Transfers in	218,131	307,977
Transfers out	(185,876)	(289,823)
Changes in net assets	(129,961)	(23,968)
Total net assets at beginning of year	394,584	418,552
Total net assets at end of year	$ 264,623	$ 394,584

CITY OF MANCHESTER, GEORGIA
COMPARATIVE STATEMENTS OF CASH FLOWS
BROADBAND FUND
Years Ended June 30, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Receipts from customers	$ 195,672	$ 275,807
Payments to employees	(66,741)	(49,508)
Payments to vendors	(185,385)	(240,288)
Net cash provided (used) by operating activities	(56,454)	(13,989)
Cash flows from noncapital financing activities:		
Transfers in	218,131	307,977
Transfers out	(185,876)	(289,823)
Net cash provided (used) by noncapital financial activities	32,255	18,154
Cash flows from capital and related financing activities:		
Proceeds on sale of equipment	269,215	0
Net increase (decrease) in cash	245,016	4,165
Cash at beginning of year	4,265	100
Cash at end of year	$ 249,281	$ 4,265
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income (loss)	$(112,189)	$(42,122)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	28,074	33,688
(Increase) decrease in:		
Accounts receivable	35,263	3,357
Inventories	12,863	
Increase (decrease) in:		
Accounts payable	(1,126)	(718)
Accrued compensated absences	542	(603)
Deferred revenue	(19,881)	(7,591)
Net cash provided (used) by operating activities	$(56,454)	$(13,989)



CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF MANCHESTER, GEORGIA
COMPARATIVE SCHEDULES BY SOURCE *
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
June 30, 2011 and 2010

	2011	2010
Governmental funds capital assets:		
Land and land improvements	$ 411,193	$ 411,193
Buildings and improvements	5,057,542	5,048,567
Machinery and equipment	1,536,039	1,419,870
Infrastructure	2,996,841	2,996,841
Callaway pool	46,092	46,092
Total governmental funds capital assets	$ 10,047,707	$ 9,922,563
Investment in governmental funds capital assets by source:		
General fund	$ 3,582,548	$ 3,483,683
SPLOST funds	1,038,615	1,012,336
Gifts	2,221,830	2,221,830
General obligation bonds	1,228,608	1,228,608
Federal grants	1,705,720	1,705,720
State grants	243,386	243,386
County grants	27,000	27,000
Total governmental funds capital assets	$ 10,047,707	$ 9,922,563

* This schedule presents only the capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE BY FUNCTION AND ACTIVITY *
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
June 30, 2011

Function and Activity	Total	Land and Land Improvements	Buildings and Improvements	Machinery and Equipment	Infrastructure	Callaway Pool
General government	$ 2,556,928	$ 361,033	$ 2,082,046	$ 113,849		
Public safety	1,329,080		376,851	952,229		
Health and welfare	50,759		39,259	11,500		
Culture and recreation	2,774,394	27,000	2,472,612	228,690		$ 46,092
Highways and streets	3,336,546	23,160	86,774	229,771	$ 2,996,841	
Total governmental funds capital assets	$ 10,047,707	$ 411,193	$ 5,057,542	$ 1,536,039	$ 2,996,841	$ 46,092

* This schedule presents only the capital asset balances related to governmental funds.

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY *
Year Ended June 30, 2011

Function and Activity	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
General government	$ 2,547,953	$ 8,975		$ 2,556,928
Public safety	1,242,211	86,869		1,329,080
Health and welfare	50,759			50,759
Culture and recreation	2,738,890	35,504		2,774,394
Highway and streets	3,342,750	20,416	$ 26,620	3,336,546
Total governmental funds capital assets	$ 9,922,563	$ 151,764	$ 26,620	$ 10,047,707

* This schedule presents only the capital asset balances related to governmental funds.

ADDITIONAL DATA

The following data is required by either state statue, specific grant audit requirements, or auditing standards:

Community Development Block Grant - Disclosure required by specific grant audit requirements.

SPLOST - Disclosure required by state requirements.

CITY OF MANCHESTER, GEORGIA
SOURCE AND APPLICATION OF FUNDS STATUS REPORT
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended June 30, 2011

CDBG 06q-x-099-2-3273:

Total grant	$	500,000
Less, total program funds drawn down by recipient for the year ended:		
June 30, 2011	(	30,000)
June 30, 2010		0
June 30, 2009		0
June 30, 2008		0
June 30, 2007	(	470,000)
Program funds available for future draw down	$	0
Total program funds drawn down by recipient for the year ended June 30, 2011	$	30,000
Add, program income applicable to the year ended June 30, 2011		0
Total program funds drawn by recipient and program income for the year ended June 30, 2011	$	30,000

CDBG 08b-x-099-2-5057:

Total grant	$	800,000
Less, total program funds drawn down by recipient for the year ended:		
June 30, 2011	(	102,154)
June 30, 2010	(	527,925)
June 30, 2009	(	169,921)
Program funds available for future draw down	$	0
Total program funds drawn down by recipient for the year ended June 30, 2011	$	102,154
Add, program income applicable to the year ended June 30, 2011		0
Total program funds drawn by recipient and program income for the year ended June 30, 2011	$	102,154

CDBG 10h-x-099-2-5244:

