CITY OF SENOIA, GEORGIA

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2011

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, 2011

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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, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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, 2011 and the respective changes in financial position and, where applicable, cash flows, thereof, and the respective budgetary comparisons for the General Fund and the Confiscated Assets 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 May 31, 2012 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 49 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
May 31, 2012

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, 2011. 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, 2011 by $16,791,784. Of this amount unrestricted net assets of $2,560,558 may be used to meet the government's ongoing obligations to citizens and creditors.

- The total net assets increased by $454,803. Of this amount a net increase of $467,279 was associated with governmental activities and a decrease of $12,476 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 $2,648,797, an increase of $364,411 in comparison with the prior year. Of this amount $1,334,583 is unassigned and available for spending and $1,314,214 is either in a nonspendable form or restricted for capital projects and other specific future uses.

- At the end of the current year, unassigned fund balance for the general fund was $1,334,583 or 52.5 percent of total General Fund expenditures.

- The City of Senoia's total debt obligations (including accrued compensated absences) increased by $61,449 to a total of $7,724,250. The City obtained financing under a capital lease agreement for $206,500 to purchase six police vehicles. The City made principal payments on its capital leases, revenue bonds and GEFA notes of $309,858.

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 and Confiscated Assets Fund to demonstrate compliance with the FY 2011 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 2011 which is also presented in the individual fund financial statements.

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, 2011, the City's assets exceeded liabilities by $16,791,784. The City's net assets reflect its investment in capital assets (74.9 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, $1,657,877 (9.9 percent) is restricted for capital projects and other specified activities and $2,560,558 (15.2 percent) is unrestricted.

City of Senoia's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	$ 2,963,011	$ 2,536,324	$ 1,591,088	$ 1,677,167	$ 4,554,099	$ 4,213,491
Capital assets	5,947,273	5,814,809	14,307,800	14,358,024	20,255,073	20,172,833
Total assets	8,910,284	8,351,133	15,898,888	16,035,191	24,809,172	24,386,324
Current liabilities	184,987	132,944	263,163	371,017	448,150	503,961
Long-term liabilities	1,173,543	1,133,714	6,395,695	6,411,668	7,569,238	7,545,382
Total liabilities	1,358,530	1,266,658	6,658,858	6,782,685	8,017,388	8,049,343
Net assets:						
Invested in capital assets, net of related debt	4,816,256	4,801,088	7,757,093	7,828,937	12,573,349	12,630,025
Restricted	1,268,501	1,019,392	389,376	376,304	1,657,877	1,395,696
Unrestricted	1,466,997	1,263,995	1,093,561	1,047,265	2,560,558	2,311,260
Total net assets	$ 7,551,754	$ 7,084,475	$ 9,240,030	$ 9,252,506	$ 16,791,784	$ 16,336,981

A portion of the net assets (9.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets ($2,560,588) 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 $467,279, thereby accounting for 100.0% 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, 2011 and 2010

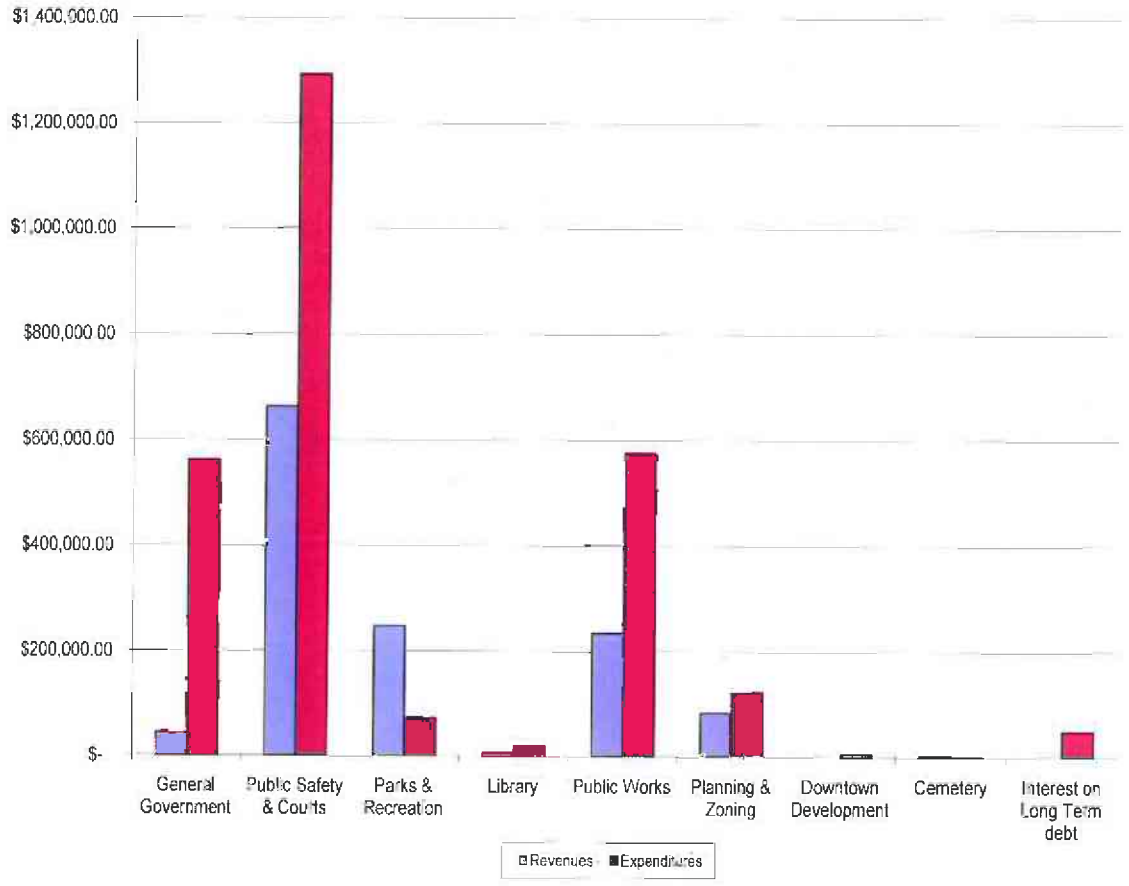
	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for services	$ 625,216	$ 467,663	$ 1,623,125	$ 1,536,467	$ 2,248,341	$ 2,004,130
Operating grants and contributions	23,496	-	-	-	23,496	-
Capital grants and contributions	631,259	800,527	245,928	226,819	877,187	1,027,346
General Revenues						
Property taxes	728,629	732,167	-	-	728,629	732,167
Sales taxes	466,842	447,593	-	-	466,842	447,593
Other taxes	605,656	503,130	-	-	605,656	503,130
Interest	3,042	7,387	-	6,536	3,042	13,923
Other	77,137	8,456	3,018	-	80,155	8,456
	3,161,277	2,966,923	1,872,071	1,769,822	5,033,348	4,736,745
Expenses:						
General government	560,591	481,879	-	-	560,591	481,879
Public safety and courts	1,291,962	1,076,209	-	-	1,291,962	1,076,209
Public Works	574,941	397,887	-	-	574,941	397,887
Cemetery	1,168	-	-	-	1,168	-
Parks and recreation	72,672	27,765	-	-	72,672	27,765
Library	21,045	21,045	-	-	21,045	21,045
Planning and zoning	122,352	100,890	-	-	122,352	100,890
Downtown development	5,572	11,122	-	-	5,572	11,122
Interest on long-term debt	48,556	46,766	-	-	48,556	46,766
Water	-	-	877,987	761,456	877,987	761,456
Sewer	-	-	795,433	779,290	795,433	779,290
Solid waste	-	-	206,266	195,760	206,266	195,760
	2,698,859	2,163,563	1,879,686	1,736,506	4,578,545	3,900,069
Increase (decrease) in net assets before transfers	462,418	803,360	(7,615)	33,316	454,803	836,676
Transfers	4,861	13,465	(4,861)	(13,465)	-	-
Increase (decrease) in net assets	467,279	816,825	(12,476)	19,851	454,803	836,676
Net assets - beginning of year	7,084,475	6,267,650	9,252,506	9,232,655	16,336,981	15,500,305
Net assets - end of year	$ 7,551,754	$ 7,084,475	$ 9,240,030	$ 9,252,506	$ 16,791,784	$ 16,336,981

- Revenues from charges for services increased by $157,553 or 33.7%. $133, 796 or 84.9% of this increase can be attributed to increases in fines and forfeitures by the Police Department. In 2011 the Police Department was at full staff and employed an investigator allowing patrol officers to concentrate in other areas.

