CITY OF VIENNA, GEORGIA

FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2011

# CITY OF VIENNA, GEORGIA

## FINANCIAL REPORT

## FOR THE YEAR ENDED SEPTEMBER 30, 2011

HERBERT E. ALLEN
CERTIFIED PUBLIC ACCOUNTANT
AMERICUS, GEORGIA 31709

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CITY OF VIENNA OFFICIALS

EMERSON LUNDY, SR., MAYOR

BETH ENGLISH, MAYOR PROTEM

BRENDA GRAMM, COUNCIL MEMBER

WALTER BROWN, COUNCIL MEMBER

BETH ENGLISH, COUNCIL MEMBER

CITY CLERK - TREASURER - ADMINISTRATOR

GAIL B. BEMBRY

# HERBERT E. ALLEN

CERTIFIED PUBLIC ACCOUNTANT

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Member of the American Institute of Certified Public Accountants

Member of the Georgia Society of Certified Public Accountants


June 11, 2012

## INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and City Council
City of Vienna
Vienna, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate discretely presented component units of the City of Vienna, Georgia as of and for the year September 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City'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 Governmental Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component units of the City of Vienna, Georgia as of September 30, 2011, and the respective changes in financial position, cash flows, and required budgetary information where applicable, thereof for the year ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the financial statement taken as a whole. The individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of Vienna, Georgia. Such information has been subjected to the auditing procedures applied in the audit of the financial statements for the year ended September 30, 2011 and, in our opinion, is fairly stated in all material respects in relation to the respective financial statements taken as a whole.

In accordance with Government Auditing Standards, we have issued a report dated June 11, 2012, on our consideration of the City's internal control structure and on its compliance with laws and regulations, contracts and grant agreements and other matters. The report on compliance with laws and regulations and internal control over financial reporting is an integral part of an audit performed in accordance with Government Auditing Standards, and in considering the results of the audit, that the report(s) should be read in conjunction with the auditor's report on the financial statements.

The management's discussion and analysis (pages 3 through 12) are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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. 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 City of Vienna, Georgia's financial statements as a whole. The combining, individual fund schedules, and other supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the financial statements. The combining, individual fund schedules, and other supplemental information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in the relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cite of Vienna, Georgia's basic financial statements. The accompanying schedules (pages 45-62) are presented for purpose of additional analysis and are not a required part of the basic financial statements. The information in the schedules has been subjected to the auditing procedure applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

HERBERT E ALLEN, CPA

HERBERT E. ALLEN, CPA

**CITY OF VIENNA, GEORGIA**
**MANAGEMENT'S DISCUSSION & ANALYSIS (Unaudited)**
**As of and for the year ended September 30, 2011**

Within this section of the City of Vienna, Georgia's (the City) annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the fiscal year ended September 30, 2011. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

## FINANCIAL HIGHLIGHTS

The City's assets exceeded its liabilities by $14,678,710 (net assets) for the fiscal year reported.

Total net assets are comprised of the following:

1. Capital assets, net of related debt, of $12,343,779 included property and equipment net of accumulated depreciation, and reduced for outstanding debt related to the purchase on construction of capital assets.
2. Net assets of $1,015,821 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws or regulations.
3. Unrestricted net assets of $1,319,110 represent the portion available to maintain the City's continuing obligations to citizens and creditors.

The City's governmental funds reported total ending fund balance of $905,157 this year. This compares to the prior year ending fund balance of $342,503 showing a decrease of $562,654 during the current year. Both years are unreserved.

At the end of the current fiscal year, unreserved fund balance (including Designated amounts) for the general fund was $210,640 or 9% of total General fund expenditures.

Overall, the City continued to maintain a reasonable strong financial position in its general fund, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The management discussion and analysis document introduces the City's basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

*Government –Wide Financial Statements*

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the ***Statement of Net Assets***. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference 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 as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of the City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the ***Statement of Activities***, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by property and sales taxes and from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety, public works, culture and recreation and housing and development. Business-type activities include the gas, water and sewer.

The government-wide financial statements are presented on pages 13 & 14 of this report.

*Fund Financial Statements*

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulation. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

**The City has two kinds of funds:**

*Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the funds. This City's governmental statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives. In addition, the City presents its budget to actual comparison statements as basic financial statements for the general fund.

The basic governmental fund financial statements are presented on pages 15-19 of this report.

*Propriety funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee. The two City propriety funds are classified as enterprise funds. This enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. These services are provided to customers external to the City organization.
The basic enterprise fund financial statements are presented on pages 20-23 of this report.

