# CITY OF SENOIA, GEORGIA

## ANNUAL FINANCIAL REPORT

## FOR THE YEAR ENDED DECEMBER 31, 2010

## TOGETHER WITH

## INDEPENDENT AUDITOR'S REPORT

JAMES L. WHITAKER, P.C.

CERTIFIED PUBLIC ACCOUNTANT

SNELLVILLE, GEORGIA 30078

# CITY OF SENOIA, GEORGIA
## ANNUAL FINANCIAL REPORT
## FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

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**JAMES L. WHITAKER, P.C.**
Certified Public Accountant
2295 Henry Clower Blvd., Suite 205
Snellville. Georgia 30078
Telephone: 678-205-4438
Fax: 678-205-4449

Member of
The American Institute of
Certified Public Accountants

Member of
Georgia Society of
Certified Public Accountants

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Senoia, Georgia (the City) as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly , in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund of the City of Senoia, Georgia, as of December 31, 2010 and the respective changes in financial position and, where applicable, cash flows, 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 a report dated June 14, 2011 on our consideration of City of Senoia's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulation, 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.

The Management's Discussion and Analysis on pages 3 through 12 and the Analysis of Pension Plan Funding Progress on page 47 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information and reviewing information supplied by the City's pension fund consultants. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Senoia, Georgia's basic financial statements. The individual fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The individual funds' financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

James L. Whitaker, P.C.

Snellville, Georgia
June 14, 2011

## CITY OF SENOIA
## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Senoia, we offer readers of the City of Senoia's financial statements this narrative overview and analysis of the financial activities of the City of Senoia for the fiscal year ended December 31, 2010. We encourage readers to consider the information presented here in conjunction with their review of the financial statements.

### Financial Highlights

- The assets of the City of Senoia exceeded its liabilities at December 31, 2010 by $16,336,981 Of this amount unrestricted net assets of $2,311,260 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net assets increased by $836,626. Of this amount a net increase of $816,825 was associated with governmental activities and an increase of $19,851 was associated with business-type activities.

- As of the close of the current fiscal year, the City of Senoia's governmental funds reported combined ending fund balances of $2,284,386, a decrease of $560,000 in comparison with the prior year. Of this amount $1,161,220 is unreserved and available for spending and $1,123,166 is reserved for capital projects and other specific future uses.

- At the end of the current year, unreserved fund balance for the general fund was $1,161,220 or 54.4 percent of total General Fund expenditures.

- The City of Senoia's total debt obligations (including accrued compensated absences) decreased by $206,899 to a total of $7,662,801. The City completed work to bring three wells on line and completed construction of a new police department and municipal court building on Howard Road. The City made principal payments on its capital leases, revenue bonds and GEFA notes of $208,186.

### Overview of the Financial Statements

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

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

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.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Senoia include general government, public safety and courts, highways and streets, cemetery, parks and recreation, library, planning and zoning, and downtown development. The business-type activities of the City are water, sewer and solid waste management.

**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 of Senoia 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 in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near term financing requirements.

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

The City maintains five major governmental funds. The City's major governmental funds are the General Fund, Confiscated Assets Fund, SPLOST Capital Project Funds, the Development Impact Fee Fund and the Police Building Fund. 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 all major funds.

The City of Senoia adopts an annual budget for all of its governmental funds. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with the FY 2010 budget. A project length budget has been adopted for the SPLOST Capital Projects Fund and the Police Building Fund and are presented in the individual fund financial statements. A budget was also adopted for the Development Impact Fee Fund for FY 2010 which is also presented in the individual fund financial statements. However, the Confiscated Assets Fund which was created in 2009 did not have an annual budget.

**Proprietary funds.** Enterprise funds (a component of proprietary funds) are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Water, Sewer and Solid Waste Management activities. All of the City's enterprise funds are considered by the City to be major funds.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the City's major funds.

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

**Other information.** In addition to the basic financial statement and accompanying notes, this report also presents certain other supplementary information which consists of individual fund financial statements with prior year comparisons.

## Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. At December 31, 2010, the City's assets exceeded liabilities by $16,336,981. The City's net assets reflect its investment in capital assets (77.3 percent), less any related debt used to acquire those assets that is still outstanding. Capital assets are used to provide services to citizens and they are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Of the total net assets, $1,395,696 (8.5 percent) is restricted for capital projects and other specified activities and $2,311,260 (14.2 percent) is unrestricted.

**City of Senoia's Net Assets**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | $ 2,536,324 | $ 3,257,455 | $ 1,677,167 | $ 1,610,205 | $ 4,213,491 | $ 4,867,660 |
| Capital assets | 5,814,809 | 4,535,612 | 14,358,024 | 14,482,392 | 20,172,833 | 19,018,004 |
| Total assets | 8,351,133 | 7,793,067 | 16,035,191 | 16,092,597 | 24,386,324 | 23,885,664 |
| Current liabilities | 132,944 | 293,556 | 371,017 | 330,863 | 503,961 | 624,419 |
| Long-term liabilities | 1,133,714 | 1,231,861 | 6,411,668 | 6,529,079 | 7,545,382 | 7,760,940 |
| Total liabilities | 1,266,658 | 1,525,417 | 6,782,685 | 6,859,942 | 8,049,343 | 8,385,359 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 4,801,088 | 4,009,125 | 7,828,937 | 7,844,553 | 12,630,025 | 11,853,678 |
| Restricted | 1,019,392 | 1,172,313 | 376,304 | 343,309 | 1,395,696 | 1,515,622 |
| Unrestricted | 1,263,995 | 1,086,212 | 1,047,265 | 1,044,793 | 2,311,260 | 2,131,005 |
| Total net assets | $ 7,084,475 | $ 6,267,650 | $ 9,252,506 | $ 9,232,655 | $ 16,336,981 | $ 15,500,305 |

A portion of the net assets (8.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($2,311,260) may be used to meet the government's ongoing obligations to citizens and creditors.

**Governmental activities.** Governmental activities increased the City of Senoia's net assets by $816,825, thereby accounting for 97.6% of the total increase in the net assets of the City of Senoia. Key elements of this increase are as follows:

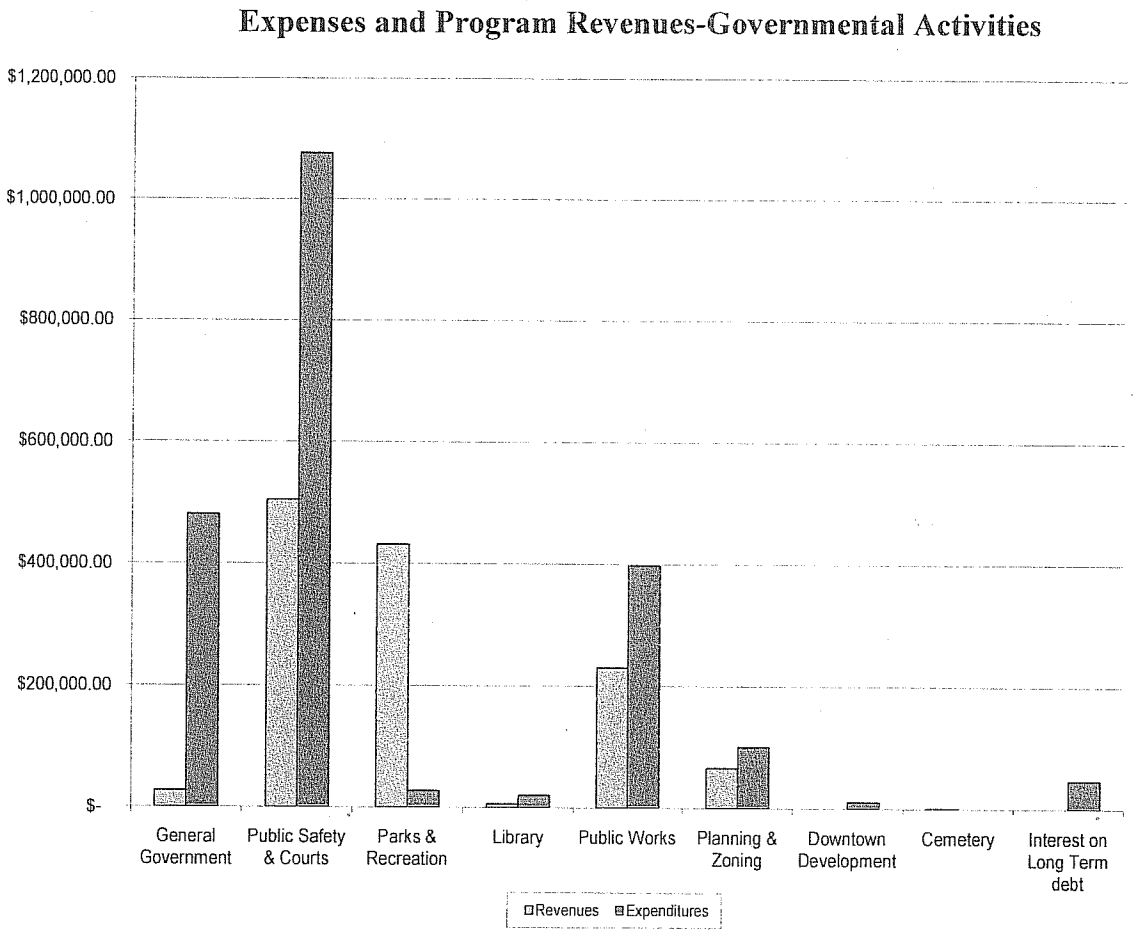
**City of Senoia's Change in Net Assets**
**For The Years Ended December 31, 2010 and 2009**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | $ 467,663 | $ 525,904 | $ 1,536,467 | $ 1,358,875 | $ 2,004,130 | $ 1,884,779 |
| Operating grants and contributions | - | - | - | - | - | - |
| Capital grants and contributions | 800,527 | 679,098 | 226,819 | 376,622 | 1,027,346 | 1,055,720 |
| General Revenues | | | | | | |
| Property taxes | 732,167 | 678,044 | - | - | 732,167 | 678,044 |
| Sales taxes | 447,593 | 412,635 | - | - | 447,593 | 412,635 |
| Other taxes | 503,130 | 465,528 | - | - | 503,130 | 465,528 |
| Interest | 7,387 | 18,453 | 6,536 | 11,071 | 13,923 | 29,524 |
| Other | 8,456 | 23,803 | - | - | 8,456 | 23,803 |
| | 2,966,923 | 2,803,465 | 1,769,822 | 1,746,568 | 4,736,745 | 4,550,033 |
| Expenses: | | | | | | |
| General government | 481,879 | 460,393 | - | - | 481,879 | 460,393 |
| Public safety and courts | 1,076,209 | 1,010,357 | - | - | 1,076,209 | 1,010,357 |
| Public Works | 397,887 | 328,810 | - | - | 397,887 | 328,810 |
| Cemetery | - | - | - | - | - | - |
| Parks and recreation | 27,765 | 23,411 | - | - | 27,765 | 23,411 |
| Library | 21,045 | 21,293 | - | - | 21,045 | 21,293 |
| Planning and zoning | 100,890 | 135,480 | - | - | 100,890 | 135,480 |
| Downtown development | 11,122 | 38,157 | - | - | 11,122 | 38,157 |
| Interest on long-term debt | 46,766 | 19,737 | - | - | 46,766 | 19,737 |
| Water | - | - | 761,456 | 852,281 | 761,456 | 852,281 |
| Sewer | - | - | 779,290 | 751,691 | 779,290 | 751,691 |
| Solid waste | - | - | 195,760 | 190,661 | 195,760 | 190,661 |
| | 2,163,563 | 2,037,638 | 1,736,506 | 1,794,633 | 3,900,069 | 3,832,271 |
| Increase (decrease) in net assets before transfers | 803,360 | 765,827 | 33,316 | (48,065) | 836,676 | 717,762 |
| Transfers | 13,465 | 11,474 | (13,465) | (11,474) | - | - |
| Increase (decrease) in net assets | 816,825 | 777,301 | 19,851 | (59,539) | 836,676 | 717,762 |
| Net assets - beginning of year | 6,267,650 | 5,490,349 | 9,232,655 | 9,292,194 | 15,500,305 | 14,782,543 |
| Net assets - end of year | $ 7,084,475 | $ 6,267,650 | $ 9,252,506 | $ 9,232,655 | $ 16,336,981 | $ 15,500,305 |

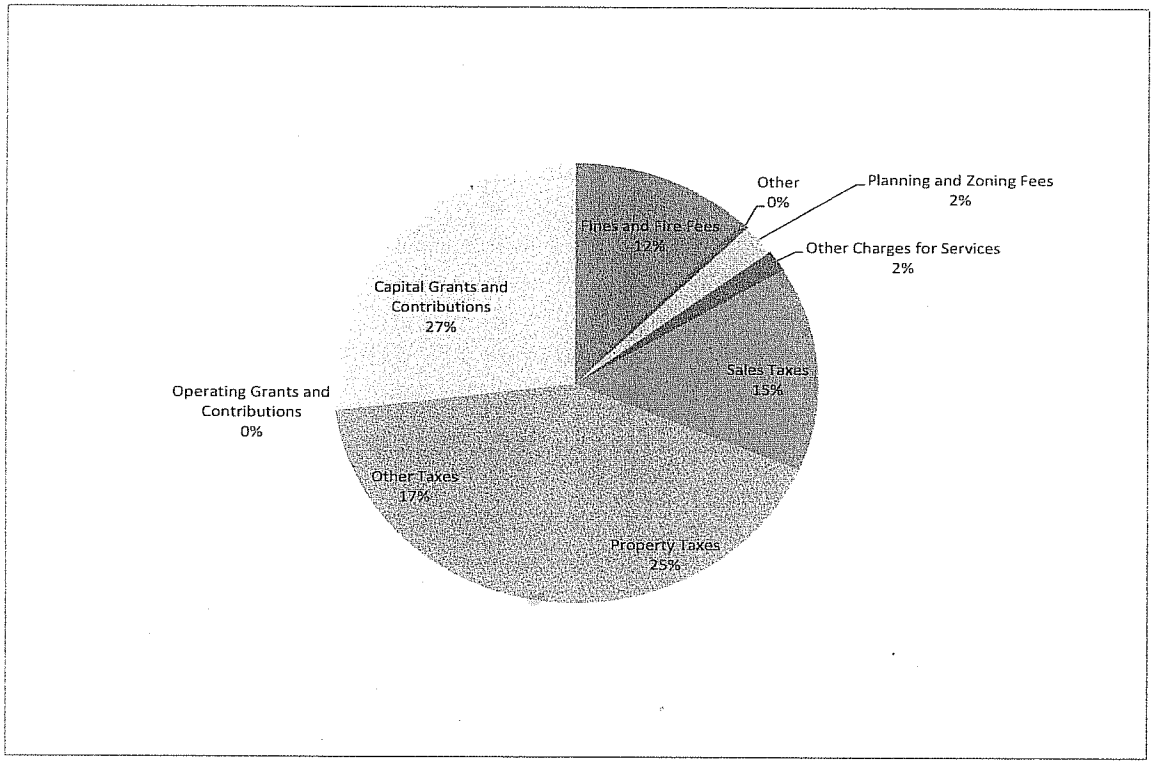
- Revenues from charges for services decreased by $58,241 or 11%. The down-turn in the residential real estate markets has lead to a decrease in the fees collected from planning and zoning activities, including development impact fees and water and sewer connection fees.