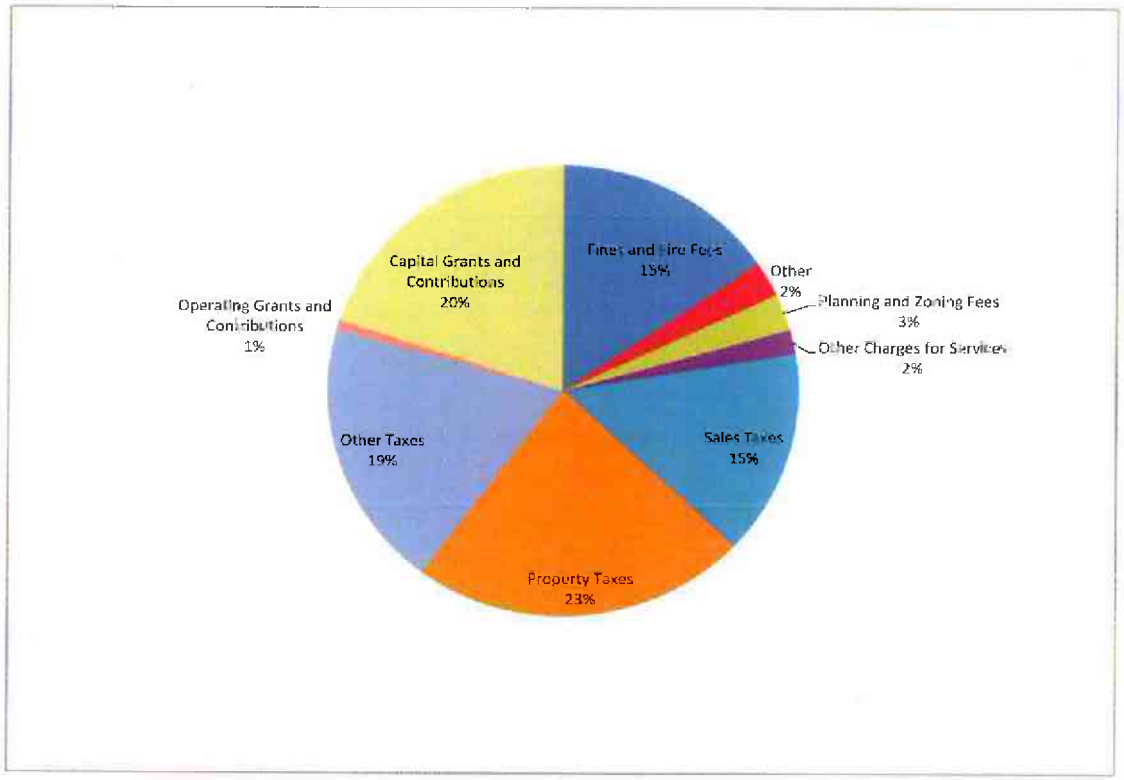
- Sales tax collections increased by $19,249 or 4.3%. This increase reveals a slight increase in our commercial base.

- Reassessments of Real Property in the City of Senoia caused a reduction of $2,509,512 in the digest. Development added $1,864,241 to the digest, this resulted in property taxes remaining approximately the same as 2010 while other taxes increased by approximately $102,000.

Expenses and Program Revenues-Governmental Activities

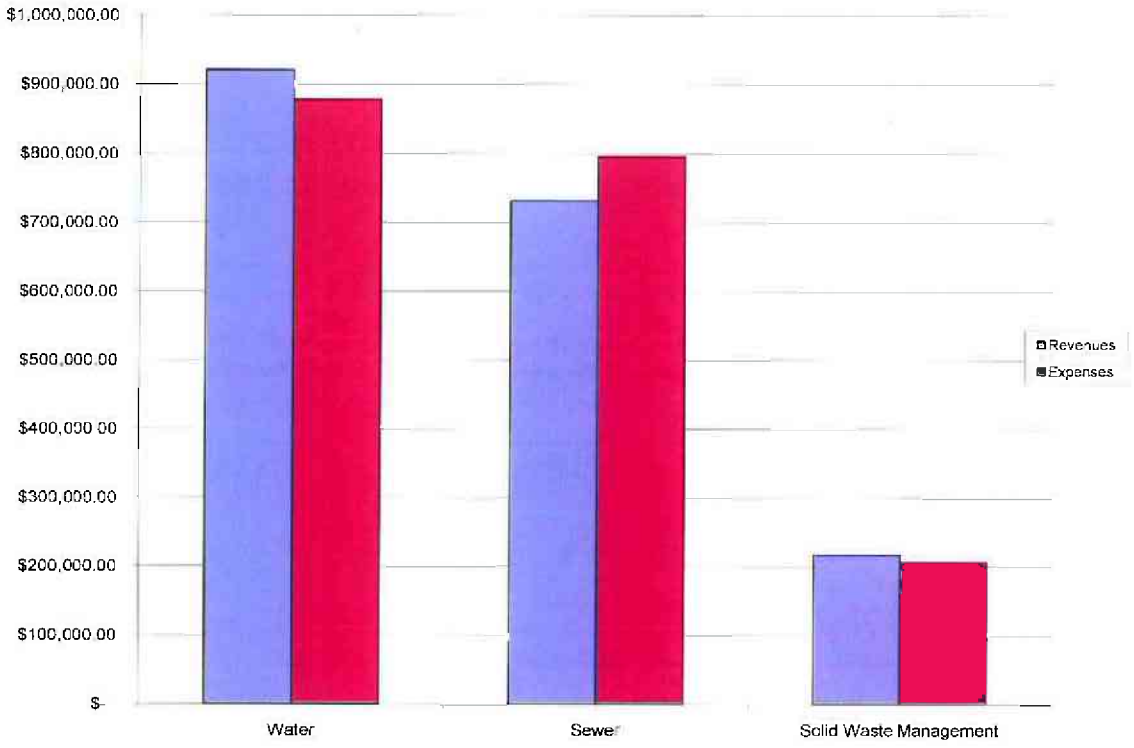


Revenue by Source-Governmental Activities



Business-type activities. Business-type activities decreased the City's net assets by $12,476 of which an increase of $45,121 was from Water activities, a decrease of $63,127 was from Sewer activities and an increase of $5,530 was from Solid Waste Management Activities. The Water and Sewer Departments continues to experience a reduced number of tap fees. The City re-evaluated its water rates in FY 2011. However, there was no change in the sewer rates. The City intends to impose new sewer rates in FY 2012.

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, 2011 the City's governmental funds reported combined ending fund balances of $2,648,797 an increase of $364,411 in comparison to the prior year. Of this amount, $1,334,583 (50.8 percent) is unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted 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 ($1,268,369); 2) for Police Activities ($132); and 3) nonspendable amounts for prepaid items which are not available for current government's spending discretion ($45,713).

The General Fund is the City's chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was $1,334,583 while the total fund balance totaled $1,380,296. 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. Unassigned fund balance represents 52.5 percent of the total general fund expenditures, while total fund balance represents 54.3 percent of that same amount.

The City of Senoia received $559,776 in Special Purpose Local Option Sales Taxes in 2011. SPLOST funds were used during 2011 to repay the debt used to finance the construction of the new police and court facilities of $147,272 and for street improvements in the amount of $197,106.

The City also received Development Impact Fees during the year totaling $74,038 compared to $63,136 in 2010. 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 2011 for library improvements of $96,526 and park improvements of $21,950.

The Confiscated Assets Fund and the Police Building Fund had very minimal activity for 2011.

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 $1,093,561 of which the Water Fund had $156,201, the Sewer Fund had $913,577 and the Solid Waste Management Fund had $23,783. 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 $2,198,000 was amended to $2,576,100 a difference of $378,100. 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 $378,100, through budget reconciliation and cost saving measures practiced by the departments no money had to come from the city's operating reserves. Amendments approved by the Mayor and Council include over $279,000 in capital expenditures for six police cars financed with a capital lease and $77,000 for the purchase of land for the expansion of the City cemetery.

Capital Asset and Debt Administration

Capital assets. The City's investment in capital assets for its governmental and business-type activities at December 31, 2011 amounts to $20,255,073 (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:

- $96,500 for grading and other improvements to the new library.
- $206,500 for six police vehicles.
- $77,000 for the purchase of land to expand the City's cemetery.

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 $7,724,250 in outstanding debt consisting of the following:

City of Senoia's Outstanding Debt

	Balance
Governmental Activities -	
Accrued compensated absences	$ 42,526
Capital leases	1,131,017
Business-Type Activities -	
Revenue Bonds	5,412,538
GEFA Notes Payable	1,138,169
Total	$ 7,724,250

The City's total debt increased by $61,449. 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 2010 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 2011. 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, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Assets				
Cash and Cash Equivalents	$ 1,407,136	$ 619,181	$ 2,026,317	$ 37,597
Receivables, Net				
Taxes	507,292	-	507,292	-
Intergovernmental	98,947	-	98,947	-
Fines	46,994	-	46,994	-
Accounts	-	186,100	186,100	-
Other	-	-	-	19,000
Internal balances	(375,036)	375,036	-	-
Inventory	-	4,729	4,729	-
Prepaid Items	45,713	-	45,713	-
Restricted Assets -				
Cash	1,213,847	284,128	1,497,975	-
Investments	-	105,248	105,248	-
Receivables	-	-	-	-
Non-Depreciable Capital Assets	1,557,549	1,055,442	2,612,991	15,356
Depreciable Capital Assets, Net	4,389,724	13,252,358	17,642,082	129,319
Deferred Loan Cost, Net	18,118	16,666	34,784	-
Total Assets	8,910,284	15,898,888	24,809,172	201,272

See accompanying notes to the basic financial statements.