Total grant	$	500,000
Less, total program funds drawn down by recipient for the year ended:		
June 30, 2011	(	84,250)
Program funds available for future draw down	$	415,750
Total program funds drawn down by recipient for the year ended June 30, 2011	$	84,250
Add, program income applicable to the year ended June 30, 2011		0
Total program funds drawn by recipient and program income for the year ended June 30, 2011	$	84,250

CITY OF MANCHESTER, GEORGIA
PROJECT COST SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
Year Ended June 30, 2011

Activity	Budgeted Expenditures	Actual Expenditures: Year Ended June 30, 2011	Actual Expenditures: Prior Years	Questioned Cost
CDBG 06q-x-099-2-3273:				
E-1PA-00	$ 470,000	$ 0	$ 470,000	-
A-21A-00	30,000	30,000	0	None
	$ 500,000	$ 30,000	$ 470,000	
CDBG 08b-x-099-2-5057:				
P-001-01	$ 2,370	$ 0	$ 2,370	-
H-004-00	0	0	0	-
P-03K-01	97,365	0	97,365	-
T-03K-01	10,249	262	9,987	None
P-03K-02	390,883	65,754	335,349	None
T-03K-02	30,695	0	30,457	-
H-14A-01	63,788	28,213	27,698	None
H-14A-02	148,650	0	146,071	-
C-022-00	0	0	0	-
A-21A-00	56,000	12,800	43,200	None
	$ 800,000	$ 107,029	$ 692,497	
CDBG 10h-x-099-2-5244:				
H-14A-01	$ 78,641	$ 0	N/A	-
H-14A-02	376,180	72,200		None
C-022-00	15,179	0		-
A-21A-00	30,000	9,400		None
	$ 500,000	$ 81,600		

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF SPECIAL PURPOSE SALES AND USE TAX
June 30, 2011

Project	Estimated Project Amount Original	Estimated Project Amount Amended	Estimated Percentage of Completion	Amount of Receipts to Date	Amount Expended Prior Years	Amount Expended Current Year
Buildings	$ 155,000	$ 255,000	60.24%		$ 153,606	$ 0
Recreation	205,000	105,000	72.36%		46,872	29,108
Infrastructure	1,459,000	1,059,000	75.07%		794,213	778
Streets and sidewalks	320,000	920,000	98.07%%		808,166	94,105
Public safety - Facilities and equipment	290,000	190,000	104.78%		194,133	4,950
Equipment	264,670	164,670	74.28%		121,329	1,000
	$ 2,693,670	$ 2,693,670		$2,197,555*	$ 2,118,319	$ 129,941

* Receipts are not designated by project.

AJ&K

Abbott, Jordan & Koon, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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

Honorable Mayor and
Members of City Council
Manchester, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manchester, Georgia, as of and for the year ended June 30, 2011, which collectively comprise the City of Manchester, Georgia's basic financial statements and have issued our report thereon dated November 17, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the City of Manchester, 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 Manchester, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Manchester, Georgia's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of audit findings and responses that we consider to be significant deficiencies in internal control over financial reporting noted as item 11-1. A "significant deficiency" is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City of Manchester, Georgia's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of audit findings and responses as item 11-2.

The City of Manchester, Georgia's response to the findings identified in our audit are described in the accompanying schedule of audit findings and responses. We did not audit the City of Manchester, Georgia's response and, accordingly, we express no opinion on it. In addition, we noted other matters involving the internal control and its operation that we have reported to management of the City of Manchester, Georgia in a separate letter dated November 17, 2011.

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



Manchester, Georgia
November 17, 2011

CITY OF MANCHESTER, GEORGIA
SCHEDULE OF AUDIT FINDINGS AND RESPONSES
June 30, 2011

FINDINGS - FINANCIAL STATEMENTS AUDIT

SIGNIFICANT DEFICIENCY

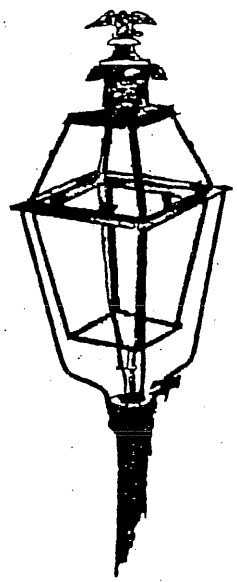
11-1 Segregation of Duties

Condition and Criteria:	Due to the small size of the City's staff, controls are not practical to provide adequate segregation of duties in the cash receipts and disbursements functions. Management should implement other internal controls in areas where segregation of duties is not practical. This is a repeat finding.
Effect:	Because of the failure to separate control over cash, errors or fraud that might avoid detection are possible.
Recommendation:	The City should implement other internal controls in areas where segregation of duties is not practical.
Management Response:	We concur. While it may not be practical to hire additional personnel, we will implement off-setting controls when practical and cost effective.

COMPLIANCE AND OTHER MATTERS

11-2 Budgetary Control

Condition and criteria:	State law established the minimum budget requirement for local governments. Actual expenditures exceeded budget appropriations at the department level for some departments, which is a violation of state law. This is a repeat finding.
Effect:	The failure to comply with state budgetary law could result in poor fiscal control and unauthorized expenditures.
Recommendation:	The City should comply fully with state budgetary law.
Response:	We concur. The City council will continue to review monthly budget to actual interim financial statements and amend the budget when considered appropriate.