*Notes to the Basic Financial Statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

**Financial Analysis of the City as a whole**

The City's net assets at fiscal year-end are $14,678,710. The following table provides a summary of the City's net assets:

**Summary of Net Assets**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Assets: | | | | | | |
| Current Assets | $ 913,995 | $ 374,083 | $ 1,616,735 | $ 1,628,846 | $ 2,530,730 | $ 2,002,929 |
| Capital Assets | 6,031,030 | 3,627,997 | 9,852,593 | 10,475,675 | 15,883,623 | 14,103,672 |
| **Total Assets** | $ 6,945,025 | $ 4,002,080 | $ 11,469,328 | $ 12,104,521 | $ 18,414,353 | $ 16,106,601 |
| Liabilities: | | | | | | |
| Current Liabilities | $ 9,038 | $ 117,967 | $ 221,294 | $ 653,036 | $ 230,332 | $ 771,003 |
| Long-Term Liabilities | 923,401 | 799,233 | 2,616,443 | 2,611,443 | 3,539,844 | 3,410,676 |
| **Total Liabilities** | $ 932,439 | $ 917,200 | $ 2,837,737 | $ 3,264,479 | $ 3,770,176 | $ 4,181,679 |
| Net Assets: | | | | | | |
| Invested in capital assets net of debt | $ 5,107,629 | $ 2,745,161 | $ 7,236,150 | $ 7,449,776 | $ 12,343,779 | $ 10,194,937 |
| Restricted | 694,417 | 265,107 | 321,404 | 385,504 | 1,015,821 | 650,611 |
| Unrestricted | 210,540 | 74,612 | 1,108,570 | 1,004,762 | 1,319,110 | 1,079,374 |
| **Total Net Assets** | $ 6,012,586 | $ 3,084,880 | $ 8,666,124 | $ 8,840,042 | $ 14,678,710 | $ 11,924,922 |

The City continues to maintain a high current ratio. The current ration compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.3 to 1 (as compared to 3.17 to 1 at September 30, 2010) and 2.8 to 1 for business type activities (as compared to 2.6 to 1 at September 30, 2010). For the City overall, the current ratio is 2.80 to 1 (as compared to 2.60 to 1 at September 30, 2010). These ratios are strong.

The City reported positive balances in net assets for both governmental and business-type activities. Net assets increased $2,927,706 for governmental activities and decreased by $173,918 for business-type activities. The City's overall financial position improved during fiscal year 2011.

The following table provides a summary of the City's changes in net assets:

**Summary of Net Assets**

| | Governmental Activities | | Business-type Activities | | Totals | |
|---|---|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| **Program Revenues:** | | | | | | |
| Charges for Services | $ 8,043 | $ 17,674 | $ 3,572,517 | $ 3,146,657 | $ 3,580,560 | $ 3,164,331 |
| Fines | 61,164 | 96,238 | - | - | 61,164 | 96,238 |
| Licenses/Permits | 37,843 | 34,512 | - | - | 37,843 | 34,512 |
| Operating Grants | 258,665 | 34,484 | 39,185 | - | 297,850 | 34,484 |
| Capital Grants | | 192,169 | - | 230,028 | - | 422,197 |
| Intergovernmental | 2,674,741 | - | - | - | 2,674,741 | - |
| Taxes | 1,369,106 | 1,305,551 | - | - | 1,369,106 | 1,305,551 |
| Other | 279,587 | 215,609 | 97,736 | 70,170 | 377,323 | 285,779 |
| **Total Revenue** | $ 4,689,149 | $ 1,896,237 | $ 3,709,438 | $ 3,446,855 | $ 8,398,587 | $ 5,343,092 |
| **Program Expenses:** | | | | | | |
| General Government | $ 482,511 | $ 647,080 | $ - | $ - | 482,511 | $ 647,080 |
| Public Safety | 624,403 | 689,079 | - | - | 624,403 | 689,079 |
| Public Works | 380,386 | 380,598 | - | - | 380,386 | 380,598 |
| Community Development | 129,856 | 152,595 | - | - | 129,856 | 152,595 |
| Interest | - | - | 166,724 | 180,875 | 166,724 | 180,875 |
| Gas | - | - | 1,643,166 | 1,914,494 | 1,643,166 | 1,914,494 |
| Water & Sewer | - | - | 1,498,782 | 795,063 | 1,498,782 | 795,063 |
| Capital Outlay | 2,642,284 | 8,951 | - | - | 2,642,284 | 8,951 |
| Debt Service | 93,930 | 89,425 | - | - | 93,930 | 89,425 |
| **Total Expenses** | $ 4,353,370 | $ 1,967,728 | $ 3,308,672 | $ 2,890,432 | $ 7,662,042 | $ 4,858,160 |
| Excess (deficiency) | 335,779 | (71,491) | 400,766 | 556,423 | 736,545 | 484,932 |
| Transfers | 226,981 | | (226,981) | | | - |
| Prior Adjustment | | 2,678 | | (382,237) | - | (379,559) |
| **Change in Net Assets** | $ 562,760 | $ (68,813) | $ 173,785 | $ 174,186 | $ 736,545 | $ 105,373 |
| Beginning Net Assets | 342,397 | 411,210 | 8,457,805 | 8,283,619 | 8,800,202 | 8,694,829 |
| **Ending Net Assets** | $ 905,157 | $ 342,397 | $ 8,631,590 | $ 8,457,805 | $ 9,536,747 | $ 8,800,202 |

## GOVERNMENTAL REVENUES

The City is heavily reliant on both sales taxes and property taxes to support governmental operations and capital. Sales taxes provided 18% of the City's general governmental revenues for fiscal year 2011 as compared to a restated 17% in fiscal year 2010. Property taxes (including premium and franchise) are the second largest revenue source with offer $1,050,046 of revenues of 60% of the total. Because of the City's healthy financial position, we have been able to earn $ 1,626 in investment earnings to support governmental activities. Also, note that program revenues cover only 20% of governmental operating expenses This means that government's taxpayers and the City's other general governmental revenues fund 80% of the governmental activities. As a result, the general economy and the economic success of the City businesses have a major impact on the City's revenue streams.