Continued

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CITY OF SENOIA, GEORGIA
STATEMENT OF NET ASSETS
DECEMBER 31, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Dev. Auth.
Liabilities				
Accounts Payable				
Trade	$ 145,723	$ -	$ 145,723	$ -
Construction	-	-	-	-
Accrued Liabilities -				
Salaries	15,767	8,069	23,836	-
Compensated absences	-	14,483	14,483	-
Customer deposits	-	76,144	76,144	-
Interest	23,471	-	23,471	-
Other	26	-	26	-
Unearned Revenues	-	-	-	-
Liabilities Payable from Restricted Assets -				
Revenue bonds	-	101,913	101,913	-
Notes payable	-	53,099	53,099	-
Accrued interest	-	9,455	9,455	-
Long-Term Liabilities -				
Due Within One Year	170,823	-	170,823	-
Due In More Than One Year	1,002,720	6,395,695	7,398,415	85,000
Total Liabilities	1,358,530	6,658,858	8,017,388	85,000
Net Assets				
Invested in Capital Assets, Net of Related Debt	4,816,256	7,757,093	12,573,349	59,675
Restricted for -				
Police activities	132	-	132	-
Capital projects	1,268,369	-	1,268,369	-
Debt covenants	-	389,376	389,376	-
Unrestricted	1,466,997	1,093,561	2,560,558	56,597
Total Net Assets	$ 7,551,754	$ 9,240,030	$ 16,791,784	$ 116,272

See accompanying notes to the basic financial statements.

Concluded

CITY OF SENOIA, GEORGIA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 560,591	$ 31,547	$ 11,340	$ -
Public Safety and Courts	1,291,962	491,069	12,156	158,648
Public Works	574,941	416	-	233,711
Cemetery	1,168	3,840	-	-
Parks and Recreation	72,672	15,087	-	231,885
Library	21,045	136	-	7,015
Planning and Zoning	122,352	83,121	-	-
Downtown Development	5,572	-	-	-
Interest on Long-Term Debt	48,556	-	-	-
Total Governmental Activities	2,698,859	625,216	23,496	631,259
Business-Type Activities:				
Water	877,987	825,247	-	95,495
Sewer	795,433	581,221	-	150,433
Solid Waste Management	206,266	216,657	-	-
Total Business-Type Activities	1,879,686	1,623,125	-	245,928
Total Primary Government	$ 4,578,545	$ 2,248,341	$ 23,496	$ 877,187
Component Unit:				
Downtown Development Authority	$ 38,724	$ 25,029	$ 4,613	$ -

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.
$ (517,704)	$ -	$ (517,704)	$ -
(630,089)	-	(630,089)	-
(340,814)	-	(340,814)	-
2,672	-	2,672	-
174,300	-	174,300	-
(13,894)	-	(13,894)	-
(39,231)	-	(39,231)	-
(5,572)	-	(5,572)	
(48,556)	-	(48,556)	-
(1,418,888)	-	(1,418,888)	-
-	42,755	42,755	-
-	(63,779)	(63,779)	-
-	10,391	10,391	-
-	(10,633)	(10,633)	-
(1,418,888)	(10,633)	(1,429,521)	-
-	-	-	(9,082)
728,629	-	728,629	-
329,772	-	329,772	-
466,842	-	466,842	-
155,112	-	155,112	-
81,480	-	81,480	-
38,240	-	38,240	-
243	-	243	-
809	-	809	-
3,042	3,018	6,060	-
-	-	-	20,644
77,137	-	77,137	-
1,881,306	3,018	1,884,324	20,644
4,861	(4,861)	-	-
1,886,167	(1,843)	1,884,324	20,644
467,279	(12,476)	454,803	11,562
7,084,475	9,252,506	16,336,981	104,710
$ 7,551,754	$ 9,240,030	$ 16,791,784	$ 116,272

CITY OF SENOIA, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2011

	General	Special Revenue Fund Confiscated Assets	Capital Project Fund SPLOST 4
ASSETS			
Cash	$ 1,407,136	$ 132	$ 672,694
Receivables-			
Accounts	-	-	-
Taxes	507,292	-	-
Fines	46,994	-	-
Intergovernmental	-	-	98,947
Due from other funds	31,955	-	-
Prepaid items	45,713	-	-
Cash - restricted	-	-	-
Total assets	$ 2,039,090	$ 132	$ 771,641
LIABILITIES AND FUND BALANCE			
Liabilities			
Accounts payable -	$ 101,430	$ -	$ -
Accrued salaries and wages	15,767	-	-
Other accrued items	26	-	-
Due to other funds	406,991	-	-
Deferred revenues	134,580	-	-
Total liabilities	658,794	-	-
Fund balance			
Nonspendable	45,713	-	-
Restricted for -			
Capital projects	-	-	771,641
Police services	-	132	-
Assigned for -			
Appropriation for next year's budget	-	-	-
Unassigned	1,334,583	-	-
Total fund balance	1,380,296	132	771,641
Total liabilities and fund balance	$ 2,039,090	$ 132	$ 771,641

See accompanying notes to the basic financial statements.

Capital Project Funds		
Development Impact Fee	Police Building	Total Governmental Funds
$ 454,065	$ 86,956	$ 2,620,983
-	-	-
-	-	507,292
-	-	46,994
-	-	98,947
-	-	31,955
-	-	45,713
-	-	-
$ 454,065	$ 86,956	$ 3,351,884
$ 44,293	$ -	$ 145,723
-	-	15,767
-	-	26
-	-	406,991
-	-	134,580
44,293	-	703,087
-	-	45,713
409,772	86,956	1,268,369
-	-	132
-	-	-
-	-	1,334,583
409,772	86,956	2,648,797
$ 454,065	$ 86,956	$ 3,351,884

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CITY OF SENOIA, GEORGIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2011

Amounts reported for governmental activities in the statement of net assets are different because:	
Total fund balances -- total governmental funds	$ 2,648,797
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	5,947,273
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Deferred revenues	134,580
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.	18,118
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	(42,526)
Capital lease obligation	(1,131,017)
Accrued interest payable	(23,471)
Net assets of governmental activities.	$ 7,551,754

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, 2011

	General	Special Revenue Fund Confiscated Assets	Capital Project Fund SPLOST 4
REVENUES			
Taxes	$ 1,757,455	$ -	$ -
Licenses and Permits	147,227	-	-
Fines, Fees and Forfeitures	362,515	-	-
Charges for Services	126,603	-	-
Intergovernmental	23,496	-	559,776
Interest	2,998	4	1,078
Donations	-	-	-
Rental income	74,470	-	-
Other	13,837	-	-
Total revenues	2,508,601	4	560,854
EXPENDITURES			
Current			
Governing Body	51,488	-	-
General Government	424,907	-	-
Government Buildings	25,693	-	-
Municipal Court	210,836	-	-
Public Safety	950,237	2,785	-
Highways and Streets	324,790	-	-
Cemetery	1,000	-	-
Library	20,000	-	-
Parks	6,642	-	-
Planning and Zoning	119,730	-	-
Downtown Development	5,572	-	-
Debt Service -			
Principal	72,562	-	103,522
Interest	-	-	43,750
Debt Issuance Costs	-	-	-
Capital Outlay	330,024	-	200,306
Total expenditures	2,543,481	2,785	347,578
Excess of revenues over (under) expenditures	(34,880)	(2,781)	213,276
Other financing sources (uses):			
Proceeds from capital lease obligation	206,536	-	-
Proceeds from disposition of capital assets	25,630	-	-
Transfers	4,861	-	-
Total other financing sources (uses):	237,027	-	-
Net change in fund balance	202,147	(2,781)	213,276
Fund balance - beginning	1,178,149	2,913	558,365
Fund balance - ending	$ 1,380,296	$ 132	$ 771,641

See accompanying notes to the basic financial statements.

Capital Project Funds		
Development Impact Fee	Police Building	Total Governmental Funds
$ -	$ -	$ 1,757,455
-	-	147,227
-	-	362,515
74,038	-	200,641
-	-	583,272
409	39	4,528
-	-	-
-	-	74,470
-	72	13,909
74,447	111	3,144,017
-	-	51,488
-	-	424,907
-	-	25,693
-	-	210,836
-	-	953,022
-	-	324,790
-	-	1,000
-	-	20,000
-	-	6,642
-	-	119,730
-	-	5,572
-	-	176,084
-	-	43,750
-	-	-
122,789	-	653,119
122,789	-	3,016,633
(48,342)	111	127,384
-	-	206,536
-	-	25,630
-	-	4,861
-	-	237,027
(48,342)	111	364,411
458,114	86,845	2,284,386
$ 409,772	$ 86,956	$ 2,648,797

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, 2011

Net change in fund balances -- total governmental funds	$	364,411
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 ($443,055) exceeded depreciation expense ($224,445) in the current period.		218,610
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations).		(86,146)
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.		17,427
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 proceeds ($206,535) exceeded repayments ($176,084).		(30,451)
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		(4,805)
Change in long-term portion of accrued compensated absences		(9,378)
Change in net assets of governmental activities.	$	467,279