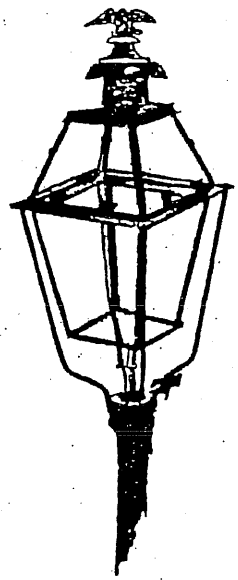
STATISTICAL SECTION

This part of the City of Manchester'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 government's overall financial health.

CONTENTS

	PAGE
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.	82
Revenue Capacity - These schedules present information to help the reader assess the City's most significant local revenue source, the property tax.	88
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	92
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.	97
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 government provides and the activities it performs.	99

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



City of Manchester, Georgia
Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30							
	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities								
Invested in capital assets, net of related debt	$ 2,075,899	$ 2,074,105	$ 2,358,389	$ 2,575,973	$ 3,722,007	$ 5,713,711	$ 5,924,123	$ 5,899,570
Restricted	195,754	205,374	204,079	701,128	1,738,873	963,410	830,029	771,920
Unrestricted	(42,966)	111,298	(168,177)	(560,633)	(511,763)	(800,824)	(30,449)	(56,374)
Total governmental activities net assets	$ 2,228,687	$ 2,390,777	$ 2,394,291	$ 2,716,468	$ 4,949,117	$ 5,876,297	$ 6,723,703	$ 6,615,116
Business-type activities								
Invested in capital assets, net of related debt	$ 4,828,448	$ 6,167,814	$ 6,180,298	$ 6,205,910	$ 7,102,166	$ 7,273,454	$ 7,363,268	$ 7,182,172
Restricted	1,122,057	374,891	322,268	251,534				
Unrestricted	(453,920)	(734,988)	(725,135)	(165,249)	(374,323)	(272,714)	(890,561)	(408,624)
Total business-type activities net assets	$ 5,496,585	$ 5,807,717	$ 5,777,431	$ 6,292,195	$ 6,727,843	$ 7,000,740	$ 6,472,707	$ 6,773,548
Primary government								
Invested in capital assets, net of related debt	$ 6,904,347	$ 8,241,919	$ 8,538,687	$ 8,781,883	$ 10,824,173	$ 12,987,165	$ 13,287,391	$ 13,081,742
Restricted	1,317,811	580,265	526,347	952,662	1,738,873	963,410	830,029	771,920
Unrestricted	(496,886)	(623,690)	(893,312)	(725,882)	(886,086)	(1,073,538)	(921,010)	(464,998)
Total primary government net assets	$ 7,725,272	$ 8,198,494	$ 8,171,722	$ 9,008,663	$ 11,676,960	$ 12,877,037	$ 13,196,410	$ 13,388,664

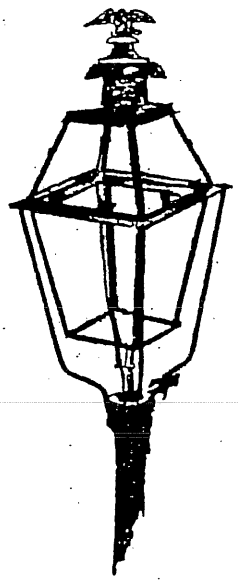
Note: The City implemented GASB 34 for the fiscal year ended June 30, 2004. In time this schedule will represent the required ten years of data.