- Sales tax collections increased by $34,958 or 8.5%. This increase reveals a slight increase in our commercial base.

- Despite lower assessments on several properties, new development in previous years caused revenues from property taxes to increase $54,123 or 8.0%.

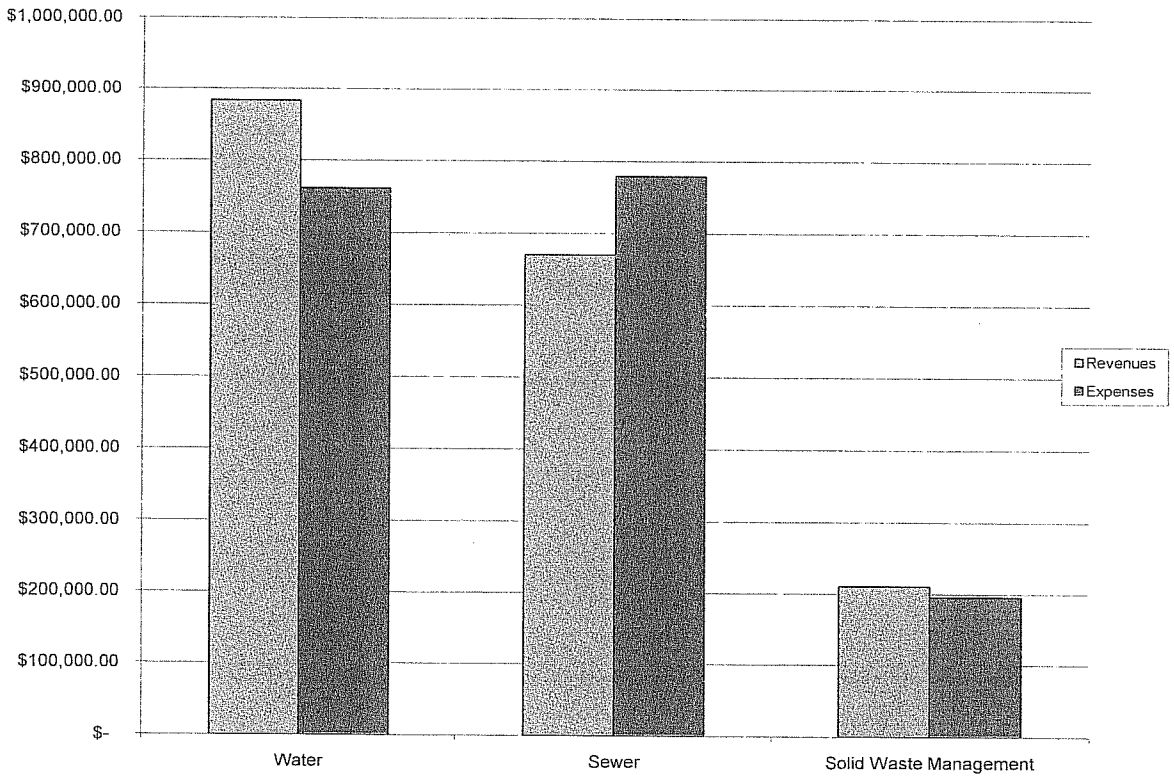


# Revenue by Source-Governmental Activities



**Business-type activities.** Business-type activities increased the City's net assets by $19,851 of which an increase of $126,799 was from Water activities, a decrease of $107,904 was from Sewer activities and an increase of $956 was from Solid Waste Management Activities. The Water and Sewer Departments experienced a drastic reduction in tap fees. The City re-evaluated its water and sewer rates mid-year to reduce the amount of loss in FY 2010. The City noted improvements with the new rates.

**Expenses and Program Revenues-Business-Type Activities**




**Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The purpose of the City's governmental fund financial statements 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 measure of a government's net resources available for spending at the end of the fiscal year.

At December 31, 2010 the City's governmental funds reported combined ending fund balances of $2,284,386 a decrease of $560,000 in comparison to the prior year. Of this amount, $1,161,220 (50.8 percent) is unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to pay for capital items most of which is funded by the proceeds of the Special Purpose Local Option Sales Tax, for construction of the new Public Safety facilities, and Development Impact Fees ($1,103,324); 2) for Police Activities ($2,913); and 3) reserved for prepaid items which are not available for current government's spending discretion ($16,929).

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unreserved fund balance of the general fund was $1,161,220 while the total fund balance totaled $1,178,149. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 54.4 percent of the total general fund expenditures, while total fund balance represents 55.2 percent of that same amount.

Though revenue from charges for services decreased significantly and governmental activities expenditures increased by $125,925, dring the current fiscal year, the fund balance of the City's general fund increased by $1,733. This increase was a result of the increase in sales and property tax collections.

The City of Senoia received $507,717 in Special Purpose Local Option Sales Taxes in 2010. SPLOST funds were used during 2010 to help pay for the construction of the new police and court facilities of $150,889, for improvements to the City's parks and recreation in the amount of $519,945 and for street improvements in the amount of $32,133. The City also received proceeds from a transportation enhancement grant of $256,807 to help finance the street and park projects.

The City also received Development Impact Fees during the year totaling $63,136 compared to $132,781 in 2009. These funds can only be expended for the category of system improvements (library, public safety and parks) within the service area for which the fee was assessed and collected. Impact fees were used during 2010 for public safety improvements ($137,870).

The City created two new funds during 2009: 1) The Confiscated Assets Fund to be used to account for assets seized by the City during investigations into illegal drug activity and 2) The Police Building Fund to account for proceeds from a capital lease obtained by the City to finance the construction of the City's new police facilities.

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

Unrestricted net assets of the proprietary funds at the end of the year were $1,047,265 of which the Water Fund had $183,623, the Sewer Fund had $845,389 and the Solid Waste Management Fund had $18,253. Other factors concerning the finances of proprietary funds have already been addressed in the discussion of the City's business-type activities.

### General Fund Budgetary Highlights

The original General Fund budget of $2,103,800 was amended to $2,188,400 a difference of $84,600. Several budget amendments were made to account for expenditures made in Financial Administration, Police Department, Municipal Court and Building Department. Throughout the year, the Mayor and Council were petitioned by various departments, commissions and authorities for expenditures beyond the scope of the original budget. Though approved applications amounted to over $84,000, through budget reconciliation and cost saving measures practiced by the departments no money had to come from the city's operating reserves. Expenses approved by the Mayor and Council include over $130,000 in paving, paving equipment and street beautification. Though the City had thought it was well prepared to handle the cost of rising utilities, the soaring costs rose above expected levels and were a burden to the departments.

**Capital Asset and Debt Administration**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities at December 31, 2010 amounts to $20,172,833 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobiles and equipment, sidewalks, bridges and roads.

Major capital asset events during the current fiscal year included the following:

- $697,000 for the construction of the new police facilities.
- $32,000 for streetscape and other transportation improvements
- $90,000 for street maintenance equipment
- $54,200 for the police department's record retention and ticketing systems
- $519,900 for trail improvements at parks along with cart paths
- $185,000 on well development and a related chemical building.

Additional information on the City's capital assets can be found in note 8.

**Long-term debt.** At the end of the current fiscal year, the City had $7,662,801 in outstanding debt consisting of the following:

**City of Senoia's Outstanding Debt**

| | Balance |
|---|---|
| Governmental Activities - | |
| Accrued compensated absences | $ 33,148 |
| Capital leases | 1,100,566 |
| Business-Type Activities - | |
| Revenue Bonds | 5,511,370 |
| GEFA Notes Payable | 1,017,717 |
| Total | $ 7,662,801 |

The City's total debt decreased by $206,899. Additional information on the City's long-term debt can be found in note 9.

**Status of the City of Senoia's Economy**

- The unemployment rate in the City of Senoia is in line with the State and Nation.
- Inflationary trends in the region compare favorably to national indices.
- Building permits, both commercial and residential, have declined compared to 2009 however the amount did compare favorably to budgeted predictions.
- The occupancy rate of the City's downtown and highway commercial areas have remained consistent.
- Sales tax receipts significantly increased during 2010. This may be seen as an increase to expect into the future but should be watched very closely while preparing future budgets.
- Gas and utility costs are rising; this will be an item that will affect all of the City's departments. Likewise, it will affect many of the purchases and projects in the City. The departments will be required to prepare for this.

**Requests for Information**

This financial report is designed to provide a general overview of the City of Senoia's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. Questions concerning this report or requests for additional information can be obtained by contacting the City at (770) 599-3679 or at the following address:

City of Senoia
Finance Department
P.O. Box 310
Senoia, GA 30276-0310

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF NET ASSETS**
**DECEMBER 31, 2010**

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Downtown Dev. Auth. |
| **Assets** | | | | |
| Cash and Cash Equivalents | $ 1,244,420 | $ 781,420 | $ 2,025,840 | $ 62,425 |
| Receivables, net | | | | |
| Taxes | 402,480 | - | 402,480 | - |
| Intergovernmental | - | - | - | - |
| Fines | 39,154 | - | 39,154 | - |
| Accounts | - | 164,597 | 164,597 | - |
| Other | - | - | - | - |
| Internal balances | (332,938) | 332,938 | - | - |
| Inventory | - | 4,729 | 4,729 | - |
| Prepaid Items | 16,929 | - | 16,929 | - |
| Restricted Assets - | | | | |
| Cash | 1,044,612 | 272,531 | 1,317,143 | - |
| Investments | - | 103,773 | 103,773 | - |
| Receivables | 101,160 | - | 101,160 | - |
| Non-Depreciable Capital Assets | 1,442,229 | 888,814 | 2,331,043 | 28,711 |
| Depreciable Capital Assets, Net | 4,372,580 | 13,469,210 | 17,841,790 | 13,574 |
| Deferred Loan Cost, net | 20,507 | 17,179 | 37,686 | - |
| Total Assets | 8,351,133 | 16,035,191 | 24,386,324 | 104,710 |

See accompanying notes to the basic financial statements.

Continued

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF NET ASSETS**
**DECEMBER 31, 2010**

| | Primary Government | | | Component Unit |
|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Downtown Dev. Auth. |
| **Liabilities** | | | | |
| Accounts Payable | | | | |
| Trade | $ 100,544 | $ 17,940 | $ 118,484 | $ - |
| Construction | - | - | - | - |
| Accrued Liabilities - | | | | |
| Salaries | 12,765 | 6,751 | 19,516 | - |
| Compensated absences | - | 10,831 | 10,831 | - |
| Customer deposits | - | 72,129 | 72,129 | - |
| Interest | 18,664 | - | 18,664 | - |
| Other | 971 | - | 971 | - |
| Unearned Revenues | - | - | - | - |
| Liabilities Payable from Restricted Assets - | | | | |
| Revenue bonds | - | 98,840 | 98,840 | - |
| Notes payable | - | 18,579 | 18,579 | - |
| Accrued interest | - | 145,947 | 145,947 | - |
| Long-Term Liabilities - | | | | |
| Due Within One Year | 103,522 | - | 103,522 | - |
| Due In More Than One Year | 1,030,192 | 6,411,668 | 7,441,860 | - |
| Total Liabilities | 1,266,658 | 6,782,685 | 8,049,343 | - |
| **Net Assets** | | | | |
| Invested in Capital Assets, Net of Related Debt | 4,801,088 | 7,828,937 | 12,630,025 | 42,285 |
| Restricted for - | | | | |
| Police activities | 2,913 | - | 2,913 | - |
| Capital projects | 1,016,479 | - | 1,016,479 | - |
| Debt covenants | - | 376,304 | 376,304 | - |
| Unrestricted | 1,263,995 | 1,047,265 | 2,311,260 | 62,425 |
| Total Net Assets | $ 7,084,475 | $ 9,252,506 | $ 16,336,981 | $ 104,710 |

See accompanying notes to the basic financial statements.

Concluded

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED DECEMBER 31, 2010**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| General Government | $ 481,879 | $ 27,805 | $ - | $ - |
| Public Safety and Courts | 1,076,209 | 354,360 | - | 150,790 |
| Public Works | 397,887 | 1,489 | - | 228,846 |
| Cemetery | - | 1,020 | - | - |
| Parks and Recreation | 27,765 | 17,027 | - | 414,851 |
| Library | 21,045 | - | - | 6,040 |
| Planning and Zoning | 100,890 | 65,962 | - | - |
| Downtown Development | 11,122 | - | - | - |
| Interest on long-term debt | 46,766 | - | - | - |
| Total Governmental Activities | 2,163,563 | 467,663 | - | 800,527 |
| **Business-Type Activities:** | | | | |
| Water | 761,456 | 781,627 | - | 102,117 |
| Sewer | 779,290 | 544,659 | - | 124,702 |
| Solid Waste Management | 195,760 | 210,181 | - | - |
| Total Business-Type Activities | 1,736,506 | 1,536,467 | - | 226,819 |
| **Total Primary Government** | $ 3,900,069 | $ 2,004,130 | $ - | $ 1,027,346 |
| **Component Unit:** | | | | |
| Downtown Development Authority | $ 64,046 | $ 24,946 | $ 8,258 | $ - |

General Revenues:
Taxes:
Property
Franchise
Local option sales
Insurance premium
Alcohol beverage
Occupational
Real estate transfer
Other
Investment earnings
Gain (loss) on disposal of capital assets
Other
Total General Revenues
Transfers
Total General Revenues and Transfers
Change in Net Assets
Net Assets - Beginning of Year
Net Assets - End of Year

See accompanying notes to the basic financial statements.