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, 2011

	BUDGET AMOUNTS			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
REVENUES				
Taxes	$ 1,624,100	$ 1,728,000	$ 1,757,455	$ 29,455
Licenses and Permits	87,000	130,000	147,227	17,227
Intergovernmental Grants	-	12,000	23,496	11,496
Charges for Services	166,500	169,500	126,603	(42,897)
Fines, Fees and Forfeitures	179,000	283,800	362,515	78,715
Investment Income	5,500	5,500	2,998	(2,502)
Rents	10,000	10,000	74,470	64,470
Miscellaneous	5,300	5,300	13,837	8,537
Total revenues	2,077,400	2,344,100	2,508,601	164,501
EXPENDITURES				
Current				
Governing Body	33,000	53,000	51,488	1,512
Financial Administration	404,100	421,200	424,907	(3,707)
Government Buildings	28,200	28,200	25,693	2,507
Municipal Court	173,800	214,100	210,836	3,264
Public Safety	918,700	976,100	950,237	25,863
Public Works	313,400	325,500	324,790	710
Cemetery	-	-	1,000	(1,000)
Library	20,000	20,000	20,000	-
Parks	2,000	6,700	6,642	58
Planning and Zoning	107,300	120,900	119,730	1,170
Community Development	8,200	8,200	5,572	2,628
Debt Service				
Principal	73,000	73,000	72,562	438
Interest	-	-	-	-
Capital Outlay	116,300	329,200	330,024	(824)
Total expenditures	2,198,000	2,576,100	2,543,481	32,619
Excess of revenues over (under) expenditures	(120,600)	(232,000)	(34,880)	197,120
Other financing sources (uses):				
Proceeds from capital lease	-	207,000	206,536	(464)
Proceeds from disposition of capital assets	19,600	27,000	25,630	(1,370)
Transfers	-	-	4,861	4,861
Total other financing sources (uses):	19,600	234,000	237,027	3,027
Net change in fund balance	(101,000)	2,000	202,147	200,147
Fund balance - beginning	1,178,149	1,178,149	1,178,149	-
Fund balance - ending	$ 1,077,149	$ 1,180,149	$ 1,380,296	$ 200,147

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

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, 2011
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010

	2011			
Revenues:	Original & Final Budget	Actual	Variance	Actual 2010
Forfeitures	$ -	$ -	$ -	$ 9,738
Interest	100	4	(96)	66
Total Revenue	100	4	(96)	9,804
Expenditures:				
Current				
Police activity	3,000	2,785	215	8,358
Capital Outlay	-	-	-	-
Total Expenditures	3,000	2,785	215	8,358
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	(2,900)	(2,781)	119	1,446
Other Sources and (Uses)				
Transfers	-	-	-	-
Total Other Sources and (Uses)	-	-	-	-
Net change in fund balance	(2,900)	(2,781)	119	1,446
Fund Balance - Beginning of Year	2,913	2,913	-	1,467
Fund Balance - End of Year	$ 13	$ 132	$ 119	$ 2,913

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

CITY OF SENOIA, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

ASSETS	Water	Sewer	Sanitation	Total
Current assets				
Cash	$ 191,575	$ 427,606	$ -	$ 619,181
Receivables-				
Accounts (net)	85,637	76,680	23,783	186,100
Other	-	-	-	-
Due from other funds	-	406,991	-	406,991
Inventory	4,729	-	-	4,729
Restricted assets				
Cash	89,608	194,520	-	284,128
Investments	105,248	-	-	105,248
Total current assets	476,797	1,105,797	23,783	1,606,377
Noncurrent assets				
Deferred loan cost, net	-	16,666	-	16,666
Capital assets				
Land	221,968	833,474	-	1,055,442
Construction in progress	-	-	-	-
Buildings	228,428	-	-	228,428
Improvements other than buildings	5,410,358	10,201,942	-	15,612,300
Vehicles	35,150	62,323	-	97,473
Machinery and equipment	371,920	244,994	-	616,914
Accumulated depreciation	(1,687,583)	(1,615,174)	-	(3,302,757)
Capital assets (net of depreciation)	4,580,241	9,727,559	-	14,307,800
Total noncurrent assets	4,580,241	9,744,225	-	14,324,466
Total assets	5,057,038	10,850,022	23,783	15,930,843

See accompanying notes to the basic financial statements.

CITY OF SENOIA, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	Water	Sewer	Sanitation	Total
LIABILITIES				
Current liabilities				
Accounts payable -	$ -	$ -	$ -	$ -
Customer deposits	76,144	-	-	76,144
Due to other funds	31,955	-	-	31,955
Accrued compensated absences	5,383	9,100	-	14,483
Accrued salaries	6,422	1,647	-	8,069
Deferred revenue	-	-	-	-
Current liabilities payable from restricted assets -				
Revenue bonds	30,000	71,913	-	101,913
Notes	53,099	-	-	53,099
Accrued interest	5,836	3,619	-	9,455
Total current liabilities	208,839	86,279	-	295,118
Long-term liabilities				
Revenue bonds	350,000	4,960,625	-	5,310,625
Notes payable	1,085,070	-	-	1,085,070
Total long-term liabilities	1,435,070	4,960,625	-	6,395,695
Total liabilities	1,643,909	5,046,904	-	6,690,813
Net Assets				
Investments in capital assets, net of related debt	3,062,072	4,695,021	-	7,757,093
Restricted for capital projects	-	-	-	-
Restricted under debt covenants	194,856	194,520	-	389,376
Unrestricted	156,201	913,577	23,783	1,093,561
Total Net Assets	$ 3,413,129	$ 5,803,118	$ 23,783	$ 9,240,030

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, 2011

	Water	Sewer	Sanitation	Total
OPERATING REVENUES				
Charges for services -				
Sales and services	$ 793,332	$ 560,017	$ 216,657	$ 1,570,006
Penalties and reconnect fees	31,321	-	-	31,321
Miscellaneous	594	21,204	-	21,798
Total operating revenues	825,247	581,221	216,657	1,623,125
OPERATING EXPENSES				
Purchase of product / service	25,043	-	200,900	225,943
Salaries and related cost	376,252	143,740	-	519,992
Supplies and materials	105,736	28,137	-	133,873
Repairs and maintenance	49,003	19,044	-	68,047
Utilities	39,810	124,774	-	164,584
Depreciation and amortization	141,218	232,690	-	373,908
Other	74,298	25,289	5,366	104,953
Total operating expenses	811,360	573,674	206,266	1,591,300
Operating income (loss)	13,887	7,547	10,391	31,825
Non-operating revenues and (expenses)				
Interest earned	2,366	652	-	3,018
Interest expense	(66,627)	(221,759)	-	(288,386)
Total non-operating revenues (expenses)	(64,261)	(221,107)	-	(285,368)
Income before transfers and capital contributions	(50,374)	(213,560)	10,391	(253,543)
Capital contributions -				
Developers	95,495	150,433	-	245,928
Intergovernmental	-	-	-	-
Transfers	-	-	(4,861)	(4,861)
Change in net assets	45,121	(63,127)	5,530	(12,476)
NET ASSETS - BEGINNING	3,368,008	5,866,245	18,253	9,252,506
NET ASSETS - ENDING	$ 3,413,129	$ 5,803,118	$ 23,783	$ 9,240,030

See accompanying notes to the basic financial statements.

CITY OF SENOIA, GEORGIA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011

	Water	Sewer	Sanitation	Total
Cash flows from operating activities:				
Cash received from customers and users	$ 827,817	$ 566,693	$ 211,127	$ 1,605,637
Cash paid to suppliers for goods	(392,177)	(231,679)	(206,266)	(830,122)
Cash paid to employees	(292,014)	(108,226)	-	(400,240)
Net cash provided from operating activities	143,626	226,788	4,861	375,275
Cash flows from investing activities:				
Interest received	2,366	652	-	3,018
(Purchase) / redemption of investments	(1,475)	-	-	(1,475)
Net cash from investing activities	891	652	-	1,543
Cash flows from non-capital financing activities:				
Transfers	-	-	(4,861)	(4,861)
Change in due to/from other funds	12,907	(55,005)	-	(42,098)
Net cash flows from non-capital financing activities	12,907	(55,005)	(4,861)	(46,959)
Cash flows from capital financing activities:				
Proceeds from long-term debt	155,394	-	-	155,394
Principal payments on long-term debt	(64,942)	(68,832)	-	(133,774)
Interest paid	(203,069)	(221,809)	-	(424,878)
Capital contributions	95,495	150,433	-	245,928
Purchase / construction of capital assets	(320,671)	(2,500)	-	(323,171)
Proceeds from grants	-	-	-	-
Deferred loan cost	-	-	-	-
Net cash flows from capital financing activities	(337,793)	(142,708)	-	(480,501)
Net cash flows	(180,369)	29,727	-	(150,642)
Cash and cash equivalents - beginning	461,552	592,399	-	1,053,951
Cash and cash equivalents - ending	$ 281,183	$ 622,126	$ -	$ 903,309

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)	$ 13,887	$ 7,547	$ 10,391	$ 31,825
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation and amortization	141,218	232,690	-	373,908
(Increase) decrease in receivables	(1,445)	(14,528)	(5,530)	(21,503)
(Increase) decrease in inventory	-	-	-	-
Increase (decrease) in accounts payable	(17,940)	-	-	(17,940)
Increase (decrease) in customer deposits	4,015	-	-	4,015
Increase (decrease) in accrued liabilities	3,891	1,079	-	4,970
Total adjustments	129,739	219,241	(5,530)	343,450
Net cash from operating activities	$ 143,626	$ 226,788	$ 4,861	$ 375,275
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 3,400 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, cemetery 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, 2011:

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 Funds, 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, 2011 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, 2011. 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. Fund Balance – Governmental Funds

As of December 31, 2011, fund balances of the governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of City of Senoia's Council. Senoia's Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the City Council may assign amounts for specific purposes.

Unassigned – all other spendable amounts.

As of December 31, 2011, fund balances are composed of the following:

	Non-Spendable - Prepaids	Restricted - Capital Outlay	Restricted - Police Activities	Assigned - 2012 Budget	Unassigned
General Fund	$ 45,713	$ -	$ -	$ -	$ 1,334,583
Confiscated Assets Fund	-	-	132	-	-
SPLOST 4 Fund	-	771,641	-	-	-
Development Impact Fee Fund	-	409,772	-	-	-
Police Building Fund	-	86,956	-	-	-
Total	$ 45,713	$ 1,268,369	$ 132	$ -	$ 1,334,583

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditures is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City Council has provided otherwise in its commitment or assignment actions.