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

	Fiscal Year Ended June 30							
Expenses	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:								
General government	$ 872,150	$ 824,230	$ 810,527	$ 895,411	$ 1,147,257	$ 999,930	$ 1,115,872	$ 963,147
Public safety	1,171,761	1,171,558	1,221,731	1,295,576	1,480,934	1,463,794	1,491,837	1,425,739
Health and welfare	150,770	156,666	151,005	332,670	159,624	147,547	164,498	129,721
Culture and recreation	423,516	431,659	402,972	424,232	477,367	397,162	410,603	447,241
Streets and highways	401,854	375,472	448,007	165,713	459,326	710,416	680,166	587,832
Other governmental services	96,537	70,545	75,132					
Community development	85,695	138,686	256,123	141,474	281,637	121,927	12,883	159,378
Interest on long-term debt.	69,765	62,824	67,982	66,484	75,693	65,901	106,183	44,254
Total governmental activities expenses	3,272,048	3,231,640	3,433,479	3,321,560	4,081,838	3,906,677	3,982,042	3,757,312
Business-type activities:								
Water and sewerage	1,531,978	1,453,190	1,447,964	1,473,231	1,525,784	1,344,528	1,354,612	1,599,354
Gas	999,904	1,023,359	1,214,593	1,218,653	1,345,341	948,163	848,029	797,554
Solid waste	316,807	317,167	315,022	317,631	271,229	301,947	296,420	281,548
Broadband					31,056	376,228	322,163	342,506
Total business-type activities expenses	2,848,689	2,793,716	2,977,579	3,009,515	3,173,410	2,970,866	2,821,224	3,020,962
Total primary government expenses	$ 6,120,737	$ 6,025,356	$ 6,411,058	$ 6,331,075	$ 7,255,248	$ 6,877,543	$ 6,803,266	$ 6,778,274
Program Revenues								
Governmental activities:								
Charges for services:								
General government	$ 414,597	$ 443,112	$ 417,591	$ 429,360	$ 442,328	$ 473,763	$ 473,058	$ 484,127
Public Safety	127,267	149,789	139,061	167,261	124,526	130,675	143,143	129,646
Culture and recreation	69,085	79,480	58,775	61,343	54,165	71,879	56,200	58,800
Other activities	71,090	16,786	12,962	17,335	16,322	12,410	8,223	7,347
Operating grants and contributions	261,606	302,281	366,480	161,524	537,316	347,765	155,292	333,270
Capital grants and contributions		27,000	325,891	704,745	2,987,196	1,690,720	586,406	143,722
Total government activities program revenues	943,645	1,018,448	1,320,760	1,541,568	4,161,853	2,727,212	1,422,322	1,156,912
Business-type activities:								
Charges for services:								
Water and sewerage	1,313,992	1,415,241	1,495,752	1,727,961	1,835,877	1,818,181	1,894,847	2,108,600
Gas	983,895	999,891	1,152,923	1,300,627	1,528,805	891,819	964,698	949,673
Solid waste	296,984	321,110	315,742	332,265	342,416	339,140	419,367	446,503
Broadband					37,578	335,769	280,041	180,290
Operating grants and contributions	489,763	650,404	20,262	103,422				
Capital grants and contributions								
Total business-type activities program revenues	3,084,634	3,386,646	2,984,679	3,464,275	3,744,676	3,384,909	3,558,953	3,685,066
Total primary government program revenues	$ 4,028,279	$ 4,405,094	$ 4,305,439	$ 5,005,843	$ 7,906,529	$ 6,112,121	$ 4,981,275	$ 4,841,978

	Fiscal Year Ended June 30							
	2004	2005	2006	2007	2008	2009	2010	2011
Net (expense)/revenue								
Governmental activities	$ (2,328,403)	$ (2,213,192)	$ (2,112,719)	$ (1,779,992)	$ 80,015	$ (1,179,465)	$ (2,559,720)	$ (2,600,400)
Business-type activities	235,945	592,930	7,100	454,760	571,266	414,043	737,729	664,104
Total primary government net expense	$ (2,092,458)	$ (1,620,262)	$ (2,105,619)	$ (1,325,232)	$ 651,281	$ (765,422)	$ (1,821,991)	$ (1,936,296)
General Revenues and Other Changes Net Assets								
Governmental activities:								
Taxes								
Property taxes	$ 979,651	$ 965,598	$ 978,268	$ 1,061,303	$ 909,773	$ 920,746	$ 1,127,332	$ 1,094,171
Sales tax	376,680	382,709	413,353	402,280	406,851	376,908	395,807	395,138
Franchise taxes	197,826	200,503	212,132	202,234	186,793	217,618	194,708	210,722
Insurance premium tax	171,305	185,648	199,733	208,971	217,980	223,201	221,107	214,681
Motor vehicle and mobile home tax	105,668	99,421	94,804	100,834	96,423	96,551	86,774	98,654
Alcoholic beverage taxes	95,724	93,842	96,896	92,570	88,949	90,289	89,694	92,336
Other	48,608	29,241	26,052	78,366	22,879	18,306	17,242	20,804
Investment earnings		4,642	4,317	3,551	38,287	21,194	8,163	1,098
Transfers	348,076	374,455	90,678	(47,940)	184,699	141,832	1,266,299	364,209
Total government activities	2,323,538	2,336,059	2,116,233	2,102,169	2,152,634	2,106,645	3,407,126	2,491,813
Business-type activities:								
Gain on sale of assets		77,076	41,378		37,120			
Investment earnings	21,544	15,581	11,914	12,064	11,961	686	537	946
Transfers	(348,076)	(374,455)	(90,678)	47,940	(184,699)	(141,832)	(1,266,299)	(364,209)
Total business-type activities	(326,532)	(281,798)	(37,386)	60,004	(135,618)	(141,146)	(1,265,762)	(363,263)
Total primary government	$ 1,997,006	$ 2,054,261	$ 2,078,847	$ 2,162,173	$ 2,017,016	$ 1,965,499	$ 2,141,364	$ 2,128,550
Change in Net Assets								
Government activities	$ (4,865)	$ 122,867	$ 3,514	$ 322,177	$ 2,232,649	$ 927,180	$ 847,406	$ (108,587)
Business-type activities	(90,587)	311,132	(30,286)	514,764	435,648	272,897	(528,033)	300,841
Total primary government	$ (95,452)	$ 433,999	$ (26,772)	$ 836,941	$ 2,668,297	$ 1,200,077	$ 319,373	$ 192,254

Note: The City implemented GASB 34 for the fiscal year ended June 30, 2004. In time this schedule will represent the required ten years of data.