| Net (Expense) Revenue and Changes in Net Assets | | | |
|---|---|---|---|
| Primary Government | | | Component Unit |
| Governmental Activities | Business-Type Activities | Total | Downtown Dev. Auth. |
| $ (454,074) | $ - | $ (454,074) | $ - |
| (571,059) | - | (571,059) | - |
| (167,552) | - | (167,552) | - |
| 1,020 | - | 1,020 | - |
| 404,113 | - | 404,113 | - |
| (15,005) | - | (15,005) | - |
| (34,928) | - | (34,928) | - |
| (11,122) | - | (11,122) | |
| (46,766) | - | (46,766) | - |
| (895,373) | - | (895,373) | - |
| - | 122,288 | 122,288 | - |
| - | (109,929) | (109,929) | - |
| - | 14,421 | 14,421 | - |
| - | 26,780 | 26,780 | - |
| (895,373) | 26,780 | (868,593) | - |
| - | - | - | (30,842) |
| 732,167 | - | 732,167 | - |
| 292,388 | - | 292,388 | - |
| 447,593 | - | 447,593 | - |
| 93,560 | - | 93,560 | - |
| 84,505 | - | 84,505 | - |
| 30,381 | - | 30,381 | - |
| 761 | - | 761 | - |
| 1,535 | - | 1,535 | - |
| 7,387 | 6,536 | 13,923 | - |
| 265 | - | 265 | - |
| 8,191 | - | 8,191 | - |
| 1,698,733 | 6,536 | 1,705,269 | - |
| 13,465 | (13,465) | - | - |
| 1,712,198 | (6,929) | 1,705,269 | - |
| 816,825 | 19,851 | 836,676 | (30,842) |
| 6,267,650 | 9,232,655 | 15,500,305 | 135,552 |
| $ 7,084,475 | $ 9,252,506 | $ 16,336,981 | $ 104,710 |

CITY OF SENOIA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2010

| | General | Special Revenue Fund Confiscated Assets | Capital Project Fund SPLOST 4 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash | $ 1,244,420 | $ 2,913 | $ 485,389 |
| Receivables- | | | |
| Accounts | - | - | - |
| Taxes | 402,480 | - | - |
| Fines | 39,154 | - | - |
| Intergovernmental | - | - | 101,160 |
| Due from other funds | 19,048 | - | - |
| Prepaid items | 16,929 | - | - |
| Cash - restricted | - | - | - |
| **Total assets** | $ 1,722,031 | $ 2,913 | $ 586,549 |
| **LIABILITIES AND FUND BALANCE** | | | |
| **Liabilities** | | | |
| Accounts payable - | $ 61,009 | $ - | $ 28,184 |
| Accrued salaries and wages | 12,765 | - | - |
| Other accrued items | 971 | - | - |
| Due to other funds | 351,986 | - | - |
| Deferred revenues | 117,151 | - | - |
| Total liabilities | 543,882 | - | 28,184 |
| **Fund balance** | | | |
| Reserved for prepaid items | 16,929 | - | - |
| Reserved for capital projects | - | - | 558,365 |
| Reserved for police services | - | 2,913 | - |
| Unreserved | 1,161,220 | - | - |
| Total fund balance | 1,178,149 | 2,913 | 558,365 |
| **Total liabilities and fund balance** | $ 1,722,031 | $ 2,913 | $ 586,549 |

See accompanying notes to the basic financial statements.

| Capital Project Funds | | |
|---|---|---|
| Development Impact Fee | Police Building | Total Governmental Funds |
| $ 469,465 | $ 86,845 | $ 2,289,032 |
| - | - | - |
| - | - | 402,480 |
| - | - | 39,154 |
| - | - | 101,160 |
| - | - | 19,048 |
| - | - | 16,929 |
| - | - | - |
| $ 469,465 | $ 86,845 | $ 2,867,803 |
| $ 11,351 | $ - | $ 100,544 |
| - | - | 12,765 |
| - | - | 971 |
| - | - | 351,986 |
| - | - | 117,151 |
| 11,351 | - | 583,417 |
| - | - | 16,929 |
| 458,114 | 86,845 | 1,103,324 |
| - | - | 2,913 |
| - | - | 1,161,220 |
| 458,114 | 86,845 | 2,284,386 |
| $ 469,465 | $ 86,845 | $ 2,867,803 |

**CITY OF SENOIA, GEORGIA**
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**
**TO THE STATEMENT OF NET ASSETS**
**DECEMBER 31, 2010**

| | |
|---|---|
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Total fund balances -- total governmental funds | $ 2,284,386 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | 5,814,809 |
| Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds: | |
| Deferred revenues | 117,151 |
| Debt issuance cost are considered other financing uses in governmental funds in the year incurred but are deferred costs and are amortized over the life of the related debt in the statement of net assets. | 20,507 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | |
| Long-term portion of compensated absences | (33,148) |
| Capital lease obligation | (1,100,566) |
| Accrued interest payable | (18,664) |
| Net assets of governmental activities. | $ 7,084,475 |

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

CITY OF SENOIA, GEORGIA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010

| | General | Special Revenue Fund Confiscated Assets | Capital Project Fund SPLOST 4 |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 1,630,331 | $ - | $ - |
| Licenses and permits | 119,429 | - | - |
| Fines, fees and forfeitures | 221,281 | 9,738 | - |
| Charges for services | 126,806 | - | - |
| Intergovernmental | - | - | 764,524 |
| Interest | 4,754 | 66 | 3,860 |
| Donations | - | - | - |
| Rental income | 15,759 | - | - |
| Other | 3,874 | - | - |
| **Total revenues** | 2,122,234 | 9,804 | 768,384 |
| **EXPENDITURES** | | | |
| Current | | | |
| Governing Body | 48,901 | - | - |
| General Government | 398,293 | - | - |
| Government Buildings | 28,974 | - | - |
| Municipal Court | 144,133 | - | - |
| Public Safety | 861,500 | 8,358 | - |
| Highways and Streets | 349,199 | - | - |
| Cemetery | - | - | - |
| Library | 20,000 | - | - |
| Planning and Zoning | 102,756 | - | - |
| Downtown Development | 11,120 | - | - |
| Debt Service - | | | |
| Principal | - | - | 99,434 |
| Interest | - | - | 47,838 |
| Debt issuance costs | - | - | - |
| Capital Outlay | 169,090 | - | 702,967 |
| **Total expenditures** | 2,133,966 | 8,358 | 850,239 |
| Excess of revenues over (under) expenditures | (11,732) | 1,446 | (81,855) |
| **Other financing sources (uses):** | | | |
| Proceeds from capital lease obligation | - | - | - |
| Transfers | 13,465 | - | - |
| **Total other financing sources (uses):** | 13,465 | - | - |
| Net change in fund balance | 1,733 | 1,446 | (81,855) |
| Fund balance - beginning | 1,176,416 | 1,467 | 640,220 |
| **Fund balance - ending** | $ 1,178,149 | $ 2,913 | $ 558,365 |

See accompanying notes to the basic financial statements.

| Capital Project Funds | | |
|---|---|---|
| Development Impact Fee | Police Building | Total Governmental Funds |
| $ - | $ - | $ 1,630,331 |
| - | - | 119,429 |
| - | - | 231,019 |
| 63,136 | - | 189,942 |
| - | - | 764,524 |
| 2,222 | 345 | 11,247 |
| - | - | - |
| - | - | 15,759 |
| - | - | 3,874 |
| 65,358 | 345 | 2,966,125 |
| | | |
| - | - | 48,901 |
| - | - | 398,293 |
| - | - | 28,974 |
| - | - | 144,133 |
| - | - | 869,858 |
| - | - | 349,199 |
| - | - | - |
| - | - | 20,000 |
| - | - | 102,756 |
| - | - | 11,120 |
| - | - | 99,434 |
| - | - | 47,838 |
| - | - | - |
| 137,870 | 409,157 | 1,419,084 |
| 137,870 | 409,157 | 3,539,590 |
| (72,512) | (408,812) | (573,465) |
| - | - | - |
| - | - | 13,465 |
| - | - | 13,465 |
| (72,512) | (408,812) | (560,000) |
| 530,626 | 495,657 | 2,844,386 |
| $ 458,114 | $ 86,845 | $ 2,284,386 |

**CITY OF SENOIA, GEORGIA**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**FOR THE YEAR ENDED DECEMBER 31, 2010**

| | |
|---|---|
| Net change in fund balances -- total governmental funds | $ (560,000) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays ($1,418,168) exceeded depreciation expense ($138,970) in the current period. | 1,279,198 |
| The net effect of various miscellaneous transactions involving capital assets ( i.e. sales, trade-ins, and donations). | - |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This is the difference between the beginning and ending deferred revenue balances related to timing differences. | 796 |
| Proceeds from long-term debt obligations provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments ($99,434) exceeded proceeds ($-0-). | 99,434 |
| Debt issuance cost are considered deferred cost in the statement of net assets and are amortized over the life of the related debt while they are considered other expenditures in governmental funds in the year they are incurred. This is the amount by which amortization expense ($2,389) exceeded bond issue costs ($-0-). | (2,389) |
| 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: | |
| Change in accrued interest payable | 1,072 |
| Change in long-term portion of accrued compensated absences | (1,286) |
| Change in net assets of governmental activities. | $ 816,825 |

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

**CITY OF SENOIA, GEORGIA**
**GENERAL FUND**
**STATEMENT OF REVENUES, EXPENDITURES AND**
**CHANGES IN FUND BALANCE -- BUDGET (GAAP BASIS) AND ACTUAL**
**FOR THE YEAR ENDED DECEMBER 31, 2010**

| | BUDGET AMOUNTS | | | |
|---|---|---|---|---|
| | ORIGINAL | FINAL | ACTUAL | VARIANCE |
| **REVENUES** | | | | |
| Taxes | $ 1,575,200 | $ 1,575,200 | $ 1,630,331 | $ 55,131 |
| Licenses and permits | 140,700 | 137,500 | 119,429 | (18,071) |
| Intergovernmental grants | - | - | - | - |
| Charges for services | 157,600 | 160,800 | 126,806 | (33,994) |
| Fines, fees and forfeitures | 200,300 | 200,300 | 221,281 | 20,981 |
| Investment income | 7,000 | 7,000 | 4,754 | (2,246) |
| Rents | 7,000 | 7,000 | 15,759 | 8,759 |
| Miscellaneous | 16,000 | 16,000 | 3,874 | (12,126) |
| **Total revenues** | 2,103,800 | 2,103,800 | 2,122,234 | 18,434 |
| **EXPENDITURES** | | | | |
| Current | | | | |
| Governing Body | 35,500 | 47,800 | 48,901 | (1,101) |
| Financial Administration | 415,200 | 401,100 | 398,293 | 2,807 |
| Government Buildings | 20,100 | 29,100 | 28,974 | 126 |
| Municipal Court | 160,200 | 143,900 | 144,133 | (233) |
| Public Safety | 916,100 | 904,700 | 861,500 | 43,200 |
| Public Works | 315,000 | 357,500 | 349,199 | 8,301 |
| Cemetery | 300 | 300 | - | 300 |
| Library | 20,000 | 20,000 | 20,000 | - |
| Parks | 2,000 | - | - | - |
| Planning and Zoning | 128,100 | 100,400 | 102,756 | (2,356) |
| Community Development | 14,000 | 14,000 | 11,120 | 2,880 |
| Debt Service | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Capital Outlay | 77,300 | 169,600 | 169,090 | 510 |
| **Total expenditures** | 2,103,800 | 2,188,400 | 2,133,966 | 54,434 |
| Excess of revenues over (under) expenditures | - | (84,600) | (11,732) | 72,868 |
| **Other financing sources (uses):** | | | | |
| Proceeds from capital lease | - | - | - | - |
| Transfers | - | - | 13,465 | 13,465 |
| **Total other financing sources (uses):** | - | - | 13,465 | 13,465 |
| Net change in fund balance | - | (84,600) | 1,733 | 86,333 |
| Fund balance - beginning | 1,176,416 | 1,176,416 | 1,176,416 | - |
| **Fund balance - ending** | $ 1,176,416 | $ 1,091,816 | $ 1,178,149 | $ 86,333 |

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

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF NET ASSETS**
**PROPRIETARY FUNDS**
**DECEMBER 31, 2010**

| | Water | Sewer | Sanitation | Total |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current assets** | | | | |
| Cash | $ 354,011 | $ 427,409 | $ - | $ 781,420 |
| Receivables- | | | | |
| Accounts (net) | 84,192 | 62,152 | 18,253 | 164,597 |
| Other | - | - | - | - |
| Due from other funds | - | 351,986 | - | 351,986 |
| Inventory | 4,729 | - | - | 4,729 |
| Restricted assets | | | | |
| Cash | 107,541 | 164,990 | - | 272,531 |
| Investments | 103,773 | - | - | 103,773 |
| Total current assets | 654,246 | 1,006,537 | 18,253 | 1,679,036 |
| **Noncurrent assets** | | | | |
| Deferred loan cost, net | - | 17,179 | - | 17,179 |
| Capital assets | | | | |
| Land | 45,648 | 833,474 | - | 879,122 |
| Construction in progress | 9,692 | - | - | 9,692 |
| Buildings | 228,428 | - | - | 228,428 |
| Improvements other than buildings | 5,361,987 | 10,201,942 | - | 15,563,929 |
| Vehicles | 35,150 | 62,323 | - | 97,473 |
| Machinery and equipment | 266,249 | 242,494 | - | 508,743 |
| Accumulated depreciation | (1,546,366) | (1,382,997) | - | (2,929,363) |
| Capital assets (net of depreciation) | 4,400,788 | 9,957,236 | - | 14,358,024 |
| Total noncurrent assets | 4,400,788 | 9,974,415 | - | 14,375,203 |
| **Total assets** | 5,055,034 | 10,980,952 | 18,253 | 16,054,239 |

See accompanying notes to the basic financial statements.

CITY OF SENOIA, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2010

| | Water | Sewer | Sanitation | Total |
|---|---|---|---|---|
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Accounts payable - | $ 17,940 | $ - | $ - | $ 17,940 |
| Customer deposits | 72,129 | - | - | 72,129 |
| Due to other funds | 19,048 | - | - | 19,048 |
| Accrued compensated absences | 3,245 | 7,586 | - | 10,831 |
| Accrued salaries | 4,669 | 2,082 | - | 6,751 |
| Deferred revenue | - | - | - | - |
| Current liabilities payable from restricted assets - | | | | |
| Revenue bonds | 30,000 | 68,840 | - | 98,840 |
| Notes | 18,579 | - | - | 18,579 |
| Accrued interest | 142,278 | 3,669 | - | 145,947 |
| Total current liabilities | 307,888 | 82,177 | - | 390,065 |
| **Long-term liabilities** | | | | |
| Revenue bonds | 380,000 | 5,032,530 | - | 5,412,530 |
| Notes payable | 999,138 | - | - | 999,138 |
| Total long-term liabilities | 1,379,138 | 5,032,530 | - | 6,411,668 |
| Total liabilities | 1,687,026 | 5,114,707 | - | 6,801,733 |
| **Net Assets** | | | | |
| Investments in capital assets, net of related debt | 2,973,071 | 4,855,866 | - | 7,828,937 |
| Restricted for capital projects | - | - | - | - |
| Restricted under debt covenants | 211,314 | 164,990 | - | 376,304 |
| Unrestricted | 183,623 | 845,389 | 18,253 | 1,047,265 |
| Total Net Assets | $ 3,368,008 | $ 5,866,245 | $ 18,253 | $ 9,252,506 |

See accompanying notes to the basic financial statements.