(See Independent Auditor's Report).

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

T. 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 $1,657,877 in restricted net assets, of which $1,181,545 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.

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 April 2012. 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, 2011, $3,157,302 of the government's bank balance of $3,657,302 was exposed to custodial credit risk as follows:

The City's deposits are classified as follows at December 31, 2011:

Uninsured and uncollateralized	$ -
Collateralized with securities held by pledging financial institution or its agent	3,157,302
Total	$ 3,157,302

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, 2011, 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 19, 2011 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, 2011 amounted to $160,300.

(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, 2011 consist of the following:

	Revenue	Receivable
General Fund		
Georgia Department of Highway Safety	$ 12,156	$ -
Georgia Department of Transportation - Landscaping Grant	11,340	-
SPLOST 4 Fund		
Georgia Department of Transportation - Resuracing Grants	28,726	-
Coweta County, Georgia - SPLOST Agreement	531,050	98,947
Total Capital Contributions from grants	$ 583,272	$ 98,947

5. RECEIVABLES

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

Governmental Funds

	General	SPLOST 4	Total
Taxes	$ 507,292	$ -	$ 507,292
Fines	136,994	-	136,994
Intergovernmental	-	98,947	98,947
Gross Receivables	644,286	98,947	743,233
Less: Allowance for Uncollectibles	(90,000)	-	(90,000)
Net Total Receivables	$ 554,286	$ 98,947	$ 653,233

Proprietary Funds

	Water	Sewer	Solid Waste Management	Total
Accounts	$ 106,887	$ 91,980	$ 29,733	$ 228,600
Less: Allowance for Uncollectibles	(21,250)	(15,300)	(5,950)	(42,500)
Net Total Receivable	$ 85,637	$ 76,680	$ 23,783	$ 186,100

(See Independent Auditor's Report)

6. INTER-FUND TRANSACTIONS

Individual fund interfund receivable and payable balances at December 31, 2011 were as follows:

Payable To	Payable From: General	Payable From: Water	Totals
General	$ -	$ 31,955	$ 31,955
Sewer	406,991	-	406,991
Water	-	-	-
Totals	$ 406,991	$ 31,955	$ 438,946

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, 2011, the Solid Waste Fund transferred $4,861 to the General Fund as a result of net cash flows.

7. DEFERRED COST

Deferred cost as of December 31, 2011 consists of the following:

	Governmental Activities	Business-Type Activities
Debt issuance cost	$ 23,891	$ 20,000
Accumulated amortization	(5,773)	(3,334)
Net	$ 18,118	$ 16,666

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, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, not being depreciated:				
Land	$ 1,442,229	$ 77,629	$ (58,835)	$ 1,461,023
Construction in progress	-	96,526	-	96,526
Total	1,442,229	174,155	(58,835)	1,557,549
Capital assets being depreciated:				
Buildings and improvements	2,114,472	4,313	(34,274)	2,084,511
Improvements other than buildings	222,498	-	-	222,498
Infrastructure	1,946,980	-	-	1,946,980
Machinery and equipment	597,751	2,521	(82,661)	517,611
Office equipment	166,369	6,040	(26,150)	146,259
Vehicles, including related equipment	611,712	256,026	(345,778)	521,960
Furniture and fixtures	78,473	-	(289)	78,184
Total capital assets being depreciated	5,738,255	268,900	(489,152)	5,518,003
Less accumulated depreciation for:				
Buildings and improvements	215,278	52,703	(13,580)	254,401
Improvements other than buildings	49,871	9,765	-	59,636
Infrastructure	94,230	50,629	-	144,859
Machinery and equipment	305,485	44,763	(76,944)	273,304
Office equipment	119,869	8,319	(26,150)	102,038
Vehicles, including related equipment	558,407	52,219	(344,878)	265,748
Furniture and other equipment	22,535	6,047	(289)	28,293
Total accumulated depreciation	1,365,675	224,445	(461,841)	1,128,279
Total capital assets being depreciated, net	4,372,580	44,455	(27,311)	4,389,724
Governmental capital assets, net	$ 5,814,809	$ 218,610	$ (86,146)	$ 5,947,273

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

General Government	$ 11,287
Police	106,724
Highways and Streets	64,511
Parks and Recreation	40,879
Library	1,044
Total depreciation expense	$ 224,445

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	$ 176,320	$ -	$ 1,055,442
Construction in progress	9,692	95,978	(105,670)	-
Total	888,814	272,298	(105,670)	1,055,442
Capital assets being depreciated:				
Buildings and improvements	228,428	-	-	228,428
Improvements other than buildings	15,563,929	48,371	-	15,612,300
Vehicles	97,473	-	-	97,473
Machinery and equipment	508,743	108,171	-	616,914
Total capital assets being depreciated	16,398,573	156,542	-	16,555,115
Less accumulated depreciation for:				
Buildings and improvements	27,558	5,711	-	33,269
Improvements other than buildings	2,545,943	311,877	-	2,857,820
Vehicles	80,015	8,975	-	88,990
Machinery and equipment	275,847	46,831	-	322,678
Total capital assets being depreciated	2,929,363	373,394	-	3,302,757
Total capital assets being depreciated, net	13,469,210	(216,852)	-	13,252,358
Business-Type Activities capital assets, net	$ 14,358,024	$ 55,446	$ (105,670)	$ 14,307,800

Depreciation expense was charged to functions/programs as follows:

Water	$ 141,217
Sewer	232,177
Total depreciation expense	$ 373,394

(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, 2011:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion
Governmental Activities					
Capital Leases - Facilities	$ 1,100,566	$ -	$ (103,522)	$ 997,044	$ 105,629
Capital Leases - Equipment	-	206,535	(72,562)	133,973	65,194
Accrued Compensated Absences	33,148	32,454	(23,076)	42,526	-
Total Governmental Activity Long-Term Debt	$ 1,133,714	$ 238,989	$ (199,160)	$ 1,173,543	$ 170,823
Business-Type Activities					
Revenue Bonds - GMAC	$ 410,000	$ -	$ (30,000)	$ 380,000	$ 30,000
Revenue Bonds - Rural Dev	5,101,370	-	(68,832)	5,032,538	71,913
GEFA Notes Payable	1,017,717	155,394	(34,942)	1,138,169	53,099
Total Business-Type Activity Long-Term Debt	$ 6,529,087	$ 155,394	$ (133,774)	$ 6,550,707	$ 155,012

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 for facilities.

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 Obligations –

Facilities –

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 $1,178,178, payable through August 2019. For the current year $103,522 of principal and $43,750 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)

Capital Lease Obligations –

Equipment –

During 2011 the City entered into a lease-purchase and security agreement for the purchase of six police vehicles. The City intends to continue to abide by the terms of the lease agreement and eventually own the assets. The assets and the related liabilities are recorded at the present value of future payments due under the lease.

Annual debt service requirements to maturity for the above debt are as follows:

F/Y/E DECEMBER 31,	Capital Leases				TOTALS	
	Police Facilities		Vehicles			
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST		
2012	$ 107,778	$ 39,494	$ 65,194	$ 7,369	$ 172,972	$ 46,863
2013	112,210	35,062	68,779	3,783	180,989	38,845
2014	116,823	30,450	-	-	116,823	30,450
2015	121,626	25,646	-	-	121,626	25,646
2016	126,626	20,646	-	-	126,626	20,646
2017	131,833	15,439	-	-	131,833	15,439
2018	137,253	10,020	-	-	137,253	10,020
2019	142,895	4,377	-	-	142,895	4,377
TOTALS	$ 997,044	$ 181,134	$ 133,973	$ 11,152	$ 1,131,017	192,286

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.

(See Independent Auditor's Report)

9. LONG-TERM DEBT - (Continued)

Water and Sewer Long-Term Debt – Continued

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	$ 380,000
Water note payable to the Georgia Environmental Facilities Authority, in the total amount of $264,800, interest from 3.96%, matures in 2018	140,366
Water note payable to the Georgia Environmental Facilities Authority, in the amount of $1,014,166, interest at 4%, matures in 2031	997,803
Sewer Revenue Bonds in the amount of $5,430,300, interest at 4.375%, payable in monthly installments of $24,200, matures June 2044	5,032,538
Total Business-Type Activities Long-Term Debt	$6,550,707

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
2012	$ 71,913	$ 218,727	$ 30,000	$ 19,000	$ 53,099	$ 46,537
2013	75,123	215,517	30,000	17,500	55,322	44,314
2014	78,476	212,164	35,000	16,000	57,638	41,998
2015	81,980	208,660	35,000	14,250	60,051	39,585
2016	85,639	205,001	35,000	12,500	62,566	37,070
2017-2021	489,066	964,134	215,000	33,000	262,523	149,561
2022-2026	608,409	844,791	-	-	279,782	95,403
2027-2031	756,876	696,324	-	-	307,188	30,480
2032-2036	941,573	511,627	-	-	-	-
2037-2041	1,171,341	281,859	-	-	-	-
2042-2044	672,142	37,745	-	-	-	-
TOTALS	$ 5,032,538	$ 4,396,549	$ 380,000	$ 112,250	$ 1,138,169	$ 484,948

(See Independent Auditor's Report)

10. DEFERRED REVENUES

Deferred revenues as of December 31, 2011, 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	$ 101,865
Fines and forfeitures	32,715
Total deferred revenues - Governmental Funds	$ 134,580

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

Three Rivers Regional Commission

Under Georgia law, the City, in conjunction with other cities and counties in the Metro Atlanta area, is a member of the Three Rivers Regions Commission. 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:

Three Rivers Regional Commission
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)	$7,733,742
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, 2011, 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, 2011. No provisions have been made in the financial statements for the year ended December 31, 2011 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, 2011 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 6.12% 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 2011, the City's annual pension cost of $61,172 for SRP was equal to the City's required and actual contributions. The required contribution was determined as part of the July 1, 2010 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, 2011 was 12 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
7/1/2010	$ 61,172	100%	$ -
10/1/2009	$ 53,699	100%	$ -
9/1/2008	$ 47,873	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)
7/1/2011	$ 556,216	$ 616,257	$ 60,041	90.3%	$ 1,048,673	5.7%
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%

Trend Information
Annual trend information required by generally accepted accounting principles is presented on page 49 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, 2011 are as follows:

Revenue Bond Restricted Assets -	
Debt service account	$ 90,207
Debt service reserve fund	268,995
Renewal and extension fund	30,174
Capital projects-	
Special purpose local option sales funds	672,694
Development impact fee funds	454,065
Police building fund	86,956
Confiscated asset funds	132
	$ 1,603,223

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, 2011, none of the City's funds had a deficit net fund balance or net asset balance.