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

	Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General fund										
Nonspendable	$ 98,346	$ 62,865	$ 116,731	$ 66,427	$ 63,144	$ 58,644	$ 75,226	$ 75,632	$ 64,138	$ 38,002
Committed										12,502
Restricted										44,911
Unassigned	221,742	155,808	(30,657)	127,273	(141,846)	(529,486)	(460,501)	(737,723)	119,291	7,182
Total general fund	$ 320,088	$ 218,673	$ 86,074	$ 193,700	$ (78,702)	$ (470,842)	$ (385,275)	$ (662,091)	$ 183,429	$ 102,597
All other governmental funds										
Restricted, reported in:										
Debt service fund	$ 7,451	$ 7,491	$ 204	$ 188	$ 196	$ 197	$ 197	$ 197	$ 197	$ 198
Special revenue funds	187,149	191,359	195,550	205,186	203,883	701,021	696,971	712,595	719,288	715,501
Capital project fund							1,041,705	250,618	110,544	11,310
Total all other government funds	$ 194,600	$ 198,850	$ 195,754	$ 205,374	$ 204,079	$ 701,218	$ 1,738,873	$ 963,410	$ 830,029	$ 727,009

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

	Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues										
Taxes	$ 2,015,585	$ 1,948,356	$ 1,975,462	$ 1,956,962	$ 2,021,238	$ 2,098,558	$ 1,929,648	$ 1,943,619	$ 2,132,664	$ 2,126,506
Licenses and permits	77,678	80,914	82,909	83,439	82,963	83,409	74,247	72,089	70,492	79,535
Intergovernmental							2,197,555			29,668
Grants and subsides	159,901	651,099	259,816	302,281	692,371	866,269	1,261,127	347,765	724,577	344,708
Charges for services	57,408	73,418	72,645	89,342	60,760	62,540	54,516	70,643	56,276	58,800
Fines and forfeitures	128,728	102,194	126,267	122,316	138,479	143,137	115,377	125,087	142,425	129,646
Interest revenue	12,251	6,163	4,379	4,642	4,317	3,551	38,287	21,194	8,163	2,137
Miscellaneous	356,216	401,554	397,629	394,070	346,187	386,213	459,031	420,908	440,701	493,100
Total revenues	2,807,767	3,263,698	2,919,107	2,953,052	3,346,315	3,643,677	6,129,788	3,001,305	3,575,298	3,264,100
Expenditures										
General government	545,046	570,648	846,685	804,711	778,922	837,962	1,068,742	934,268	922,739	913,022
Public safety	1,065,916	1,109,003	1,126,460	1,121,634	1,166,746	1,231,321	1,333,508	1,390,208	1,386,289	1,373,271
Streets and highways	324,711	399,152	367,858	342,176	418,563	353,317	424,777	557,515	576,763	415,793
Culture and recreation	384,791	353,745	354,259	361,075	332,215	330,038	326,695	325,326	319,063	389,168
Health and welfare	145,168	150,858	150,238	156,334	149,331	137,440	151,554	144,915	143,637	146,660
Community development				138,686	256,123	141,474	281,637	121,927	12,883	159,378
Capital outlay	64,753	422,983	236,779	85,351	598,527	260,587	1,409,640	552,334	528,491	235,010
Other governmental services	324,100	727,686	182,232	70,545	75,132	23,735	11,687	5,719	34,940	31,130
Debt service										
Principal	106,396	95,171	71,341	88,279	150,690	104,267	106,045	96,015	97,083	103,006
Interest	76,076	70,173	67,025	63,930	66,082	70,597	76,980	67,189	107,570	45,723
Total expenditures	3,036,957	3,899,419	3,402,877	3,232,721	3,992,331	3,490,738	5,191,265	4,195,416	4,129,458	3,812,161
Excess of revenues over (under) expenditures	(229,190)	(635,721)	(483,770)	(279,669)	(646,016)	152,939	938,523	(1,194,111)	(554,160)	(548,061)

	Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Other financing sources (uses)										
Transfers in	3,030,414	3,724,123	4,435,036	4,109,360	3,879,092	3,621,164	5,003,182	4,496,671	5,015,481	5,303,747
Transfers out	(2,922,165)	(3,208,057)	(4,086,960)	(3,734,905)	(3,788,414)	(3,669,104)	(4,818,483)	(4,354,839)	(3,749,182)	(4,939,538)
Capital leases		22,490		22,460	281,641					
Total other financing sources (uses)	108,249	538,556	348,076	396,915	372,319	(47,940)	184,699	141,832	1,266,299	364,209
Net change in fund balances	$ (120,941)	$ (97,165)	$ (135,694)	$ 117,246	$ (273,697)	$ 104,999	$ 1,123,222	$ (1,052,279)	$ 712,139	$ (183,852)
Debt service as a percentage of noncapital expenditures	6.14%	4.76%	4.37%	4.84%	6.39%	5.41%	4.63%	4.36%	5.62%	4.04%