CITY OF SENOIA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2010

| | Water | Sewer | Sanitation | Total |
|---|---|---|---|---|
| **OPERATING REVENUES** | | | | |
| Charges for services - | | | | |
| Sales and services | $ 751,750 | $ 522,657 | $ 210,181 | $ 1,484,588 |
| Penalties and reconnect fees | 29,877 | - | - | 29,877 |
| Miscellaneous | - | 22,002 | - | 22,002 |
| Total operating revenues | 781,627 | 544,659 | 210,181 | 1,536,467 |
| **OPERATING EXPENSES** | | | | |
| Purchase of product / service | 45,983 | - | 194,810 | 240,793 |
| Salaries and related cost | 307,244 | 148,844 | - | 456,088 |
| Supplies and materials | 56,375 | 25,959 | - | 82,334 |
| Repairs and maintenance | 58,703 | 23,384 | - | 82,087 |
| Utilities | 34,195 | 101,956 | - | 136,151 |
| Depreciation and amortization | 132,392 | 233,584 | - | 365,976 |
| Other | 65,104 | 20,861 | 950 | 86,915 |
| Total operating expenses | 699,996 | 554,588 | 195,760 | 1,450,344 |
| Operating income (loss) | 81,631 | (9,929) | 14,421 | 86,123 |
| Non-operating revenues and (expenses) | | | | |
| Interest earned | 4,511 | 2,025 | - | 6,536 |
| Interest expense | (61,460) | (224,702) | - | (286,162) |
| Total non-operating revenues (expenses) | (56,949) | (222,677) | - | (279,626) |
| Income before transfers and capital contributions | 24,682 | (232,606) | 14,421 | (193,503) |
| Capital contributions - | | | | |
| Developers | 67,431 | 124,702 | - | 192,133 |
| Intergovernmental | 34,686 | - | | 34,686 |
| Transfers | - | - | (13,465) | (13,465) |
| Change in net assets | 126,799 | (107,904) | 956 | 19,851 |
| NET ASSETS - BEGINNING | 3,241,209 | 5,974,149 | 17,297 | 9,232,655 |
| **NET ASSETS - ENDING** | $ 3,368,008 | $ 5,866,245 | $ 18,253 | $ 9,252,506 |

See accompanying notes to the basic financial statements.

**CITY OF SENOIA, GEORGIA**
**PROPRIETARY FUNDS**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED DECEMBER 31, 2010**

| | Water | Sewer | Sanitation | Total |
|---|---|---|---|---|
| **Cash flows from operating activities:** | | | | |
| Cash received from customers and users | $ 788,349 | $ 548,507 | $ 209,225 | $ 1,546,081 |
| Cash paid to suppliers for goods | (323,733) | (208,873) | (195,760) | (728,366) |
| Cash paid to employees | (248,029) | (115,377) | - | (363,406) |
| Net cash provided from operating activities | 216,587 | 224,257 | 13,465 | 454,309 |
| **Cash flows from investing activities:** | | | | |
| Interest received | 5,087 | 2,025 | - | 7,112 |
| (Purchase) / redemption of investments | (2,504) | - | - | (2,504) |
| Net cash from investing activities | 2,583 | 2,025 | - | 4,608 |
| **Cash flows from non-capital financing activities:** | | | | |
| Transfers | - | - | (13,465) | (13,465) |
| Change in due to/from other funds | (94,584) | (21,352) | - | (115,936) |
| Net cash flows from non-capital financing activities | (94,584) | (21,352) | (13,465) | (129,401) |
| **Cash flows from capital financing activities:** | | | | |
| Proceeds from long-term debt | - | - | - | - |
| Principal payments on long-term debt | (42,861) | (65,891) | - | (108,752) |
| Interest paid | (28,488) | (224,749) | - | (253,237) |
| Capital contributions | 102,117 | 124,702 | - | 226,819 |
| Purchase / construction of capital assets | (235,820) | (5,276) | - | (241,096) |
| Proceeds from grants | - | - | - | - |
| Deferred loan cost | - | - | - | - |
| Net cash flows from capital financing activities | (205,052) | (171,214) | - | (376,266) |
| Net cash flows | (80,466) | 33,716 | - | (46,750) |
| Cash and cash equivalents - beginning | 542,018 | 558,683 | - | 1,100,701 |
| **Cash and cash equivalents - ending** | $ 461,552 | $ 592,399 | $ - | $ 1,053,951 |

See accompanying notes to the basic financial statements.

CITY OF SENOIA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | Water | Sewer | Sanitation | Total |
|---|---|---|---|---|
| **Operating income (loss)** | $ 81,631 | $ (9,929) | $ 14,421 | $ 86,123 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation and amortization | 132,392 | 233,584 | - | 365,976 |
| (Increase) decrease in receivables | 747 | 3,848 | (956) | 3,639 |
| (Increase) decrease in inventory | - | - | - | - |
| Increase (decrease) in accounts payable | (2,187) | (3,535) | - | (5,722) |
| Increase (decrease) in customer deposits | 5,975 | - | - | 5,975 |
| Increase (decrease) in accrued liabilities | (1,971) | 289 | - | (1,682) |
| Total adjustments | 134,956 | 234,186 | (956) | 368,186 |
| **Net cash from operating activities** | $ 216,587 | $ 224,257 | $ 13,465 | $ 454,309 |
| **Non-cash transactions -** | | | | |
| Increase (decrease) in fair value of investments | $ - | $ - | $ - | $ - |

See accompanying notes to the basic financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

### A. Basis of Presentation

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989, when applicable, that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities, if applicable, the City has chosen not to do so. The more significant accounting policies established in GAAP and used by the City are discussed below.

### B. The Reporting Entity

The City of Senoia, Georgia (the City) was established in 1866 and is located in Coweta County about 40 miles south of Atlanta. The City provides a full range of services to approximately 2,500 residents. These services are provided in whole by the City. These services include public safety, highways and streets, water and sewer, sanitation, public improvements, planning and zoning, parks and recreation, library, and general administrative services.

Governmental Accounting Standards Board Statement No. 14 defines the reporting entity for determining which potential component units should be included in a primary government's financial statements. Inclusion is based on financial accountability or the fact that exclusion would make the financial statements misleading or incomplete. The criteria for determining financial accountability includes appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits or to impose specific financial burdens on the City. Using the above criteria, the component unit discussed below is included in the City's reporting entity because of the significance of its operational and financial relationship with the City. The City has excluded from the City's financial report the Senoia Housing Authority, a related party, since the City is not responsible for the Authority's financial burdens.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### B. The Reporting Entity - Continued

Discretely Presented Component Unit –

The component unit column in the Government – Wide Financial Statements includes the financial data of City of Senoia, Georgia Downtown Development Authority. This component unit is reported in a separate column to emphasize that it is legally separate from the City. The City of Senoia, Georgia Downtown Development Authority was organized to develop and promote commerce, industry and general welfare within the City. The City appoints the Authority's board members and reviews the annual budget. Funding of the Authority is provided by the City's General Fund and contributions from individuals and private companies. Separate financial statements for the Authority are not issued.

### C. Basic Financial Statements—Government-Wide Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type.

The government-wide Statement of Net Assets presents the financial condition of the governmental and business-type activities of the City at year end. The statement is presented on a consolidated basis and is reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts—invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function. The City does not allocate indirect cost. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity self-financing or draws from the general revenues of the City.

The net costs (by function) are normally covered by general revenue (property, sales or use taxes, intergovernmental revenues, interest income, etc.).

This government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

(See Independent Auditor's Report)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

D. Basic Financial Statements-Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises it assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Non-major funds, if any, are aggregated and presented in a single column.

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

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

**Confiscated Assets Special Revenue Fund** – This fund is used to account for assets seized by the City during investigations into illegal drug activities.

**The SPLOST 4 Capital Projects Fund** – This fund is used by the City to account for acquisition and construction of major capital facilities that were approved by the voters of Coweta County, Georgia through the special purpose local option sales tax referendum.

**The Development Impact Fee Capital Projects Fund** – This fund is used to account for monies collected under the City's Development Impact Fee Ordinance as adopted in fiscal year 2003. Monies collected under this ordinance can only be expended for the category of system improvements within the service area (City limits of Senoia) for which the development impact fee was assessed and collected.

**Police Building Capital Projects Fund** – This fund is used to account for proceeds from a capital lease obtained to finance the construction of the City's new police facilities.

**Proprietary Fund Type** – Proprietary fund reporting focuses on the determination of operating income, changes in net assets, financial position, and cash flows. The City's proprietary funds are classified as enterprise funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The following are the City's major enterprise funds:

**The Water Enterprise Fund** – This fund is used to account for activities connected with the development, operation and maintenance of water in the City of Senoia and parts of Coweta County.

**The Sewer Enterprise Fund** – This fund is used to account for activities connected with the development, operation and maintenance of sewer in the City of Senoia and parts of Coweta County.

**Solid Waste Management Enterprise Fund** - The Solid Waste Management Enterprise Fund is used to account for the revenues generated from the charges for sanitation and recycling services provided to the residential and commercial users of the City.

The City applies all applicable FASB pronouncements issued on or before November 30, 1989, in accounting and reporting for its proprietary funds.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### E. Measurement Focus

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

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

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

On the proprietary funds financial statements, operating revenues are those that flow directly from the operations of the activity, i.e. charges to customers or users who purchase or use the goods or services of that activity. Operating expenses are those that are incurred to provide the goods or services. Non-operating revenues and expenses are items such as investment income and interest expense that are not a result of the direct operations of the activity.

### F. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

#### 1. Accrual

Government-wide financial statements are presented on the accrual basis of accounting; proprietary funds also use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

#### 2. Modified Accrual:

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### F. Basis of Accounting, continued

Those revenues susceptible to accrual are taxes, state and federal grants, fines, interest revenue and charges for services. Major revenues that are determined not to be susceptible to accrual because they are either not available soon enough to pay liabilities of the current period or are not objectively measurable include licenses, penalties and miscellaneous revenues which are recorded as revenues when received in cash. Those revenues that are measurable but are not collected within 60 days after year end are recorded as deferred revenues.

### G. Cash and Investments

Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City. For purposes of the statement of cash flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

The City's investments consist of certificates of deposit with a maturity date greater than three months from the date of purchase. For reporting purposes, all investments are recorded at fair value.

In applying GASB Statement No. 31, the City utilized the following methods and assumptions as of December 31, 2010:

1. Fair value is based on quoted market prices as of the valuation date;
2. The investment portfolio did not hold investments in any of the following: a) items required to be reported at amortized costs; b) items subject to involuntary participation in an external pool; and, c) items associated with a fund other than the fund to which the income is assigned.

The City's policy is to hold investments until maturity.

### H. Inventory

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory, if any, in the General Fund consists of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are used, rather than in the period purchased. Reported inventories are equally offset by a fund balance reserve, which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. Inventories of the Water and Sewer Fund, if any, consist of various repair parts and supplies.

### I. Prepaid Expenses

Payments made to vendors for service that will benefit periods beyond December 31, 2010 are recorded as prepaid items and are expensed during the period benefited.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### J. Restricted Assets

Certain proceeds from the Water and Sewer Enterprise Fund's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "debt service reserve fund" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account.

### K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements. Capital assets utilized by the proprietary funds are reported both in the business-type activities column of the government-wide statement of net assets and in the respective funds.

Capital assets purchased or acquired with an original cost of $3,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. 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. No interest was capitalized during fiscal year ended December 31, 2010. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|---|---|
| Buildings and improvements | 30-50 years |
| Improvement other than buildings | 25-50 years |
| Infrastructure | 30-50 years |
| Office equipment | 10-20 years |
| Furniture and fixtures | 10-20 years |
| Vehicles | 5-10 years |
| Machinery and equipment | 5-10 years |

The City only reports infrastructure assets purchased subsequent to December 31, 2003.

### L. Bond Premiums, Discounts and Issuance Cost

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

(See Independent Auditor's Report)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### M. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as liability in the fund financial statements only to the extent that they are due for payment during the current year. Long-term loans are recognized as a liability on the governmental fund financial statements when due.

### N. Revenues

Substantially all governmental fund revenues are accrued. When applicable, property taxes are billed and collected within the same period in which the taxes are levied. In applying GASBS No. 33 to grant revenues, the provider recognizes liabilities and expenses and the recipient recognizes receivables and revenue when the applicable eligibility requirements, including time requirements, are met. Resources transmitted before the eligibility requirements are met are reported as advances by the provider and deferred revenue by the recipient.

### O. Expenditures

Expenditures are recognized when the related fund liability is incurred. Inventory costs are reported in the period when inventory items are used, rather than in the period purchased.

### P. Compensated Absences

The City accrues accumulated unpaid vacation and sick leave benefits, which will be paid to employees upon separation from service, when earned (or estimated to be earned) by the employee. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations. In accordance with the provisions of Statement No. 16 of the Governmental Accounting Standards Board, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits.

### Q. Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

### R. Encumbrances

Encumbrances accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City.

(See Independent Auditor's Report).

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued):

### S. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The City's government-wide statement of net assets reports $1,395,696 in restricted net assets, of which $932,547 is restricted by enabling legislation.

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

### T. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

### U. Contributions of Capital

Contributions of capital in the proprietary fund financial statements arise from outside contributions of capital assets, tap-on fees to the extent they exceed the cost of connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

### V. Estimates

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

### W. Budgets and Budgetary Accounting

The City Council adopts an annual budget for all of the City's funds. Public hearings are conducted to obtain taxpayer comments. The operating budget includes proposed expenditures and the means of financing them. The budget is legally enacted by the passage of a resolution. Any revisions that alter the total expenditures of any department must be approved by City Council. Formal budgetary integration is employed as a management control device during the year.

Governmental fund type budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) at the legal level of budgetary control which is the department level. Expenditures may not exceed the appropriations within a fund. Budgets, as reported in the financial statements, are as amended in March 2011. All annual appropriations lapse at year end.

(See Independent Auditor's Report).

## 2. CASH AND INVESTMENTS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City follows the State's requirement for all deposits in excess of Federal Deposit Insurance be collateralized by securities equal to at least 110% of the excess deposits. As of December 31, 2010, $2,988,642 of the government's bank balance of $3,488,642 was exposed to custodial credit risk as follows:

The City's deposits are classified as follows at December 31, 2010:

| | |
|---|---|
| Uninsured and uncollateralized | $ - |
| Collateralized with securities held by pledging financial institution or its agent | 2,988,642 |
| Total | $ 2,988,642 |

**Investments**

Investments - Statutes authorize the City to invest in obligations of the United States and of its agencies and instrumentalities, bonds of the State of Georgia and its agencies, instrumentalities and political subdivisions, and certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations.