B) Excess expenditures over budget – There were no actual expenditures that materially (if over 5 percent and greater than $5,000) exceeded their corresponding appropriations at the department level (the legal level of control).

(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)
2011	$ 556,216	$ 616,257	$ 60,041	90.3%	$ 1,048,673	5.7%
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%

(See Independent Auditor's Report)

CITY OF SENOIA, GEORGIA
GENERAL FUND
BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Cash	$ 1,407,136	$ 1,244,420
Receivables:		
Taxes	507,292	402,480
Fines	46,994	39,154
Due from other funds	31,955	19,048
Prepaid expenses	45,713	16,929
Total Assets	$ 2,039,090	$ 1,722,031
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	$ 101,430	$ 61,009
Accrued expenses		
Salaries and wages	15,767	12,765
Other	26	971
Due to other funds	406,991	351,986
Deferred revenues	134,580	117,151
Total Liabilities	658,794	543,882
FUND BALANCE:		
Nonspendable	45,713	16,929
Unassigned	1,334,583	1,161,220
Total Fund Balance	1,380,296	1,178,149
Total Liabilities and Fund Balance	$ 2,039,090	$ 1,722,031

CITY OF SENOIA, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
REVENUES		
Taxes	$ 1,757,455	$ 1,630,331
Licenses and permits	147,227	119,429
Intergovernmental grants	23,496	-
Charges for services	126,603	126,806
Fines, fees and forfeitures	362,515	221,281
Investment income	2,998	4,754
Donations	-	-
Rental income	74,470	15,759
Miscellaneous	13,837	3,874
Total revenues	2,508,601	2,122,234
EXPENDITURES		
Current		
Governing Body	51,488	48,901
Financial Administration	424,907	398,293
Government Buildings	25,693	28,974
Municipal Court	210,836	144,133
Public Safety	950,237	861,500
Highways and Streets	324,790	349,199
Cemetery	1,000	-
Library	20,000	20,000
Parks	6,642	-
Planning and Zoning	119,730	102,756
Downtown Development	5,572	11,120
Debt Service		
Principal	72,562	-
Interest	-	-
Capital Outlay	330,024	169,090
Total expenditures	2,543,481	2,133,966
Excess of revenues over (under) expenditures	(34,880)	(11,732)
Other financing sources (uses):		
Proceeds from capital lease	206,536	-
Proceeds from disposal of capital assets	25,630	-
Transfers	4,861	13,465
Total other financing sources (uses):	237,027	13,465
Net change in fund balance	202,147	1,733
Fund balance - beginning	1,178,149	1,176,416
Fund balance - ending	$ 1,380,296	$ 1,178,149

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF REVENUES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE	2010
REVENUES				
Taxes				
Property taxes	$ 679,500	$ 676,822	$ (2,678)	$ 668,530
Motor vehicle	40,000	46,377	6,377	41,791
Mobile home	500	-	(500)	-
Franchise	286,200	329,772	43,572	292,388
Local option sales	470,000	466,842	(3,158)	447,593
Alcohol beverage	95,000	81,480	(13,520)	84,505
Premium	155,000	155,112	112	93,560
Intangible	1,000	475	(525)	1,204
Transfer	600	243	(357)	760
Other	200	332	132	-
Total taxes	1,728,000	1,757,455	29,455	1,630,331
Licenses and permits				
Business licenses and permits	130,000	147,227	17,227	119,429
Intergovernmental	12,000	23,496	11,496	-
Charges for services				
Sub-division fees	3,000	2,032	(968)	4,200
Fire services	160,000	117,619	(42,381)	120,309
Police services	3,000	3,112	112	1,277
Cemetery fees	3,500	3,840	340	1,020
Other	-	-	-	-
Total charges for services	169,500	126,603	(42,897)	126,806
Fines and forfeitures	283,800	362,515	78,715	221,281
Interest	5,500	2,998	(2,502)	4,754
Rents	10,000	74,470	64,470	15,759
Miscellaneous				
Penalties	-	-	-	-
Other	5,300	13,837	8,537	3,874
Total miscellaneous	5,300	13,837	8,537	3,874
Total Revenues	$ 2,344,100	$ 2,508,601	$ 164,501	$ 2,122,234

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE	2010
EXPENDITURES				
Current				
GOVERNING BODY				
Personal services and benefits	$ 26,000	$ 25,836	$ 164	$ 25,836
Purchased/contracted services	27,000	25,652	1,348	23,065
Total Governing Body	53,000	51,488	1,512	48,901
FINANCIAL ADMINISTRATION				
Personal services and benefits	227,900	234,746	(6,846)	226,797
Purchased/contracted services	170,800	171,447	(647)	154,070
Supplies	22,500	18,714	3,786	17,426
Total Financial Administration	421,200	424,907	(3,707)	398,293
GOVERNMENT BUILDINGS				
Personal services and benefits	-	-	-	4,530
Purchased/contracted services	17,400	17,166	234	15,276
Supplies	10,800	8,527	2,273	9,168
Total Government Buildings	28,200	25,693	2,507	28,974
MUNICIPAL COURT				
Personal services and benefits	67,300	68,955	(1,655)	50,890
Purchased/contracted services	38,100	36,297	1,803	26,814
Supplies	800	659	141	1,067
Other costs	107,900	104,925	2,975	65,362
Total Municipal Court	214,100	210,836	3,264	144,133

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE	2010
PUBLIC SAFETY				
POLICE SERVICES				
Personal services and benefits	$ 598,200	$ 619,382	$ (21,182)	$ 557,612
Purchased/contracted services	125,500	122,232	3,268	113,799
Supplies	92,400	91,004	1,396	70,765
Total Police Services	816,100	832,618	(16,518)	742,176
FIRE SERVICES				
Purchased/contracted services	160,000	117,619	42,381	119,324
Total Fire Services	160,000	117,619	42,381	119,324
Total Public Safety	976,100	950,237	25,863	861,500
HIGHWAYS AND STREETS				
Personal services and benefits	154,200	156,079	(1,879)	143,400
Purchased/contracted services	71,100	69,689	1,411	117,567
Supplies	100,200	99,022	1,178	88,232
Total Highways and Streets	325,500	324,790	710	349,199
CEMETERY				
Payments to others	-	1,000	(1,000)	-
Total Cemetery	-	1,000	(1,000)	-
LIBRARY				
Personal services and benefits	-	-	-	-
Purchased/contracted services	20,000	20,000	-	20,000
Supplies	-	-	-	-
Total Library	20,000	20,000	-	20,000
PARKS				
Purchased/contracted services	6,700	6,642	58	-
Total Parks	6,700	6,642	58	-

CITY OF SENOIA, GEORGIA
GENERAL FUND
SCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2011
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE	2010
PLANNING AND ZONING				
Personal services and benefits	$ 53,700	$ 54,631	$ (931)	$ 51,616
Purchased/contracted services	63,200	62,111	1,089	48,874
Supplies	4,000	2,988	1,012	2,266
Total Planning and Zoning	120,900	119,730	1,170	102,756
DOWNTOWN DEVELOPMENT				
Purchased/contracted services	7,200	5,087	2,113	10,338
Supplies	1,000	485	515	782
Total Community Development	8,200	5,572	2,628	11,120
DEBT SERVICE:				
Principal	73,000	72,562	438	-
Interest	-	-	-	-
Total Debt Service	73,000	72,562	438	-
CAPITAL OUTLAY				
Financial Administration	-	1,992	(1,992)	2,011
Court	-	-	-	-
Police Services	241,300	240,144	1,156	64,300
Highways and Streets	10,100	10,091	9	99,910
Parks	-	-	-	2,870
Cemetery	77,800	77,797	3	-
Library	-	-	-	-
Total Capital Outlay	329,200	330,024	(824)	169,091
Total Expenditures	$ 2,576,100	$ 2,543,481	$ 32,619	$ 2,133,967

CITY OF SENOIA, GEORGIA
CONFISCATED ASSETS SPECIAL REVENUE FUND
BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Cash	$ 132	$ 2,913
Total Assets	$ 132	$ 2,913
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	$ -	$ -
Deferred revenue	-	-
Total Liabilities	-	-
Fund Equity:		
Restricted for police activities	132	2,913
Total Fund Equity	132	2,913
Total Liabilities and Fund Equity	$ 132	$ 2,913