City of Manchester, Georgia
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Real Property		Personal Property	Utilities and Other Property	Total Taxable Assessed Value	Total Direct Tax Rate (1)	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property						
2002	$ 25,209,842	$ 13,746,092	$ 20,872,471	$ 3,161,492	$ 62,989,897	16.33	$ 157,474,743	40%
2003	22,848,738	14,346,083	19,216,422	3,151,296	59,562,539	16.33	148,906,348	40%
2004	23,166,274	14,735,315	19,183,595	3,356,443	60,441,627	16.194	151,104,069	40%
2005	23,160,765	15,457,871	17,699,892	3,623,963	59,942,491	16.18	149,856,228	40%
2006	23,351,812	15,924,817	18,306,536	3,397,550	60,980,715	16.15	152,451,788	40%
2007	26,855,269	16,253,610	18,045,503	2,867,309	64,021,691	16.15	160,054,227	40%
2008	31,008,986	16,854,217	13,115,910	3,331,190	64,310,303	16.15	160,775,758	40%
2009	28,498,307	18,696,169	14,968,995	8,382,359	70,545,830	16.15	176,364,575	40%
2010	32,206,279	20,351,383	15,927,525	3,126,102	71,611,289	17.15	179,028,223	40%
2011	33,394,954	17,938,189	11,319,108	3,126,064	65,778,315	17.242	164,445,788	40%

Data Source: Meriwether and Talbot County Tax Digest

(1) Per $1,000 of assessed value

City of Manchester, Georgia
Property Tax Rates
Direct and Overlapping Governments
(PER $1,000 OF ASSESSED VALUE)
Last Ten Fiscal Years

Fiscal Year Ended June 30	City of Manchester (Direct Rates)			Overlapping Rates	
	Operating Millage	Debt Service Millage *	Total City Millage	Total County Millage (1)	Total School Millage (2)
2002	16.22	0.11	16.33	9.373	16.672
2003	16.22	0.11	16.33	9.373	16.672
2004	16.084	0.11	16.194	9.373	16.672
2005	16.06	0.12	16.18	10	16.307
2006	16.04	0.11	16.15	13	18
2007	15.98	0.17	16.15	12.22	18
2008	14.36	1.79	16.15	12.22	18
2009	14.4	1.75	16.15	12.27	18
2010	15.51	1.64	17.15	13.567	16.9
2011	15.572	1.67	17.242	13.65	16.998

Data Sources:
(1) Meriwether County Tax Commissioner

(2) Meriwether County Board of Education

* General Obligation Debt

City of Manchester, Georgia
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2011 (1) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	2002 (2) Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Rita Medical Systems	$ 4,148,258	1	6.31			
F&M Bank	1,788,994	2	2.72			
Geogia Power Company	1,473,163	3	2.24	$ 1,296,716	4	2.05
Sherwin Williams	1,354,931	4	2.06			
Jones William B	868,560	5	1.32			
Manchester Housing Ltd.	656,360	6	0.997	548,328	5	0.87
Jeneca Properties LLP	654,480	7	0.995	446,547	10	0.71
CSX Transportation	598,472	8	0.909	472,051	8	0.75
Manchester Apts Ltd	585,575	9	0.89	457,353	9	0.73
Manchester Elderly Housing	567,120	10	0.862	518,162	6	0.82
Goody Products				10,655,254	1	16.92
Horizon Medical Products				6,378,772	2	10.13
Alltel Ga Communications				1,393,636	3	2.21
Charter Communications				517,457	7	0.82
	$ 12,695,913		19.303	$ 22,684,276		36.01

Data Source: City Finance Office

(1) Based on 2010 tax digest.

(2) Based on 2001 tax digest.

City of Manchester, Georgia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2002	$ 1,078,825	$ 1,072,475	99%	$ 6,350	$ 1,078,825	100%
2003	1,064,816	1,051,951	99%	12,865	1,064,816	100%
2004	1,086,353	1,074,671	99%	11,682	1,086,353	100%
2005	1,062,002	1,051,798	99%	10,204	1,062,002	100%
2006	1,065,369	1,059,396	99%	5,973	1,065,369	100%
2007	1,136,949	1,130,022	99%	6,927	1,136,949	100%
2008	989,282	968,159	98%	9,953	978,112	98.9%
2009	1,034,853	975,159	94%	57,982	1,033,141	99.8%
2010	1,168,964	1,101,187	94%	64,095	1,165,282	99.7%
2011	1,134,170	1,108,400	98%	-	1,108,400	97.7%

Data Source: City Finance Office

(1) Includes: Real Property
Personal Property
Utility
Vehicles

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

Fiscal Year Ended June 30	Governmental Activities		Business-Type Activities			Total Primary Government	Percentage of Personal Income**	Per Capita*
	General Obligation Bonds	Capital Leases	Revenue Bonds	Capital Leases	Notes Payable			
2002	$ 1,220,000	$ 140,588	$ 4,592,522			$ 5,953,110		$ 1,493
2003	1,170,000	117,907	4,500,354	$ 2,000,000		7,788,261		1,953
2004	1,120,000	96,567	4,830,000	2,000,000		8,046,567		2,018
2005	1,060,000	90,748	4,665,000	1,990,844		7,806,592		1,958
2006	1,000,000	281,699	4,375,000	1,886,443		7,543,142		1,891
2007	940,000	237,432	4,070,000	1,762,674		7,010,106		1,758
2008	870,000	201,387	3,915,000	1,633,038		6,619,425		1,659
2009	800,000	175,373	3,691,000	1,498,419		6,164,792		1,545
2010	725,000	153,290	4,786,000	1,359,798	$ 827,595	7,851,683		1,969
2011	645,000	130,284	4,255,332	1,214,242	1,418,732	7,663,590		1,812

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

* See Demographic and Economic Statistics on page 97 for population data.