Investments as of December 31, 2010, consisted of certificates of deposits and are included in the above mentioned bank balances. Investments are stated at cost plus accrued interest, which approximates fair value.

## 3. PROPERTY TAX

Property taxes were levied on August 20, 2010 and are due 60 days after the receipt of the tax notice. Property taxes attach as an enforceable lien on the property as of January 1. A local option sales tax is in force. Proceeds from this tax are remitted to the City on a monthly basis and are utilized to give property tax owners tax relief. The City has obtained the service of Coweta County to bill and collect the City's property taxes. The County remits monies collected to the City on a semi-monthly basis. Property taxes receivable at December 31, 2010 amounted to $99,946.

(See Independent Auditor's Report).

## 4. INTERGOVERNMENTAL REVENUES AND RECEIVABLES

Intergovernmental revenues and receivables reported in the fund financial statements for the year ended December 31, 2010 consist of the following:

| | Revenue | Receivable |
|---|---|---|
| **SPLOST 4 Fund** | | |
| Georgia Department of Transportation - TE and CMAQ Grants | 256,807 | 17,616 |
| Coweta County, Georgia - SPLOST Agreement | 507,717 | 83,544 |
| Total Capital Contributions from grants | $ 764,524 | $ 101,160 |

## 5. RECEIVABLES

Receivables as of year end, including the applicable allowances for uncollectible accounts, are as follows:

**Governmental Funds**

| | General | SPLOST 4 | Total |
|---|---|---|---|
| Taxes | $ 402,480 | $ - | $ 402,480 |
| Fines | 129,154 | - | 129,154 |
| Accounts | - | 101,160 | 101,160 |
| Intergovernmental | - | - | - |
| Gross Receivables | 531,634 | 101,160 | 632,794 |
| Less: Allowance for Uncollectibles | (90,000) | - | (90,000) |
| Net Total Receivables | $ 441,634 | $ 101,160 | $ 542,794 |

**Proprietary Funds**

| | Water | Sewer | Solid Waste Management | Total |
|---|---|---|---|---|
| Accounts | $ 105,442 | $ 77,452 | $ 24,203 | $ 207,097 |
| Interest | - | - | - | - |
| Gross Receivable | 105,442 | 77,452 | 24,203 | 207,097 |
| Less: Allowance for Uncollectibles | (21,250) | (15,300) | (5,950) | (42,500) |
| Net Total Receivable | $ 84,192 | $ 62,152 | $ 18,253 | $ 164,597 |

(See Independent Auditor's Report)

## 6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2010 were as follows:

| Payable To | Payable From: General | Payable From: Water | Totals |
|---|---|---|---|
| General | $ - | $ 19,048 | $ 19,048 |
| Sewer | 351,986 | - | 351,986 |
| Water | - | - | - |
| Totals | $ 351,986 | $ 19,048 | $ 371,034 |

The City's General Fund's operating bank account receives all deposits from the General Fund, Water Fund and Sewer Fund operations. All monies collected for the Water and Sewer Funds and all expenditures paid for the Water and Sewer Funds are made through the General Fund's operating bank account. The cumulative net amount over the years (receipts over expenditures) is either due to or due from the Water and Sewer Funds.

During the fiscal year ended December 31, 2010, the Solid Waste Fund transferred $13,465 to the General Fund as a result of net cash flows.

## 7. DEFERRED COST

Deferred cost as of December 31, 2010 consists of the following:

| | Governmental Activities | Business-Type Activities |
|---|---|---|
| Debt issuance cost | $ 23,891 | $ 20,000 |
| Accumulated amortization | (3,384) | (2,821) |
| Net | $ 20,507 | $ 17,179 |

Debt issuance costs are being amortized using the straight line method over the life of the related debt issue. The debt issue cost is related to the capital lease obligation in governmental activities and notes payable in the Sewer Fund.

(See Independent Auditor's Report)

## 8. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity for the year ended December 31, 2010 was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 1,442,229 | $ - | $ - | $ 1,442,229 |
| Construction in progress | 1,182,263 | 1,192,204 | (2,374,467) | - |
| Total | 2,624,492 | 1,192,204 | (2,374,467) | 1,442,229 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 821,833 | 1,292,639 | - | 2,114,472 |
| Improvements other than buildings | 222,498 | - | - | 222,498 |
| Infrastructure | 868,648 | 1,078,332 | - | 1,946,980 |
| Machinery and equipment | 471,788 | 125,963 | - | 597,751 |
| Office equipment | 124,190 | 42,179 | - | 166,369 |
| Vehicles, including related equipment | 607,490 | 4,222 | - | 611,712 |
| Furniture and fixtures | 21,378 | 57,095 | - | 78,473 |
| Total capital assets being depreciated | 3,137,825 | 2,600,430 | - | 5,738,255 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 189,252 | 26,026 | - | 215,278 |
| Improvements other than buildings | 43,549 | 6,322 | - | 49,871 |
| Infrastructure | 62,069 | 32,161 | - | 94,230 |
| Machinery and equipment | 269,642 | 35,843 | - | 305,485 |
| Office equipment | 114,376 | 5,493 | - | 119,869 |
| Vehicles, including related equipment | 528,950 | 29,457 | - | 558,407 |
| Furniture and other equipment | 18,867 | 3,668 | - | 22,535 |
| Total accumulated depreciation | 1,226,705 | 138,970 | - | 1,365,675 |
| Total capital assets being depreciated, net | 1,911,120 | 2,461,460 | - | 4,372,580 |
| Governmental capital assets, net | $ 4,535,612 | $ 3,653,664 | $(2,374,467) | $ 5,814,809 |

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

| | |
|---|---|
| General Government | $ 11,688 |
| Police | 52,939 |
| Highways and Streets | 48,404 |
| Parks and Recreation | 24,895 |
| Library | 1,044 |
| Total depreciation expense | $ 138,970 |

See Independent Auditor's Report)

## 8. PROPERTY, PLANT AND EQUIPMENT – (Continued)

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Business-Type Activities** | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | $ 879,122 | $ - | $ - | $ 879,122 |
| Construction in progress | 403,957 | 150,346 | (544,611) | 9,692 |
| Total | 1,283,079 | 150,346 | (544,611) | 888,814 |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 170,559 | 57,869 | - | 228,428 |
| Improvements other than buildings | 15,007,757 | 556,172 | - | 15,563,929 |
| Vehicles | 95,250 | 2,223 | - | 97,473 |
| Machinery and equipment | 489,647 | 19,096 | - | 508,743 |
| Total capital assets being depreciated | 15,763,213 | 635,360 | - | 16,398,573 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 22,090 | 5,468 | - | 27,558 |
| Improvements other than buildings | 2,243,041 | 302,902 | - | 2,545,943 |
| Vehicles | 68,015 | 12,000 | - | 80,015 |
| Machinery and equipment | 230,754 | 45,093 | - | 275,847 |
| Total capital assets being depreciated | 2,563,900 | 365,463 | - | 2,929,363 |
| Total capital assets being depreciated, net | 13,199,313 | 269,897 | - | 13,469,210 |
| Business-Type Activities capital assets, net | $ 14,482,392 | $ 420,243 | $ (544,611) | $ 14,358,024 |

Depreciation expense was charged to functions/programs as follows:

| | |
|---|---|
| Water | $ 132,392 |
| Sewer | 233,071 |
| Total depreciation expense | $ 365,463 |

(See Independent Auditor's Report)

## 9. LONG-TERM DEBT

### Changes in Long-Term Debt

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2010:

| | Beginning Balance | Increases | Decreases | Ending Balance | Current Portion |
|---|---|---|---|---|---|
| **Governmental Activities** | | | | | |
| Capital Leases | $ 1,200,000 | $ - | $ (99,434) | $ 1,100,566 | $ 103,522 |
| Accrued Compensated Absences | 31,861 | 33,442 | (33,442) | 31,861 | - |
| Total Governmental Activity Long-Term Debt | $ 1,231,861 | $ 33,442 | $ (132,876) | $ 1,132,427 | $ 103,522 |
| **Business-Type Activities** | | | | | |
| Revenue Bonds - GMAC | $ 435,000 | $ - | $ (25,000) | $ 410,000 | $ 30,000 |
| Revenue Bonds - Rural Dev | 5,167,261 | - | (65,891) | 5,101,370 | 68,840 |
| GEFA Notes Payable | 1,035,578 | - | (17,861) | 1,017,717 | 18,579 |
| Total Business-Type Activity Long-Term Debt | $ 6,637,839 | $ - | $ (108,752) | $ 6,529,087 | $ 117,419 |

The City's General Fund is typically used to liquidate all governmental activity long-term liabilities. However, the SPLOST 4 Fund is expected to liquidate a significant portion of the capital lease obligation.

The Water Enterprise Fund is used to liquidate the revenue bonds – GMAC and the GEFA Notes. The Sewer Fund is used to liquidate the revenue bonds – Rural Development.

**Governmental Activities Long-Term Debt –**

**Capital Lease Obligation –**

In August, 2010 the City Council entered into a capital lease agreement with the Georgia Municipal Association in the amount of $1,200,000. Proceeds from the capital lease are to finance all or a portion of the cost of the construction of the City's new police facilities. The interest rate associated with the lease obligation is 4.07% Principal and interest are payable in February and August of each year until the final payment in August 2019.

The City is expected to use a portion of future special purpose local option sales tax (SPLOST) revenues to help repay the $1,200,000 in capital lease obligation. SPLOST revenues were projected to produce $3.5 million of which $1,000,000 has been allocated by the City Council for police facilities. Total principal and interest payments remaining on the lease obligation is $1,325,450, payable through August 2019. For the current year $99,434 of principal and $47,838 of interest payments were made toward the capital lease obligation.

(See Independent Auditor's Report)

## 9. LONG-TERM DEBT - (Continued)

### Governmental Activities Long-Term Debt – (Continued)

Annual debt service requirements to maturity for the above debt, including interest of $224,884 are as follows:

| F/Y/E DECEMBER 31, | Capital Lease PRINCIPAL | INTEREST |
|---|---|---|
| 2011 | $ 103,522 | $ 43,750 |
| 2012 | 107,778 | 39,494 |
| 2013 | 112,210 | 35,062 |
| 2014 | 116,823 | 30,450 |
| 2015 | 121,626 | 25,646 |
| 2016 | 126,626 | 20,646 |
| 2017 | 131,833 | 15,439 |
| 2018 | 137,253 | 10,020 |
| 2019 | 142,895 | 4,377 |
| TOTALS | $ 1,100,566 | $ 224,884 |

### Business-Type Activities Long-Term Debt –

The City issues revenue bonds and enters into construction note agreements with the Georgia Environmental Facilities Authority where in both types of debt the government pledges income derived from the acquired or constructed assets to pay debt service. Amounts outstanding at the end of the current fiscal year related to bonds and notes issued in prior years and the current year to finance construction projects to improve the City's water distribution and wastewater treatment facilities.

Water and Sewer Enterprise Fund long-term liabilities outstanding at year end are as follows:

| | |
|---|---|
| Water Revenue Bonds in the amount of $812,000, with interest at 5.0%, annual principal and interest payments ranging from $49,250 to $51,500 until December 2021 | $ 410,000 |
| Water note payable to the Georgia Environmental Facilities Authority, in the total amount of $264,800, interest from 3.96%, matures in 2018 | 158,944 |
| Water note payable to the Georgia Environmental Facilities Authority, in the amount of $895,000, interest at 4%, this loan has not closed as of December 31, 2010 . | 858,773 |
| Sewer Revenue Bonds in the amount of $5,430,300, interest at 4.375%, payable in monthly installments of $24,200, matures June 2044 | 5,101,370 |
| Total Business-Type Activities Long-Term Debt | $6,529,087 |

(See Independent Auditor's Report)

## 9. LONG-TERM DEBT - (Continued)

### Water and Sewer Long-Term Debt – Continued

Annual repayment requirements to amortize all long-term obligations (except agreements not closed) as they mature are as follows:

| F/Y/E | Sewer Fund | | Water Fund | | | |
|---|---|---|---|---|---|---|
| | Revenue Bonds | | Revenue Bonds | | Note Payable | |
| DECEMBER 31, | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST | PRINCIPAL | INTEREST |
| 2011 | $ 68,840 | $ 221,800 | $ 30,000 | $ 20,500 | $ 18,579 | $ 6,020 |
| 2012 | 71,913 | 218,727 | 30,000 | 19,000 | 19,325 | 5,274 |
| 2013 | 75,123 | 215,517 | 30,000 | 17,500 | 20,102 | 4,497 |
| 2014 | 78,476 | 212,164 | 35,000 | 16,000 | 20,910 | 3,689 |
| 2015 | 81,980 | 208,660 | 35,000 | 14,250 | 21,750 | 2,849 |
| 2016-2020 | 468,168 | 985,032 | 205,000 | 33,575 | 58,278 | 3,219 |
| 2021-2025 | 582,411 | 870,789 | 45,000 | 2,250 | | - |
| 2026-2030 | 724,535 | 728,665 | - | - | - | - |
| 2031-3035 | 901,339 | 551,861 | - | - | - | - |
| 2036-2040 | 1,121,288 | 331,912 | - | - | - | - |
| 2041-2044 | 927,297 | 73,222 | - | - | - | - |
| TOTALS | $ 5,101,370 | $ 4,618,349 | $ 410,000 | $ 123,075 | $ 158,944 | $ 25,548 |

(See Independent Auditor's Report)

## 10. DEFERRED REVENUES

Deferred revenues as of December 31, 2010, reported in the Governmental Fund's balance sheet, consisted of the following revenue items which had been earned and were measurable but were not received within 60 days after year end and therefore were not considered available:

| | |
|---|---|
| Property taxes | $ 91,963 |
| Fines and forfeitures | 25,188 |
| Total deferred revenues - Governmental Funds | $ 117,151 |

## 11. RELATED ORGANIZATION

Related organizations are excluded from the financial reporting entity because the City's accountability does not extend beyond making appointments. Audited financial statements are available from the respective organizations.

The City of Senoia Housing Authority is considered a related organization. The Authority operates a multi-family housing facility which is located within the city limits. The citizens who serve as the governing board are appointed by the Mayor and Council. The City has no significant influence over the management budget or policies of the Authority.