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, 2011
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2010

	2011			
Revenues:	Original & Final Budget	Actual	Variance	Actual 2010
Forfeitures	$ -	$ -	$ -	$ 9,738
Interest	100	4	(96)	66
Total Revenue	100	4	(96)	9,804
Expenditures:				
Current				
Police activity	3,000	2,785	215	8,358
Capital Outlay	-	-	-	-
Total Expenditures	3,000	2,785	215	8,358
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	(2,900)	(2,781)	119	1,446
Other Sources and (Uses)				
Transfers	-	-	-	-
Total Other Sources and (Uses)	-	-	-	-
Net change in fund balance	(2,900)	(2,781)	119	1,446
Fund Balance - Beginning of Year	2,913	2,913	-	1,467
Fund Balance - End of Year	$ 13	$ 132	$ 119	$ 2,913

CITY OF SENOIA, GEORGIA
SPLOST 4 CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Cash	$ 672,694	$ 485,389
Intergovernmental receivable	98,947	83,544
Grant receivable	-	17,616
Total assets	$ 771,641	$ 586,549
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ 28,184
Deferred revenue	-	-
Total liabilities	-	28,184
Fund balance		
Restricted for capital outlay	771,641	558,365
Total fund balance	771,641	558,365
Total liabilities and fund balance	$ 771,641	$ 586,549

CITY OF SENOIA, GEORGIA
SPLOST 4 CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
REVENUES		
Intergovernmental - Coweta Co.	$ 531,050	$ 507,717
Intergovernmental - DOT	28,726	256,807
Interest	1,078	3,860
Total revenues	560,854	768,384
EXPENDITURES		
Administrative	-	-
Capital Outlay -		
Police site	-	150,889
Parks and recreation	3,200	519,945
Road and street projects	197,106	32,133
Debt Service -		
Principal	103,522	99,434
Interest	43,750	47,838
Total expenditures	347,578	850,239
Excess of revenues over (under) expenditures	213,276	(81,855)
Other financing sources (uses)		
Transfers	-	-
Net change in fund balance	213,276	(81,855)
Fund Balance -		
Beginning	558,365	640,220
Ending	$ 771,641	$ 558,365

CITY OF SENOIA, GEORGIA
SCHEDULE OF PROJECTS FINANCED
WITH SPECIAL SALES TAX #4 PROCEEDS
FOR THE YEAR ENDED DECEMBER 31, 2011

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	747,561	3,200	750,761	93.8%
Police Facilities and Equipment	1,000,000	516,063	147,272	663,335	66.3%
Other Transportation Projects	400,000	434,842	197,106	631,948	158.0%
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	$ 1,888,247	$ 347,578	$ 2,235,825	

CITY OF SENOIA, GEORGIA
DEVELOPMENT IMPACT FEE FUND
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	2011	2010
Assets		
Cash	$ 454,065	$ 469,465
Total Assets	$ 454,065	$ 469,465
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ 44,293	$ 11,351
Due to other funds	-	-
Total Liabilities	44,293	11,351
Fund equity:		
Restricted for capital outlay	409,772	458,114
Total Fund Equity	409,772	458,114
Total Liabilities and Fund Equity	$ 454,065	$ 469,465

CITY OF SENOIA, GEORGIA
DEVELOPMENT IMPACT FEE FUND
SCHEDULE OF REVENUES AND EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2011
WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED DECEMBER 31, 2010

	2011			
	FINAL BUDGET	ACTUAL	VARIANCE	2010
Revenues				
Impact fees	$ 136,000	$ 74,038	$ (61,962)	$ 63,136
Interest	-	409	409	2,222
Miscellaneous	-	-	-	-
Total Revenues	136,000	74,447	(61,553)	65,358
Expenditures				
Current				
Bank charges	-	-	-	-
Capital outlay				
Administration	4,500	-	4,500	-
Police	15,300	4,313	10,987	137,870
Library	97,000	96,526	474	-
Parks	22,000	21,950	50	-
Total Expenditures	138,800	122,789	16,011	137,870
Excess of Revenues Over (Under) Expenditures Before Other Sources and (Uses)	(2,800)	(48,342)	(45,542)	(72,512)
Other Sources and (Uses)				
Transfers	-	-	-	-
Net change in fund balance	(2,800)	(48,342)	(45,542)	(72,512)
Fund Balance - Beginning	458,114	458,114	-	530,626
Fund Balance - End of Year	$ 455,314	$ 409,772	$ (45,542)	$ 458,114

CITY OF SENOIA, GEORGIA
POLICE BUILDING CAPITAL PROJECTS FUND
BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Cash	$ 86,956	$ 86,845
Taxes receivable	-	-
Due from other funds	-	-
Total assets	$ 86,956	$ 86,845
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	$ -	$ -
Total liabilities	-	-
Fund balance		
Restricted for capital outlay	86,956	86,845
Total fund balance	86,956	86,845
Total liabilities and fund balance	$ 86,956	$ 86,845

CITY OF SENOIA, GEORGIA
POLICE BUILDING CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
REVENUES		
Interest	$ 39	$ 345
Other	72	-
Total revenues	111	345
EXPENDITURES		
Capital Outlay -		
Police facilities	-	409,157
Debt Service		
Debt issuance costs	-	-
Total expenditures	-	409,157
Excess of revenues over (under) expenditures	111	(408,812)
Other financing sources (uses)		
Proceeds from capital lease obligation	-	-
Net change in fund balance	111	(408,812)
Fund Balance -		
Beginning	86,845	495,657
Ending	$ 86,956	$ 86,845

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, 2011

	PRIOR YEARS	CURRENT YEAR	TOTAL TO DATE	PROJECT AUTHORIZTION
REVENUES				
Interest	$ 905	$ 39	$ 944	$ 1,000
Other	128	72	200	-
Total revenues	1,033	111	1,144	1,000
EXPENDITURES				
Capital Outlay -				
Police facilities	1,090,297	-	1,090,297	1,400,000
Debt Service -				
Debt issuance costs	23,891	-	23,891	23,891
Total expenditures	1,114,188	-	1,114,188	1,423,891
Excess of revenues over (under) expenditures	(1,113,155)	111	(1,113,044)	(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	86,845	111	86,956	-
Fund Balance -				
Beginning	-	-	-	-
Ending	$ 86,845	$ 111	$ 86,956	$ -

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Current assets		
Cash	$ 191,575	$ 354,011
Receivables-		
Accounts (net)	85,637	84,192
Accrued interest	-	-
Due from other funds	-	-
Inventory	4,729	4,729
Restricted assets		
Cash	89,608	107,541
Investments	105,248	103,773
Total current assets	476,797	654,246
Noncurrent assets		
Capital assets		
Land	221,968	45,648
Construction in progress	-	9,692
Improvements other than buildings	5,410,358	5,361,987
Buildings	228,428	228,428
Machinery and equipment	371,920	266,249
Vehicles	35,150	35,150
Accumulated depreciation	(1,687,583)	(1,546,366)
Capital assets (net of depreciation)	4,580,241	4,400,788
Total noncurrent assets	4,580,241	4,400,788
Total assets	5,057,038	5,055,034

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
LIABILITIES		
Current liabilities		
Accounts payable	$ -	$ 17,940
Accrued expenses		
Customer deposits	76,144	72,129
Salaries	6,422	4,669
Compensated absences	5,383	3,245
Due to other funds	31,955	19,048
Current liabilities payable from restricted assets		
Revenue bonds	30,000	30,000
Notes	53,099	18,579
Accrued interest	5,836	142,278
Total current liabilities	208,839	307,888
Long-term liabilities		
Revenue bonds	350,000	380,000
Notes payable	1,085,070	999,138
Total long-term liabilities	1,435,070	1,379,138
Total liabilities	1,643,909	1,687,026
Net Assets		
Investments in capital assets, net of related debt	3,062,072	2,973,071
Restricted under debt ordinance	194,856	211,314
Restricted for capital projects	-	-
Unrestricted	156,201	183,623
Total Net Assets	$ 3,413,129	$ 3,368,008

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
OPERATING REVENUES		
Sales and service	$ 793,332	$ 751,750
Penalties	31,321	29,877
Miscellaneous	594	-
Total operating revenues	825,247	781,627
OPERATING EXPENSES		
Purchase of product	25,043	45,983
Salaries and related cost	376,252	307,244
Supplies and materials	105,736	56,375
Repairs and maintenance	49,003	58,703
Utilities	39,810	34,195
Depreciation and amortization	141,218	132,392
Other	74,298	65,104
Total operating expenses	811,360	699,996
Operating income (loss)	13,887	81,631
Non-operating revenues and (expenses)		
Interest earned	2,366	4,511
Interest expense	(66,627)	(61,460)
Total non-operating revenues (expenses)	(64,261)	(56,949)
Income before transfers and capital contributions	(50,374)	24,682
Capital contributions -		
Developers	95,495	67,431
Intergovernmental	-	34,686
Transfers	-	-
Change in net assets	45,121	126,799
NET ASSETS - BEGINNING	3,368,008	3,241,209
NET ASSETS - ENDING	$ 3,413,129	$ 3,368,008