** Information not available.

City of Manchester, Georgia
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property*	Per Capita**
2002	$ 1,220,000	$ 7,451	$ 1,212,549	0.77%	$ 306
2003	1,170,000	7,491	1,162,509	0.78%	293
2004	1,120,000	204	1,119,796	0.74%	281
2005	1,060,000	188	1,059,812	0.71%	266
2006	1,000,000	196	999,804	0.66%	251
2007	940,000	197	939,803	0.59%	236
2008	870,000	197	869,803	0.54%	218
2009	800,000	197	799,803	0.45%	200
2010	725,000	197	724,803	0.40%	182
2011	645,000	198	644,802	0.39%	152

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

* See Assessed Value and Estimated Actual Value of Taxable Property on page 88 for property value data.

** See Demographic and Economic Statistics on page 97 for population data.

City of Manchester, Georgia
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Meriwether County, Georgia	$ 10,826,285	19%	$ 2,056,994
Meriwether County Board of Public Education	12,382,200	19%	2,352,618
Subtotal, overlapping debt			4,409,612
Direct debt:			
City of Manchester, Georgia governmental activities			775,284
Manchester Development Authority			2,050,000
Subtotal, direct debt			2,825,284
Total direct and overlapping debt			$ 7,234,896

Data Sources: Debt outstanding data provided by the County and the Board of Education.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Manchester, Georgia. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire 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.

* The percentage of overlapping debt applicable is estimated using population. Applicable percentages were estimated by dividing the City's population by the total County population.

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

	Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	$ 6,298,990	$ 5,956,254	$ 6,044,163	$ 5,994,249	$ 6,098,072	$ 6,402,169	$ 6,431,030	$ 7,054,583	$ 6,436,326	$ 5,933,030
Total net debt applicable to limit	1,220,000	1,170,000	1,120,000	1,060,000	999,804	939,803	869,803	799,803	724,803	644,802
Total net debt margin	$ 5,078,990	$ 4,786,254	$ 4,924,163	$ 4,934,249	$ 5,098,268	$ 5,462,366	$ 5,561,227	$ 6,254,780	$ 5,711,523	$ 5,288,228
Total net debt applicable to the limit as a percentage of debt limit	20.17%	19.37%	19.64%	18.53%	17.68%	16.40%	13.53%	11.34%	11.26%	10.87%

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed value	$ 65,778,315
Add Back: Exempt real property	-
Total assessed value	$ 65,778,315
Debt limit (10% of total assessed value)	$ 6,577,832
Debt applicable to limit:	
General obligation bonds	645,000
Less: Amount set aside for repayment of general obligation debt	(198)
Total net debt applicable to limit	644,802
Legal debt margin	$ 5,933,030

Note: Under state law the City of Manchester's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

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

Fiscal Year Ended June 30	Water& Sewerage and Gas Revenue Bonds				
	Utility Charges and Other*	Less: Operating Expenses**	Net Available Revenue	Debt Service	
				Principal	Interest	Coverage
2002	$ 2,203,885	$ 1,404,449	$ 799,436	$ 120,000	$ 271,663	2.04
2003	2,411,619	1,679,028	732,591	125,000	268,373	1.86
2004	2,415,475	1,813,263	602,212	130,000	262,373	1.53
2005	2,459,325	1,778,027	681,298	165,000	256,068	1.62
2006	2,668,937	1,965,023	703,914	290,000	247,983	1.31
2007	3,132,010	1,983,608	1,148,402	305,000	233,483	2.13
2008	3,364,682	2,278,451	1,086,231	320,000	218,080	2.02
2009	2,710,000	1,676,724	1,033,276	224,000	117,707	3.02
2010	2,902,292	1,594,079	1,308,213	405,000	108,485	2.55
2011	3,058,273	1,620,285	1,437,988	426,000	95,742	2.76

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial
The revenue bonds outstanding are Combined Public Utilities Revenue Bonds; therefore, the above figures the Water, Sewer, and Gas Funds of the City. The debt service above does not include debt sevice for the Public Utilities Authority Revenue Bonds since they are being repaid through an intergovernmental contract.

* Interest income not included in this figure. SPLOST reimbursement for repairs and maintenance is included.
** Operating expenses do not include interest or depreciation.

City of Manchester, Georgia
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (1)	Meriwether County Public School Enrollment (2)	Meriwether County Unemployment Rate (3)
2002	3,988	*	$ 14,380	3,908	7.00%
2003	3,988	*	14,380	3,675	6.80%
2004	3,988	*	14,380	3,759	6.78%
2005	3,988	*	14,380	3,794	6.10%
2006	3,988	*	14,380	3,821	6.00%
2007	3,988	*	14,380	3,736	6.40%
2008	3,988	*	14,380	3,511	5.10%
2009	3,988	*	22,715	3,149	8.40%
2010	3,988	*	20,880	3,071	12.10%
2011	4,230	*	17,586	3,038	11.70%

Data Sources:
(1) U.S. Census Bureau
(2) Meriwether County Board of Public Education, based on census at start of school year
(3) Georgia Department of Labor