## 12. JOINT VENTURES

### Atlanta Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Chatt-Flint Regional Development Center. Membership in this organization is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34, which provides for the organizational structure of the Commission in Georgia. The Board's membership includes the chief elected official of each county and four representatives from each member county. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Center. Separate financial statements may be obtained from:

Chatt-Flint Regional Development Center
13273 Hwy 34 East,
P.O. Box 1600
Franklin, Georgia 30217

(See Independent Auditor's Report)

## 13. RISK MANAGEMENT

The City of Senoia is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City is a member of Georgia Interlocal Risk Management Agency. This membership allows the City to share liability, crime, motor vehicle and property damage risks.

Coverages are as follows:

| | |
|---|---|
| Coverage Description – Property: | |
| Buildings and contents – (Blanket) | $6,576,091 |
| Automobile physical damage | Per Application on file with GIRMA |
| Coverage Description – Casualty: | |
| Comprehensive general liability | $1,000,000 |
| Automobile liability | $1,000,000 |
| Errors and omissions (Public Officials) | $1,000,000 |
| Employee benefits liability | $1,000,000 |
| Pollution liability | $1,000,000 |
| Coverage Description – Crime: | |
| Blanket bond – employees required to be bonded | $500,000 |
| Blanket bond – all other employees | $500,000 |
| Depositors forgery | $500,000 |
| Money and securities – loss inside and outside premises | $500,000 |
| Deductible: | |
| All coverages are subject to a per occurrence deductible of | $1,000 |

Coverage Exceptions:

Coverage Subject to a Retroactive Date:

Public officials and employee benefits liability coverages are subject to a retroactive date of 1/1/1989.

Chapter 85 Title 36 of the Official Code of Georgia Annotated authorizes Georgia municipalities to form interlocal risk management agencies. The Georgia Interlocal Risk Management Agency (GIRMA) is a municipal interlocal risk management agency to function as an unincorporated non-profit instrumentality of its member municipalities – GIRMA establishes and administers one or more group self insurance funds and a risk management service to prevent or lessen the incidence and severity of casualty and property losses occurring in the operation of municipal government.

The basis for estimating the liabilities for unpaid claims is "IBNR" established by an actuary.

During the year ended December 31, 2010, the City paid no claims. The City has not compiled a record of the claims paid up to the $1,000 deductible for the prior years. The City is not aware of any claims which the City is liable for (up to the $1,000) which were outstanding and unpaid at December 31, 2010. No provisions have been made in the financial statements for the year ended December 31, 2010 for any estimate of potential unpaid claims.

(See Independent Auditor's Report)

## 13. Risk Management (continued)

Pursuant to Title 34, Chapter 9, Article 5 of the Official Code of Georgia Annotated, the City of Senoia became a member of the Georgia Municipal Associated Workers' Compensation Self Insurance Fund. The liability of the fund to the employees of any employer (City of Senoia) is specifically limited to such obligations as are imposed by applicable state laws against the employer for workers' compensation and / or employer's liability.

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

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

## 14. CONTINGENCIES

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

There were no lawsuits or complaints as of December 31, 2010 that management believes will have a material effect on the financial condition of the City.

## 15. EMPLOYEE BENEFIT PENSION PLANS

**Defined Benefit Plan -**

**Plan Description**

The City's defined benefit pension plan, City of Senoia Retirement Plan (SRP), provides retirement, disability and death benefits to plan members and beneficiaries. These retirement provisions were established by an adoption agreement executed by the City Council. SRP is affiliated with the Georgia Municipal Employees Benefit System (GMEBS), an agent multiple-employer pension plan administered by the Georgia Municipal Association. The Georgia Municipal Association issues a publicly available financial report on GMEBS that includes financial statements and required supplementary information. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, Atlanta, Georgia, 30303.

(See Independent Auditor's Report)

## 15. EMPLOYEE BENEFIT PENSION PLANS – (Continued)

**Defined Benefit Plan -**

**Funding Policy**
SRP members are not required to contribute to the plan. The City is required to contribute at an actuarially determined rate; the current rate is 5.56% of annual covered payroll. The contribution requirements of the City are established and may be amended by the GMEBS Board of Trustees.

**Annual Pension Cost**
For 2010, the City's annual pension cost of $53,699 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the October 1, 2009 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), and (b) projected salary increases at 3.5% per year plus age and service based merit increases. Both (a) and (b) included an inflation component of 3.5%. The actuarial value of SRP assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a ten-year period.

SRP's unfunded actuarial accrued liability is being amortized over a 30 year period from 1991 and current changes in the unfunded actuarial liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. The remaining period at December 31, 2010 was 13 years. These amortization periods, if applicable, are closed for this plan year.

**Three-Year Trend Information for SRP**

| Actuarial Valuation Date | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---|---|---|---|
| 10/1/2009 | $ 53,699 | 100% | $ - |
| 9/1/2008 | $ 47,873 | 100% | $ - |
| 9/1/2007 | $ 40,610 | 100% | $ - |

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c ) | UAAL as a Percentage of Covered Payroll ( (b-a)/c ) |
|---|---|---|---|---|---|---|
| 7/1/2010 | $ 493,903 | $ 587,108 | $ 93,205 | 84.1% | $ 981,996 | 9.5% |
| 10/1/2009 | $ 434,485 | $ 535,124 | $ 100,639 | 81.2% | $ 965,745 | 10.4% |
| 9/1/2008 | $ 425,292 | $ 473,226 | $ 47,934 | 89.9% | $ 818,985 | 5.9% |

**Trend Information**
Annual trend information required by generally accepted accounting principles is presented on page 47 and reveals the progress made in accumulating sufficient assets to pay benefits when due.

(See Independent Auditor's Report)

## 16. RESTRICTED ASSETS

Pursuant to the Water and Sewer Revenue Bonds, the City was required to create various funds and accounts. Balances in these bond restricted funds and other various restricted funds and accounts as of December 31, 2010 are as follows:

| | |
|---|---|
| Revenue Bond Restricted Assets - | |
| Debt service account | $ 89,762 |
| Debt service reserve fund | 238,420 |
| Renewal and extension fund | 29,753 |
| GEFA retainage fund | 18,369 |
| Capital projects- | |
| Special purpose local option sales funds | 485,389 |
| Development impact fee funds | 469,465 |
| Police building fund | 86,845 |
| Confiscated asset funds | 2,913 |
| | $ 1,420,916 |

## 17. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Generally accepted accounting principles require disclosures, as a part of the combined statements - overview, of certain information concerning individual funds including-

A) Deficit fund balances or net asset balances of individual funds – As of December 31, 2010, none of the City's funds had a deficit net fund balance or net asset balance.

**B)** Excess expenditures over budget – There were no material excesses (if over 5 percent and greater than $5,000) of expenditures over appropriations at the department level (the legal level of control). However, management did not prepare a budget for the Confiscated Assets Special Revenue Fund which is required by state law. Management has stated that a budget for this fund will be prepared in future years.

(See Independent Auditor's Report)

# CITY OF SENOIA, GEORGIA
## REQUIRED SUPPLEMENTARY INFORMATION
## ANALYSIS OF PENSION PLAN FUNDING PROGRESS

| Actuarial Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c ) | UAAL as a Percentage of Covered Payroll ( (b-a)/c ) |
|---|---|---|---|---|---|---|
| 2010 | $ 493,903 | $ 587,108 | $ 93,205 | 84.1% | $ 981,996 | 9.5% |
| 2009 | $ 434,485 | $ 535,124 | $ 100,639 | 81.2% | $ 965,745 | 10.4% |
| 2008 | $ 425,292 | $ 473,226 | $ 47,934 | 89.9% | $ 818,985 | 5.9% |
| 2007 | $ 388,268 | $ 415,486 | $ 27,218 | 93.4% | $ 738,970 | 3.7% |
| 2006 | $ 346,337 | $ 336,018 | $ (10,319) | 103.1% | $ 671,270 | -1.5% |
| 2005 | $ 311,713 | $ 322,911 | $ 11,198 | 96.5% | $ 458,698 | 2.4% |
| 2004 | $ 274,732 | $ 287,238 | $ 12,506 | 95.6% | $ 451,381 | 2.8% |
| 2003 | $ 241,843 | $ 251,786 | $ 9,943 | 96.1% | $ 424,866 | 2.3% |
| 2002 | $ 219,107 | $ 208,477 | $ (10,630) | 105.1% | $ 306,892 | -3.5% |
| 2001 | $ 206,647 | $ 190,429 | $ (16,218) | 108.5% | $ 300,969 | -5.4% |

(See Independent Auditor's Report)

CITY OF SENOIA, GEORGIA
GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 1,244,420 | $ 1,110,241 |
| Receivables: | | |
| Accounts | - | - |
| Taxes | 402,480 | 349,927 |
| Fines | 39,154 | 36,264 |
| Intergovernmental | - | - |
| Due from other funds | 19,048 | 126,022 |
| Prepaid expenses | 16,929 | 21,379 |
| Cash - restricted | - | - |
| Total Assets | $ 1,722,031 | $ 1,643,833 |
| **LIABILITIES AND FUND BALANCE** | | |
| **LIABILITIES** | | |
| Accounts payable | $ 61,009 | $ 23,268 |
| Accrued expenses | | |
| Salaries and wages | 12,765 | 8,972 |
| Other | 971 | 394 |
| Due to other funds | 351,986 | 343,024 |
| Deferred revenues | 117,151 | 91,759 |
| Total Liabilities | 543,882 | 467,417 |
| **FUND BALANCE:** | | |
| Reserved for prepaid items | 16,929 | 21,379 |
| Reserved for police services | - | - |
| Unreserved | 1,161,220 | 1,155,037 |
| Total Fund Balance | 1,178,149 | 1,176,416 |
| **Total Liabilities and Fund Balance** | $ 1,722,031 | $ 1,643,833 |

CITY OF SENOIA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **REVENUES** | | |
| Taxes | $ 1,630,331 | $ 1,613,328 |
| Licenses and permits | 119,429 | 156,335 |
| Intergovernmental grants | - | 21,911 |
| Charges for services | 126,806 | 150,694 |
| Fines, fees and forfeitures | 221,281 | 235,950 |
| Investment income | 4,754 | 6,825 |
| Donations | - | - |
| Rental income | 15,759 | 9,832 |
| Miscellaneous | 3,874 | 17,555 |
| **Total revenues** | 2,122,234 | 2,212,430 |
| **EXPENDITURES** | | |
| Current | | |
| Governing Body | 48,901 | 30,217 |
| Financial Administration | 398,293 | 395,952 |
| Government Buildings | 28,974 | 19,858 |
| Municipal Court | 144,133 | 136,538 |
| Public Safety | 861,500 | 799,017 |
| Highways and Streets | 349,199 | 284,459 |
| Cemetery | - | - |
| Library | 20,000 | 20,249 |
| Planning and Zoning | 102,756 | 136,154 |
| Downtown Development | 11,120 | 38,155 |
| Debt Service | | |
| Principal | - | - |
| Interest | - | - |
| Capital Outlay | 169,090 | 55,563 |
| **Total operating expenditures** | 2,133,966 | 1,916,162 |
| Excess of revenues over (under) expenditures | (11,732) | 296,268 |
| **Other financing sources (uses):** | | |
| Proceeds from capital lease | - | - |
| Transfers | 13,465 | 6,564 |
| **Total other financing sources (uses):** | 13,465 | 6,564 |
| Net change in fund balance | 1,733 | 302,832 |
| Fund balance - beginning | 1,176,416 | 873,584 |
| **Fund balance - ending** | $ 1,178,149 | $ 1,176,416 |

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009

| | 2010 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2009 |
| **REVENUES** | | | | |
| **Taxes** | | | | |
| Property taxes | $ 602,000 | $ 668,530 | $ 66,530 | $ 726,755 |
| Motor vehicle | 40,000 | 41,791 | 1,791 | 41,332 |
| Mobile home | 500 | - | (500) | - |
| Franchise | 270,100 | 292,388 | 22,288 | 247,183 |
| Local option sales | 480,000 | 447,593 | (32,407) | 412,635 |
| Alcohol beverage | 80,000 | 84,505 | 4,505 | 87,647 |
| Premium | 98,000 | 93,560 | (4,440) | 96,360 |
| Intangible | 2,000 | 1,204 | (796) | 848 |
| Transfer | 2,000 | 760 | (1,240) | 568 |
| Other | 600 | - | (600) | - |
| **Total taxes** | 1,575,200 | 1,630,331 | 55,731 | 1,613,328 |
| **Licenses and permits** | | | | |
| Business licenses and permits | 137,500 | 119,429 | (18,071) | 156,335 |
| **Intergovernmental** | - | - | - | 21,911 |
| **Charges for services** | | | | |
| Sub-division fees | 3,200 | 4,200 | 1,000 | 3,980 |
| Fire services | 154,000 | 120,309 | (33,691) | 143,819 |
| Police services | 100 | 1,277 | 1,177 | 155 |
| Cemetery fees | 3,500 | 1,020 | (2,480) | 2,740 |
| Other | - | - | - | - |
| **Total charges for services** | 160,800 | 126,806 | (33,994) | 150,694 |
| **Fines and forfeitures** | 200,300 | 221,281 | 20,981 | 235,950 |
| **Interest** | 7,000 | 4,754 | (2,246) | 6,825 |
| **Rents** | 7,000 | 15,759 | 8,759 | 9,832 |
| **Miscellaneous** | | | | |
| Penalties | - | - | - | - |
| Other | 16,000 | 3,874 | (12,126) | 17,555 |
| **Total miscellaneous** | 16,000 | 3,874 | (12,126) | 17,555 |
| Total Revenues | $ 2,103,800 | $ 2,122,234 | $ 19,034 | $ 2,212,430 |

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009

| | 2010 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2009 |
| **EXPENDITURES** | | | | |
| **Current** | | | | |
| **GOVERNING BODY** | | | | |
| Personal services and benefits | $ 26,000 | $ 25,836 | $ 164 | $ 25,836 |
| Purchased/contracted services | 21,800 | 23,065 | (1,265) | 4,381 |
| Total Governing Body | 47,800 | 48,901 | (1,101) | 30,217 |
| **FINANCIAL ADMINISTRATION** | | | | |
| Personal services and benefits | 228,100 | 226,797 | 1,303 | 213,783 |
| Purchased/contracted services | 153,300 | 154,070 | (770) | 163,010 |
| Supplies | 19,700 | 17,426 | 2,274 | 19,159 |
| Total Financial Administration | 401,100 | 398,293 | 2,807 | 395,952 |
| **GOVERNMENT BUILDINGS** | | | | |
| Personal services and benefits | 4,900 | 4,530 | 370 | 5,671 |
| Purchased/contracted services | 14,900 | 15,276 | (376) | 5,998 |
| Supplies | 9,300 | 9,168 | 132 | 8,189 |
| Total Government Buildings | 29,100 | 28,974 | 126 | 19,858 |
| **MUNICIPAL COURT** | | | | |
| Personal services and benefits | 51,300 | 50,890 | 410 | 40,405 |
| Purchased/contracted services | 27,800 | 26,814 | 986 | 28,822 |
| Supplies | 800 | 1,067 | (267) | - |
| Other costs | 64,000 | 65,362 | (1,362) | 67,311 |
| Total Municipal Court | 143,900 | 144,133 | (233) | 136,538 |