CITY OF SENOIA, GEORGIA
WATER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Cash flows from operating activities:		
Cash received from customers and users	$ 827,817	$ 788,349
Cash paid to suppliers for goods and services	(392,177)	(323,733)
Cash paid to employees	(292,014)	(248,029)
Net cash provided from operating activities	143,626	216,587
Cash flows from investing activities:		
Interest received	2,366	5,087
(Purchase) / redemption of investments	(1,475)	(2,504)
Net cash from investing activities	891	2,583
Cash flows from non-capital financing activities:		
Transfers	-	-
Change in due to/from other funds	12,907	(94,584)
Net cash flows from non-capital financing activities	12,907	(94,584)
Cash flows from capital financing activities:		
Proceeds from long-term debt	155,394	-
Principal payments on long-term debt	(64,942)	(42,861)
Interest paid	(203,069)	(28,488)
Capital contributions	95,495	102,117
Purchase / construction of capital assets	(320,671)	(235,820)
Net cash flows from capital financing activities	(337,793)	(205,052)
Net cash flows	(180,369)	(80,466)
Cash and cash equivalents - beginning	461,552	542,018
Cash and cash equivalents - ending	$ 281,183	$ 461,552

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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2011	2010
Operating income (loss)	$ 13,887	$ 81,631
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	141,218	132,392
(Increase) decrease in receivables	(1,445)	747
(Increase) decrease in inventory	-	-
Increase (decrease) in accounts payable	(17,940)	(2,187)
Increase (decrease) in customer deposits	4,015	5,975
Increase (decrease) in accrued liabilities	3,891	(1,971)
Total adjustments	129,739	134,956
Net cash from operating activities	$ 143,626	$ 216,587

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

ASSETS	2011	2010
Current assets		
Cash	$ 427,606	$ 427,409
Receivables-		
Accounts (net)	76,680	62,152
Due from other funds	406,991	351,986
Restricted assets		
Cash	194,520	164,990
Total current assets	1,105,797	1,006,537
Noncurrent		
Deferred loan cost, net of amortization	16,666	17,179
Capital assets		
Land	833,474	833,474
Improvements other than buildings	10,201,942	10,201,942
Vehicles	62,323	62,323
Machinery and equipment	244,994	242,494
Accumulated depreciation	(1,615,174)	(1,382,997)
Capital assets (net of depreciation)	9,727,559	9,957,236
Total noncurrent assets	9,744,225	9,974,415
Total assets	10,850,022	10,980,952

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
LIABILITIES		
Current liabilities		
Accounts payable		
Trade	$ -	$ -
Due to other funds	-	-
Accrued compensated absences	9,100	7,586
Accrued salaries	1,647	2,082
Deferred revenue	-	-
Current liabilities payable from restricted assets		
Revenue bonds	71,913	68,840
Accrued interest	3,619	3,669
Total current liabilities	86,279	82,177
Long-term liabilities		
Revenue bonds	4,960,625	5,032,530
Total long-term liabilities	4,960,625	5,032,530
Total liabilities	5,046,904	5,114,707
Net Assets		
Investments in capital assets, net of related debt	4,695,021	4,855,866
Restricted for capital projects	-	-
Restricted as to debt covenants	194,520	164,990
Unrestricted	913,577	845,389
Total Net Assets	$ 5,803,118	$ 5,866,245

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
OPERATING REVENUES		
Sales and service	$ 560,017	$ 522,657
Penalties and reconnect fees	-	-
Miscellaneous	21,204	22,002
Total operating revenues	581,221	544,659
OPERATING EXPENSES		
Salaries and related cost	143,740	148,844
Supplies and materials	28,137	25,959
Repairs and maintenance	19,044	23,384
Utilities	124,774	101,956
Depreciation and amortization	232,690	233,584
Other	25,289	20,861
Total operating expenses	573,674	554,588
Operating income (loss)	7,547	(9,929)
Non-operating revenues and (expenses)		
Interest earned	652	2,025
Interest expense	(221,759)	(224,702)
Total non-operating revenues (expenses)	(221,107)	(222,677)
Income before transfers and capital contributions	(213,560)	(232,606)
Capital contributions -		
Community Development Block Grant	-	-
Rural Development Grant	-	-
Developers	150,433	124,702
Change in net assets	(63,127)	(107,904)
NET ASSETS - BEGINNING	5,866,245	5,974,149
NET ASSETS - ENDING	$ 5,803,118	$ 5,866,245

CITY OF SENOIA, GEORGIA
SEWER ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Cash flows from operating activities:		
Cash received from customers and users	$ 566,693	$ 548,507
Cash paid to suppliers for goods	(231,679)	(208,873)
Cash paid to employees	(108,226)	(115,377)
Net cash provided from operating activities	226,788	224,257
Cash flows from investing activities:		
Interest received	652	2,025
Net cash from investing activities	652	2,025
Cash flows from non-capital financing activities:		
Change in due to/from other funds	(55,005)	(21,352)
Net cash flows from non-capital financing activities	(55,005)	(21,352)
Cash flows from capital financing activities:		
Proceeds from long-term debt	-	-
Payments on long-term debt	(68,832)	(65,891)
Interest paid	(221,809)	(224,749)
Purchase / construction of capital assets	(2,500)	(5,276)
Capital contributions from developers	150,433	124,702
Net cash flows from capital financing activities	(142,708)	(171,214)
Net cash flows	29,727	33,716
Cash and cash equivalents - beginning	592,399	558,683
Cash and cash equivalents - ending	$ 622,126	$ 592,399

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

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

	2011	2010
Operating income (loss)	$ 7,547	$ (9,929)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	232,690	233,584
(Increase) decrease in receivables	(14,528)	3,848
Increase (decrease) in accounts payable	-	(3,535)
Increase (decrease) in accrued liabilities	1,079	289
Total adjustments	219,241	234,186
Net cash from operating activities	$ 226,788	$ 224,257

CITY OF SENOIA, GEORGIA
SOLID WASTE MANAGEMENT FUND
COMPARATIVE STATEMENT OF NET ASSETS
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Current assets		
Receivables, net -		
Accounts	$ 23,783	$ 18,253
Total current assets	23,783	18,253
Total assets	23,783	18,253
LIABILITIES		
Current liabilities		
Accounts payable	-	-
Total current liabilities	-	-
Long-term liabilities	-	-
Total liabilities	-	-
NET ASSETS		
Investment in capital assets - net of related debt	-	-
Unrestricted	23,783	18,253
Total Net Assets	$ 23,783	$ 18,253

CITY OF SENOIA, GEORGIA
SOLID WASTE MANAGEMENT FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEARS DECEMBER 31, 2011 AND 2010

	2011	2010
OPERATING REVENUES		
Charges for services	$ 216,657	$ 210,181
Total operating revenues	216,657	210,181
OPERATING EXPENSES		
Purchase of product	200,900	194,810
Other	5,366	950
Total operating expenses	206,266	195,760
Operating income (loss)	10,391	14,421
Transfers	(4,861)	(13,465)
Change in net assets	5,530	956
NET ASSETS - BEGINNING	18,253	17,297
NET ASSETS - ENDING	$ 23,783	$ 18,253

CITY OF SENOIA, GEORGIA
SOLID WASTE MANAGEMENT FUND
COMPARATIVE STATEMENT OF CASH FLOWS
FOR THE YEARS DECEMBER 31, 2011 AND 2010

	2011	2010
Cash flows from operating activities:		
Cash received from customers and users	$ 211,127	$ 209,225
Cash paid to suppliers for goods	(206,266)	(195,760)
Cash paid to employees	-	-
Net cash provided from operating activities	4,861	13,465
Cash flows from investing activities:		
Other	-	-
Net cash from investing activities	-	-
Cash flows from non-capital financing activities:		
Transfers	(4,861)	(13,465)
Net cash flows from non-capital financing activities	(4,861)	(13,465)
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

	2011	2010
Operating income (loss)	$ 10,391	$ 14,421
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	-	-
(Increase) decrease in receivables	(5,530)	(956)
Increase (decrease) in accounts payable	-	-
Total adjustments	(5,530)	(956)
Net cash from operating activities	$ 4,861	$ 13,465

CITY OF SENOIA, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE BALANCE SHEET
DECEMBER 31, 2011 AND 2010

	2011	2010
Assets		
Assets:		
Cash	$ 37,597	$ 62,425
Note receivable	19,000	-
Total Assets	$ 56,597	$ 62,425
Liabilities and Fund Equity		
Liabilities:		
Accounts payable	$ -	$ -
Total Liabilities	-	-
Fund equity:		
Fund Balance - Unassigned	56,597	62,425
Total Fund Equity	56,597	62,425
Total Liabilities and Fund Equity	$ 56,597	$ 62,425

CITY OF SENOIA, GEORGIA
DOWNTOWN DEVELOPMENT AUTHORITY
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Revenues:		
Intergovernmental	$ 4,613	$ 8,258
Events and promotions	22,183	24,946
Rents	2,100	-
Miscellaneous	745	-
Total Revenues	29,641	33,204
Expenditures:		
Purchased / contracted services	19,769	39,339
Supplies	12,980	11,925
Payments to others - Façade Grants	1,639	10,780
Capital outlay	120,066	5,936
Debt service - interest	1,015	-
Total Expenditures	155,469	67,980
Excess of revenues over (under) expenditures	(125,828)	(34,776)
Other financing sources (uses):		
Proceeds from note issue	85,000	-
Proceeds from sale of asset	35,000	-
Total Other Financing Sources (Uses)	120,000	-
Net change in fund balance	(5,828)	(34,776)
Fund Balance - Beginning of year	62,425	97,201
Fund Balance - End of year	$ 56,597	$ 62,425