* Information not available

City of Manchester, Georgia
Principal Employers
Current and Nine Years Ago

Employer	2011 Employees	2011 Rank	2011 Percentage of Total City Employment	2002 Employees	2002 Rank	2002 Percentage of Total City Employment
Angio Dynamics	300	1	31.38			
Sherwin Williams Dobco	60	2	6.28			
City of Manchester	50	3	5.23	65	3	3.81
Piggly Wiggly	40	4	4.18	20	5	1.17
F&M Bank	32	5	3.35			
Dixieland Carnival	22	6	2.3			
Pic N' Sav	20	7	2.09			
Food Outlet	20	8	2.09			
Flint Facilities	19	9	1.99			
TBO McDonalds	15	10	1.57			
Newell Company				975	1	57.12
Rita Medical Systems				150	2	8.79
Lewis Jones				35	4	2.05
Georgia LP Gas				16	6	0.94
Taylor Foster				15	7	0.88
Rite Aid				15	8	0.88
Variety Wholesalers				14	9	0.82
Pizza Hut of America				14	10	0.82
Totals	578		60.46	1,319		77.28

Data Source: City Finance Office

City of Manchester, Georgia
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Function										
General government	11	11	10	10	10	10	11	9	11	9
Public safety										
Police	18	20	16	13	17	14	18	19	16	17
Fire	8	8	8	8	8	8	8	8	7	6
Health and welfare										
Senior center	3	3	2	2	2	2	2	2	2	2
Animal control	1	1	1	1	1	1	1	1	1	1
Culture and recreation	5	5	3	3	3	3	3	3	3	4
Highways and streets	4	5	4	3	4	3	3	2	2	2
Other governmental services										
Code enforcement	1	1	1	0	0	0	0	0	0	0
Vehicle maintenance	1	1	1	1	1	0	0	0	1	0
Community development	0	0	0	0	0	0	0	0	0	0
Water and sewerage	9	9	7	6	7	9	10	10	7	7
Gas	4	4	4	3	3	2	4	5	3	2
Solid waste	0	0	0	0	0	0	0	0	0	0
Total	65	68	57	50	56	52	60	59	53	50

Data Source: City Finance Office

City of Manchester, Georgia
Operating Indicators by Function
Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Police										
Physical arrests	*	*	252	244	236	186	214	227	219	283
Parking violations	*	*	5	-	2	-	-	5	6	8
Traffic violations	*	*	*	*	*	683	477	739	677	667
Fire										
Number of calls answered	212	277	246	368	397	418	610	639	626	451
Inspections	*	*	*	102	58	70	193	350	350	146
Culture and recreation										
Number of youth participants	1,132	1,020	1,143	1,083	1,078	1,182	927	820	862	1,120
Senior center meals served	24,944	23,217	26,431	21,643	17,906	17,035	14,385	14,483	12,824	9,898
Health and Welfare										
Animal Control (captured animals)	*	*	*	*	*	98	76	121	102	248
Highways and streets										
Street resurfacing (miles)	2	2	2	2	2	2	2	1	1	1
Potholes repaired	213	221	267	230	270	228	178	178	103	187
Water and sewerage										
New water connections	14	15	10	5	15	9	7	8	11	9
New sewage connections	2	2	3	2	3	3	2	4	3	1
Average daily consumption (thousands of gallons)	800	800	800	800	800	800	800	800	800	800
Average daily sewage treatment (thousands of gallons)	710	710	710	710	710	710	710	710	710	710
Gas										
Breaks on gas main	3	3	5	4	3	4	1	2	2	1
Solid waste										
Refuse collected (tons/day)	*	*	*	*	*	*	*	*	*	*
Recyclables collected (tons/day)	*	*	*	*	*	*	*	*	*	*

Data Sources: Various City Departments

Note: Indicators not available for the general government function.

* Information not available

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

Function	Fiscal Year Ended June 30									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	14	13	14	14
Fire stations	1	1	1	1	1	1	1	1	1	1
Fire engines	3	3	3	3	3	3	4	4	4	4
Health and welfare										
Animal control										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Senior center										
Buildings	1	1	1	1	1	1	1	1	1	1
Culture and recreation										
Parks acreage	16	16	38	38	38	38	38	51	51	51
Parks	4	4	5	5	5	5	5	5	5	5
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	2	2	2	2	2	2	2	2	2	2
Community centers	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (miles)	61.5	61.5	61.5	67	67	67	67	67	67	67
Streetlights	678	678	678	678	678	678	678	670	670	670
Traffic signals	4	4	4	4	4	4	4	4	4	4
Water and sewerage										
Water mains (miles)	105	105	105	105	105	105	105	105	105	105
Fire hydrants	265	265	265	265	265	265	265	265	265	265
Maximum daily water capacity (thousands of gallons)	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.2
Sanitary sewers (miles)	538	538	538	543	609	609	609	609	609	609
Storm sewers (miles)	366	366	366	366	366	366	366	366	366	366
Maximum daily sewer treatment capacity (thousands of gallons)	850	850	850	850	850	850	850	850	850	850
Gas										
Gas lines (miles)	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5	75.5
Number of distribution stations	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	0	0	0	0	0	0	0	0	0	0

Data Sources: Various City departments.
Note: No capital asset statistics are available for the general government function.