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009

| | 2010 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2009 |
| **PUBLIC SAFETY** | | | | |
| **POLICE SERVICES** | | | | |
| Personal services and benefits | $ 560,800 | $ 557,612 | $ 3,188 | $ 514,348 |
| Purchased/contracted services | 119,700 | 113,799 | 5,901 | 112,064 |
| Supplies | 70,200 | 70,765 | (565) | 59,240 |
| Total Police Services | 750,700 | 742,176 | 8,524 | 685,652 |
| **FIRE SERVICES** | | | | |
| Purchased/contracted services | 154,000 | 119,324 | 34,676 | 113,365 |
| Total Fire Services | 154,000 | 119,324 | 34,676 | 113,365 |
| Total Public Safety | 904,700 | 861,500 | 43,200 | 799,017 |
| **HIGHWAYS AND STREETS** | | | | |
| Personal services and benefits | 149,300 | 143,400 | 5,900 | 129,144 |
| Purchased/contracted services | 118,700 | 117,567 | 1,133 | 70,681 |
| Supplies | 89,500 | 88,232 | 1,268 | 84,634 |
| Total Highways and Streets | 357,500 | 349,199 | 8,301 | 284,459 |
| **CEMETERY** | | | | |
| Payments to others | 300 | - | 300 | - |
| Total Cemetery | 300 | - | 300 | - |
| **LIBRARY** | | | | |
| Personal services and benefits | - | - | - | - |
| Purchased/contracted services | 20,000 | 20,000 | - | 20,249 |
| Supplies | - | - | - | - |
| Total Library | 20,000 | 20,000 | - | 20,249 |
| **PARKS** | | | | |
| Personal services and benefits | - | - | - | - |
| Total Parks | - | - | - | - |

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2010
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009

| | 2010 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2009 |
| **PLANNING AND ZONING** | | | | |
| Personal services and benefits | $ 51,400 | $ 51,616 | $ (216) | $ 49,354 |
| Purchased/contracted services | 46,100 | 48,874 | (2,774) | 85,119 |
| Supplies | 2,900 | 2,266 | 634 | 1,681 |
| Total Planning and Zoning | 100,400 | 102,756 | (2,356) | 136,154 |
| **DOWNTOWN DEVELOPMENT** | | | | |
| Personal services and benefits | - | - | - | 18,583 |
| Purchased/contracted services | 12,000 | 10,338 | 1,662 | 17,963 |
| Supplies | 2,000 | 782 | 1,218 | 1,609 |
| Total Community Development | 14,000 | 11,120 | 2,880 | 38,155 |
| **DEBT SERVICE:** | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Debt Service | - | - | - | - |
| **CAPITAL OUTLAY** | | | | |
| Financial Administration | 2,300 | 2,010 | 290 | 1,055 |
| Court | 1,000 | - | 1,000 | - |
| Police Services | 64,300 | 64,300 | - | 38,174 |
| Highways and Streets | 100,000 | 99,910 | 90 | 16,000 |
| Parks | 2,000 | 2,870 | (870) | 334 |
| Library | - | - | - | - |
| Total Capital Outlay | 169,600 | 169,090 | 510 | 55,563 |
| **Total Expenditures** | $ 2,188,400 | $ 2,133,966 | $ 54,434 | $ 1,916,162 |

CITY OF SENOIA, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
BALANCE SHEET
DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 2,913 | $ 1,467 |
| Total Assets | $ 2,913 | $ 1,467 |
| **LIABILITIES AND FUND EQUITY** | | |
| Liabilities: | | |
| Accounts payable | $ - | $ - |
| Deferred revenue | - | - |
| Total Liabilities | - | - |
| Fund Equity: | | |
| Reserved for specified purposes | 2,913 | 1,467 |
| Total Fund Equity | 2,913 | 1,467 |
| Total Liabilities and Fund Equity | $ 2,913 | $ 1,467 |

**CITY OF SENOIA, GEORGIA**
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**
**BUDGET (GAAP BASIS) AND ACTUAL**
**CONFISCATED ASSETS SPECIAL REVENUE FUND**
**FOR THE YEAR ENDED DECEMBER 31, 2010**
**WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2009**

| | 2010 | | | |
|---|---|---|---|---|
| Revenues: | Original & Final Budget | Actual | Variance | Actual 2009 |
| Forfeitures | $ - | $ 9,738 | $ 9,738 | $ 837 |
| Interest | - | 66 | 66 | 54 |
| Total Revenue | - | 9,804 | 9,804 | 891 |
| Expenditures: | | | | |
| Current | | | | |
| Police activity | - | 8,358 | (8,358) | 4,334 |
| Capital Outlay | - | - | - | - |
| Total Expenditures | - | 8,358 | (8,358) | 4,334 |
| Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses) | - | 1,446 | 1,446 | (3,443) |
| Other Sources and (Uses) | | | | |
| Transfers | - | - | - | 4,910 |
| Total Other Sources and (Uses) | - | - | - | 4,910 |
| Net change in fund balance | - | 1,446 | 1,446 | 1,467 |
| Fund Balance - Beginning of Year | - | 1,467 | 1,467 | - |
| Fund Balance - End of Year | $ - | $ 2,913 | $ 2,913 | $ 1,467 |

CITY OF SENOIA, GEORGIA
SPLOST 4 CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 485,389 | $ 619,794 |
| Intergovernmental receivable | 83,544 | 83,163 |
| Grant receivable | 17,616 | 24,594 |
| **Total assets** | $ 586,549 | $ 727,551 |
| **LIABILITIES AND FUND BALANCE** | | |
| **Liabilities** | | |
| Accounts payable | $ 28,184 | $ 62,737 |
| Deferred revenue | - | 24,594 |
| Total liabilities | 28,184 | 87,331 |
| **Fund balance** | | |
| Reserved for specified purposes | 558,365 | 640,220 |
| Total fund balance | 558,365 | 640,220 |
| **Total liabilities and fund balance** | $ 586,549 | $ 727,551 |

CITY OF SENOIA, GEORGIA
SPLOST 4 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **REVENUES** | | |
| Intergovernmental - Coweta Co. | $ 507,717 | $ 468,396 |
| Intergovernmental - DOT | 256,807 | 57,936 |
| Interest | 3,860 | 6,916 |
| **Total revenues** | 768,384 | 533,248 |
| **EXPENDITURES** | | |
| Administrative | - | - |
| Capital Outlay - | | |
| Police site | 150,889 | - |
| Parks and recreation | 519,945 | 241,924 |
| Road and street projects | 32,133 | 253,562 |
| Debt Service - | | |
| Principal | 99,434 | - |
| Interest | 47,838 | - |
| **Total expenditures** | 850,239 | 495,486 |
| Excess of revenues over (under) expenditures | (81,855) | 37,762 |
| Other financing sources (uses) | | |
| Transfers | - | - |
| Net change in fund balance | (81,855) | 37,762 |
| **Fund Balance -** | | |
| Beginning | 640,220 | 602,458 |
| Ending | $ 558,365 | $ 640,220 |

**CITY OF SENOIA, GEORGIA**
**SCHEDULE OF PROJECTS FINANCED**
**WITH SPECIAL SALES TAX #4 PROCEEDS**
**FOR THE YEAR ENDED DECEMBER 31, 2010**

| PROJECT | ORIGINAL ESTIMATED COST | EXPENDITURES BEGINNING OF YEAR | EXPENDITURES CURRENT YEAR | EXPENDITURES TO DATE | ESTIMATED PERCENT COMPLETE |
|---|---|---|---|---|---|
| Storm Water Projects | $ 750,000 | $ - | $ - | $ - | 0.0% |
| Pedestrian Facilities and Multi-Use Paths | 800,000 | 227,616 | 519,945 | 747,561 | 93.4% |
| Police Facilities and Equipment | 1,000,000 | 217,902 | 298,161 | 516,063 | 51.6% |
| Other Transportation Projects | 400,000 | 402,709 | 32,133 | 434,842 | 108.7% |
| Parks and Recreational Facilities | 350,000 | 189,781 | - | 189,781 | 54.2% |
| Public Works and Water System Equipment | 200,000 | - | - | - | 0.0% |
| | $ 3,500,000 | $ 1,038,008 | $ 850,239 | $ 1,888,247 | |

**CITY OF SENOIA, GEORGIA**
**DEVELOPMENT IMPACT FEE FUND**
**COMPARATIVE BALANCE SHEET**
**DECEMBER 31, 2010 AND 2009**

| | 2010 | 2009 |
|---|---|---|
| **Assets** | | |
| Cash | $ 469,465 | $ 531,219 |
| Total Assets | $ 469,465 | $ 531,219 |
| **Liabilities and Fund Equity** | | |
| Liabilities: | | |
| Accounts payable | $ 11,351 | $ 593 |
| Due to other funds | - | - |
| Total Liabilities | 11,351 | 593 |
| Fund equity: | | |
| Fund Balance - Reserved for capital projects | 458,114 | 530,626 |
| Total Fund Equity | 458,114 | 530,626 |
| Total Liabilities and Fund Equity | $ 469,465 | $ 531,219 |

**CITY OF SENOIA, GEORGIA**
**DEVELOPMENT IMPACT FEE FUND**
**SCHEDULE OF REVENUES AND EXPENDITURES AND**
**CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2010**
**WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2009**

| | 2010 | | | |
|---|---|---|---|---|
| | FINAL BUDGET | ACTUAL | VARIANCE | 2009 |
| Revenues | | | | |
| Impact fees | $ 158,200 | $ 63,136 | $ (95,064) | $ 132,781 |
| Interest | - | 2,222 | 2,222 | 4,098 |
| Miscellaneous | - | - | - | 356 |
| Total Revenues | 158,200 | 65,358 | (92,842) | 137,235 |
| Expenditures | | | | |
| Current | | | | |
| Bank charges | - | - | - | - |
| Capital outlay | | | | |
| Administration | 2,200 | - | 2,200 | - |
| Police | 141,000 | 137,870 | 3,130 | 1,600 |
| Library | 15,000 | - | 15,000 | - |
| Parks | - | - | - | - |
| Total Expenditures | 158,200 | 137,870 | 20,330 | 1,600 |
| Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses) | - | (72,512) | (72,512) | 135,635 |
| Other Sources and (Uses) | | | | |
| Transfers | - | - | - | - |
| Net change in fund balance | - | (72,512) | (72,512) | 135,635 |
| Fund Balance - Beginning | 530,626 | 530,626 | - | 394,991 |
| Fund Balance - End of Year | $ 530,626 | $ 458,114 | $ (72,512) | $ 530,626 |

CITY OF SENOIA, GEORGIA
POLICE BUILDING CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| Cash | $ 86,845 | $ 673,513 |
| Taxes receivable | - | - |
| Due from other funds | - | - |
| **Total assets** | $ 86,845 | $ 673,513 |
| **LIABILITIES AND FUND BALANCE** | | |
| **Liabilities** | | |
| Accounts payable | $ - | $ 177,856 |
| Total liabilities | - | 177,856 |
| **Fund balance** | | |
| Reserved for capital outlay | 86,845 | 495,657 |
| Total fund balance | 86,845 | 495,657 |
| **Total liabilities and fund balance** | $ 86,845 | $ 673,513 |

CITY OF SENOIA, GEORGIA
POLICE BUILDING CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **REVENUES** | | |
| Interest | $ 345 | $ 560 |
| Other | - | 128 |
| **Total revenues** | 345 | 688 |
| **EXPENDITURES** | | |
| Capital Outlay - | | |
| Police facilities | 409,157 | 681,140 |
| Debt Service | | |
| Debt issuance costs | - | 23,891 |
| **Total expenditures** | 409,157 | 705,031 |
| Excess of revenues over (under) expenditures | (408,812) | (704,343) |
| Other financing sources (uses) | | |
| Proceeds from capital lease obligation | - | 1,200,000 |
| Net change in fund balance | (408,812) | 495,657 |
| **Fund Balance -** | | |
| Beginning | 495,657 | - |
| Ending | $ 86,845 | $ 495,657 |

CITY OF SENOIA, GEORGIA
POLICE BUILDING CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
FOR THE YEAR ENDED DECEMBER 31, 2010

| | PRIOR YEARS | CURRENT YEAR | TOTAL TO DATE | PROJECT AUTHORIZTION |
|---|---|---|---|---|
| REVENUES | | | | |
| Interest | $ 560 | $ 345 | $ 905 | $ 1,000 |
| Other | 128 | - | 128 | - |
| Total revenues | 688 | 345 | 1,033 | 1,000 |
| EXPENDITURES | | | | |
| Capital Outlay - | | | | |
| Police facilities | 681,140 | 409,157 | 1,090,297 | 1,400,000 |
| Debt Service - | | | | |
| Debt issuance costs | 23,891 | - | 23,891 | 23,891 |
| Total expenditures | 705,031 | 409,157 | 1,114,188 | 1,423,891 |
| Excess of revenues over (under) expenditures | (704,343) | (408,812) | (1,113,155) | (1,422,891) |
| Other financing sources (uses) | | | | |
| Proceeds from capital lease obligation | 1,200,000 | - | 1,200,000 | 1,200,000 |
| Transfers | - | - | - | 222,891 |
| Total other financing sources (uses) | 1,200,000 | - | 1,200,000 | 1,422,891 |
| Net change in fund balance | 495,657 | (408,812) | 86,845 | - |
| Fund Balance - | | | | |
| Beginning | - | - | - | - |
| Ending | $ 495,657 | $ (408,812) | $ 86,845 | $ - |

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2010 AND 2009

| ASSETS | 2010 | 2009 |
|---|---|---|
| **Current assets** | | |
| Cash | $ 354,011 | $ 435,242 |
| Receivables- | | |
| Accounts (net) | 84,192 | 84,939 |
| Accrued interest | - | 576 |
| Due from other funds | - | 12,390 |
| Inventory | 4,729 | 4,729 |
| Restricted assets | | |
| Cash | 107,541 | 106,776 |
| Investments | 103,773 | 101,269 |
| Total current assets | 654,246 | 745,921 |
| **Noncurrent assets** | | |
| Capital assets | | |
| Land | 45,648 | 45,648 |
| Construction in progress | 9,692 | 403,957 |
| Improvements other than buildings | 5,361,987 | 4,805,815 |
| Buildings | 228,428 | 170,559 |
| Machinery and equipment | 266,249 | 250,206 |
| Vehicles | 35,150 | 35,150 |
| Accumulated depreciation | (1,546,366) | (1,413,974) |
| Capital assets (net of depreciation) | 4,400,788 | 4,297,361 |
| Total noncurrent assets | 4,400,788 | 4,297,361 |
| **Total assets** | 5,055,034 | 5,043,282 |

**CITY OF SENOIA, GEORGIA**
**WATER ENTERPRISE FUND**
**COMPARATIVE STATEMENT OF NET ASSETS**
**DECEMBER 31, 2010 AND 2009**

| | 2010 | 2009 |
|---|---|---|
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | $ 17,940 | $ 20,127 |
| Accrued expenses | | |
| Customer deposits | 72,129 | 66,154 |
| Salaries | 4,669 | 4,120 |
| Compensated absences | 3,245 | 5,765 |
| Due to other funds | 19,048 | 126,022 |
| Current liabilities payable from restricted assets | | |
| Revenue bonds | 30,000 | 25,000 |
| Notes | 18,579 | 17,861 |
| Accrued interest | 142,278 | 109,307 |
| Total current liabilities | 307,888 | 374,356 |
| **Long-term liabilities** | | |
| Revenue bonds | 380,000 | 410,000 |
| Notes payable | 999,138 | 1,017,717 |
| Total long-term liabilities | 1,379,138 | 1,427,717 |
| Total liabilities | 1,687,026 | 1,802,073 |
| **Net Assets** | | |
| Investments in capital assets, net of related debt | 2,973,071 | 2,826,783 |
| Restricted under debt ordinance | 211,314 | 189,802 |
| Restricted for capital projects | - | 18,243 |
| Unrestricted | 183,623 | 206,381 |
| Total Net Assets | $ 3,368,008 | $ 3,241,209 |

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Sales and service | $ 751,750 | $ 615,865 |
| Penalties | 29,877 | 30,120 |
| Miscellaneous | - | 213 |
| Total operating revenues | 781,627 | 646,198 |
| **OPERATING EXPENSES** | | |
| Purchase of product | 45,983 | 104,963 |
| Salaries and related cost | 307,244 | 331,260 |
| Supplies and materials | 56,375 | 74,837 |
| Repairs and maintenance | 58,703 | 47,592 |
| Utilities | 34,195 | 27,585 |
| Depreciation and amortization | 132,392 | 127,936 |
| Other | 65,104 | 76,469 |
| Total operating expenses | 699,996 | 790,642 |
| Operating income (loss) | 81,631 | (144,444) |
| Non-operating revenues and (expenses) | | |
| Interest earned | 4,511 | 8,263 |
| Interest expense | (61,460) | (61,639) |
| Total non-operating revenues (expenses) | (56,949) | (53,376) |
| Income before transfers and capital contributions | 24,682 | (197,820) |
| Capital contributions - | | |
| Developers | 67,431 | 128,862 |
| Intergovernmental | 34,686 | - |
| Transfers | - | - |
| Change in net assets | 126,799 | (68,958) |
| **NET ASSETS - BEGINNING** | 3,241,209 | 3,310,167 |
| **NET ASSETS - ENDING** | $ 3,368,008 | $ 3,241,209 |

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 788,349 | $ 614,831 |
| Cash paid to suppliers for goods and services | (323,733) | (409,783) |
| Cash paid to employees | (248,029) | (262,090) |
| Net cash provided from operating activities | 216,587 | (57,042) |
| **Cash flows from investing activities:** | | |
| Interest received | 5,087 | 8,263 |
| (Purchase) / redemption of investments | (2,504) | (3,550) |
| Net cash from investing activities | 2,583 | 4,713 |
| **Cash flows from non-capital financing activities:** | | |
| Transfers | - | - |
| Change in due to/from other funds | (94,584) | 66,289 |
| Net cash flows from non-capital financing activities | (94,584) | 66,289 |
| **Cash flows from capital financing activities:** | | |
| Proceeds from long-term debt | - | 69,437 |
| Principal payments on long-term debt | (42,861) | (42,171) |
| Interest paid | (28,488) | (29,966) |
| Capital contributions | 102,117 | 128,862 |
| Purchase / construction of capital assets | (235,820) | (135,409) |
| Net cash flows from capital financing activities | (205,052) | (9,247) |
| Net cash flows | (80,466) | 4,713 |
| Cash and cash equivalents - beginning | 542,018 | 537,305 |
| **Cash and cash equivalents - ending** | $ 461,552 | $ 542,018 |

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | 2010 | 2009 |
|---|---|---|
| **Operating income (loss)** | $ 81,631 | $ (144,444) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 132,392 | 127,936 |
| (Increase) decrease in receivables | 747 | (34,647) |
| (Increase) decrease in inventory | - | - |
| Increase (decrease) in accounts payable | (2,187) | (8,843) |
| Increase (decrease) in customer deposits | 5,975 | 3,280 |
| Increase (decrease) in accrued liabilities | (1,971) | (324) |
| Total adjustments | 134,956 | 87,402 |
| **Net cash from operating activities** | $ 216,587 | $ (57,042) |

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2010 AND 2009

| ASSETS | 2010 | 2009 |
|---|---|---|
| **Current assets** | | |
| Cash | $ 427,409 | $ 423,419 |
| Receivables- | | |
| Accounts (net) | 62,152 | 66,000 |
| Due from other funds | 351,986 | 343,024 |
| Restricted assets | | |
| Cash | 164,990 | 135,264 |
| Total current assets | 1,006,537 | 967,707 |
| **Noncurrent** | | |
| Deferred loan cost, net of amortization | 17,179 | 17,692 |
| Capital assets | | |
| Land | 833,474 | 833,474 |
| Improvements other than buildings | 10,201,942 | 10,201,942 |
| Vehicles | 62,323 | 60,100 |
| Machinery and equipment | 242,494 | 239,441 |
| Accumulated depreciation | (1,382,997) | (1,149,926) |
| Capital assets (net of depreciation) | 9,957,236 | 10,185,031 |
| Total noncurrent assets | 9,974,415 | 10,202,723 |
| **Total assets** | 10,980,952 | 11,170,430 |

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | | |
| Trade | $ - | $ 3,535 |
| Due to other funds | - | 12,390 |
| Accrued compensated absences | 7,586 | 8,140 |
| Accrued salaries | 2,082 | 1,239 |
| Deferred revenue | - | - |
| Current liabilities payable from restricted assets | | |
| Revenue bonds | 68,840 | 65,899 |
| Accrued interest | 3,669 | 3,716 |
| Total current liabilities | 82,177 | 94,919 |
| **Long-term liabilities** | | |
| Revenue bonds | 5,032,530 | 5,101,362 |
| Total long-term liabilities | 5,032,530 | 5,101,362 |
| Total liabilities | 5,114,707 | 5,196,281 |
| **Net Assets** | | |
| Investments in capital assets, net of related debt | 4,855,866 | 5,017,770 |
| Restricted for capital projects | - | - |
| Restricted as to debt covenants | 164,990 | 135,264 |
| Unreserved | 845,389 | 821,115 |
| Total Net Assets | $ 5,866,245 | $ 5,974,149 |

**CITY OF SENOIA, GEORGIA**
**SEWER ENTERPRISE FUND**
**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

| | 2010 | 2009 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Sales and service | $ 522,657 | $ 491,222 |
| Penalties and reconnect fees | - | - |
| Miscellaneous | 22,002 | 19,665 |
| Total operating revenues | 544,659 | 510,887 |
| **OPERATING EXPENSES** | | |
| Salaries and related cost | 148,844 | 116,007 |
| Supplies and materials | 25,959 | 26,585 |
| Repairs and maintenance | 23,384 | 20,751 |
| Utilities | 101,956 | 98,071 |
| Depreciation and amortization | 233,584 | 235,711 |
| Other | 20,861 | 27,047 |
| Total operating expenses | 554,588 | 524,172 |
| Operating income (loss) | (9,929) | (13,285) |
| Non-operating revenues and (expenses) | | |
| Interest earned | 2,025 | 2,808 |
| Interest expense | (224,702) | (227,519) |
| Total non-operating revenues (expenses) | (222,677) | (224,711) |
| Income before transfers and capital contributions | (232,606) | (237,996) |
| Capital contributions - | | |
| Community Development Block Grant | - | - |
| Rural Development Grant | - | - |
| Developers | 124,702 | 247,760 |
| Change in net assets | (107,904) | 9,764 |
| NET ASSETS - BEGINNING | 5,974,149 | 5,964,385 |
| **NET ASSETS - ENDING** | $ 5,866,245 | $ 5,974,149 |

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 548,507 | $ 501,605 |
| Cash paid to suppliers for goods | (208,873) | (207,796) |
| Cash paid to employees | (115,377) | (87,958) |
| Net cash provided from operating activities | 224,257 | 205,851 |
| **Cash flows from investing activities:** | | |
| Interest received | 2,025 | 2,808 |
| Net cash from investing activities | 2,025 | 2,808 |
| **Cash flows from non-capital financing activities:** | | |
| Change in due to/from other funds | (21,352) | (122,503) |
| Net cash flows from non-capital financing activities | (21,352) | (122,503) |
| **Cash flows from capital financing activities:** | | |
| Proceeds from long-term debt | - | - |
| Payments on long-term debt | (65,891) | (63,075) |
| Interest paid | (224,749) | (227,565) |
| Purchase / construction of capital assets | (5,276) | (11,391) |
| Capital contributions from developers | 124,702 | 247,760 |
| Net cash flows from capital financing activities | (171,214) | (54,271) |
| Net cash flows | 33,716 | 31,885 |
| Cash and cash equivalents - beginning | 558,683 | 526,798 |
| **Cash and cash equivalents - ending** | $ 592,399 | $ 558,683 |

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
STATEMENTS OF CASH FLOWS

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | 2010 | 2009 |
|---|---|---|
| **Operating income (loss)** | $ (9,929) | $ (13,285) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 233,584 | 235,711 |
| (Increase) decrease in receivables | 3,848 | (9,282) |
| Increase (decrease) in accounts payable | (3,535) | (8,118) |
| Increase (decrease) in accrued liabilities | 289 | 825 |
| Total adjustments | 234,186 | 219,136 |
| **Net cash from operating activities** | $ 224,257 | $ 205,851 |

CITY OF SENOIA, GEORGIA
SOLID WASTE MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **ASSETS** | | |
| **Current assets** | | |
| Receivables, net - | | |
| Accounts | $ 18,253 | $ 17,297 |
| Total current assets | 18,253 | 17,297 |
| **Total assets** | 18,253 | 17,297 |
| **LIABILITIES** | | |
| **Current liabilities** | | |
| Accounts payable | - | - |
| Total current liabilities | - | - |
| **Long-term liabilities** | - | - |
| **Total liabilities** | - | - |
| **NET ASSETS** | | |
| Investment in capital assets - net of related debt | - | - |
| Unrestricted | 18,253 | 17,297 |
| Total Net Assets | $ 18,253 | $ 17,297 |

CITY OF SENOIA, GEORGIA
SOLID WASTE MANAGEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **OPERATING REVENUES** | | |
| Charges for services | $ 210,181 | $ 201,790 |
| Total operating revenues | 210,181 | 201,790 |
| **OPERATING EXPENSES** | | |
| Purchase of product | 194,810 | 189,661 |
| Other | 950 | 1,000 |
| Total operating expenses | 195,760 | 190,661 |
| Operating income (loss) | 14,421 | 11,129 |
| Transfers | (13,465) | (11,474) |
| Change in net assets | 956 | (345) |
| NET ASSETS - BEGINNING | 17,297 | 17,642 |
| **NET ASSETS - ENDING** | $ 18,253 | $ 17,297 |

CITY OF SENOIA, GEORGIA
SOLID WASTE MANAGEMENT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2010 AND 2009

| | 2010 | 2009 |
|---|---|---|
| **Cash flows from operating activities:** | | |
| Cash received from customers and users | $ 209,225 | $ 202,135 |
| Cash paid to suppliers for goods | (195,760) | (190,661) |
| Cash paid to employees | - | - |
| Net cash provided from operating activities | 13,465 | 11,474 |
| **Cash flows from investing activities:** | | |
| Other | - | - |
| Net cash from investing activities | - | - |
| **Cash flows from non-capital financing activities:** | | |
| Transfers | (13,465) | (11,474) |
| Net cash flows from non-capital financing activities | (13,465) | (11,474) |
| **Cash flows from capital financing activities:** | | |
| Purchase of capital assets | - | - |
| Net cash flows from capital financing activities | - | - |
| Net cash flows | - | - |
| Cash and cash equivalents - beginning | - | - |
| **Cash and cash equivalents - ending** | $ - | $ - |

CITY OF SENOIA, GEORGIA
SOLID WASTE MANAGEMENT FUND
STATEMENTS OF CASH FLOWS

## RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

| | 2010 | 2009 |
|---|---|---|
| **Operating income (loss)** | $ 14,421 | $ 11,129 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | - | - |
| (Increase) decrease in receivables | (956) | 345 |
| Increase (decrease) in accounts payable | - | - |
| Total adjustments | (956) | 345 |
| **Net cash from operating activities** | $ 13,465 | $ 11,474 |

CITY OF SENOIA, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2010 AND 2009

| Assets | 2010 | 2009 |
|---|---|---|
| Assets: | | |
| Cash | $ 62,425 | $ 97,201 |
| Total Assets | $ 62,425 | $ 97,201 |
| **Liabilities and Fund Equity** | | |
| Liabilities: | | |
| Accounts payable | $ - | $ - |
| Total Liabilities | - | - |
| Fund equity: | | |
| Fund Balance - Unreserved | 62,425 | 97,201 |
| Total Fund Equity | 62,425 | 97,201 |
| Total Liabilities and Fund Equity | $ 62,425 | $ 97,201 |

**CITY OF SENOIA, GEORGIA**
**DOWNTOWN DEVELOPMENT AUTHORITY**
**COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**
**FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

| | 2010 | 2009 |
|---|---|---|
| Revenues: | | |
| Intergovernmental | $ 8,258 | $ 1,800 |
| Events | 24,946 | 21,864 |
| Total Revenues | 33,204 | 23,664 |
| Expenditures: | | |
| Purchased / contracted services | 39,339 | 16,141 |
| Supplies | 11,925 | 4,097 |
| Payments to others - Façade Grants | 10,780 | - |
| Capital outlay | 5,936 | 2,711 |
| Total Expenditures | 67,980 | 22,949 |
| Excess of revenues over (under) expenditures | (34,776) | 715 |
| Other financing sources (uses): | | |
| Proceeds from sale of asset | - | 47,025 |
| Total Other Financing Sources (Uses) | - | 47,025 |
| Net change in fund balance | (34,776) | 47,740 |
| Fund Balance - Beginning of year | 97,201 | 49,461 |
| Fund Balance - End of year | $ 62,425 | $ 97,201 |