## GOVERNMENTAL FUNCTIONAL EXPENSES

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

| | Governmental Activities | | | |
|---|---|---|---|---|
| | 2011 | | 2010 | |
| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
| General Government | $ 615,946 | $ 578,103 | $ 750,021 | $ 674,180 |
| Public Safety | 765,072 | 703,908 | 727,604 | 631,366 |
| Public Works | 404,966 | 396,923 | 415,225 | 397,551 |
| Culture and Recreation | 649 | 649 | 649 | 649 |
| Community Development | 154,436 | 154,436 | 186,443 | 186,443 |
| **Total** | $ 1,941,069 | $ 1,834,019 | $ 2,079,942 | $ 1,890,189 |

## BUSINESS-TYPE ACTIVITIES

**Revenues vs. Expenses**

The operating revenues for the enterprise funds were 12.09% below 2010 and operating expenses 42.82% below 2010. The primary reason is explained below.

*Gas Fund* – Gas fund operating revenues decreased $354,760 or 20.6 %. Operating expenses decreased $39,282 or 9.97%. The decrease relates primarily to a mild winter. This fund reported a $168,544 decrease in net assets as compared to $58,053 increase in fiscal year 2010.

*Water and Sewer Fund* – The water and sewer fund operating revenues increased $801,920 or 39.21%. Operating expenses increased $697,754 or 58.64%. This is related to a different way of reporting revenue and expense.

Financial Analysis of the City's Funds

*Governmental Funds*

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of $905,157 of this year-end total, $210,640 is unreserved, indicating availability for continuing City service requirements.

*Major Governmental Funds*

*The General Fund* – The general fund is the City's primary operating fund and the largest source of day-to-day service delivery. The general fund balance increased by $136,028 or 53%. In fiscal year 2010, the fund balance decreased $171,506 or 69.3%.

Property taxes increased by $62,402 or 14.79% from fiscal year 2010. General fund sales taxes increased $19,112 or 6.51% over fiscal year 2010.

Fines and forfeitures decreased by $35,074 or 36.45%.

Most other revenue streams were consistent with that of fiscal year 2010.

Total expenditures increased by $100,560 or 5.34%.

*Major Governmental Funds* **(Continued)**

The cost of most other expenditure functions was reasonably consistent with fiscal year 2010.

The general fund's ending unreserved fund balance increased over 2010 by $136,028 or 61.58%.

*The Propriety Funds*

The propriety funds statements share the same focus as the government-wide statements, reporting both short-term and long-term information about financial status. Therefore, see financial analysis presented above.

*Budgetary Highlights*

*The General Fund* – The revenue budget was increased from the prior year 2.93%.

In total, the City realized 93.14% of the estimated revenues.

The expenditure budget for the General Fund increased from the prior year in the amount of $52,262.

The City over spent 2.56% of the authorized budget.

The September 30, 2011, revised budget was very much in line with the City's Revenues and Expenditures.

## Capital Assets and Debt Administration

### Capital Assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business- type activities as of September 30, 2011, was $6,031,030 and $9,852,592 respectively. See Note Q for additional information about changes on capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital activity.

**Capital Assets**

| | Governmental Activities | | Business-Type Activities | |
|---|---|---|---|---|
| | 2011 | 2010 | 2011 | 2010 |
| Non-depreciated asset | | | | |
| Land | $ 197,264 | $ 197,264 | $ - | $ - |
| Total Non-depreaciated asset | $ 197,264 | $ 197,264 | $ - | $ - |
| Depreciated assets | | | | |
| Buildings | $ 3,717,650 | $ 3,376,808 | | $ - |
| Vehicles, Machinery & Equipment | 1,782,553 | 1,585,007 | 1,123,497 | 1,123,497 |
| Utility Plant in Service | | - | 15,660,514 | 15,919,417 |
| Infrastructure | 3,120,022 | 1,016,126 | - | - |
| Total Depreciated Assets | $ 8,620,225 | $ 5,977,941 | $ 16,784,011 | $ 17,042,914 |
| Less Accumulated Depreciation | (2,786,459) | (2,547,208) | (6,931,419) | (6,567,239) |
| Book Value- Depreciated Asset | 5,833,766 | 3,430,733 | 9,852,592 | 10,475,675 |
| **All Assets** | **6,031,030** | **3,627,997** | **9,852,592** | **10,475,675** |

The major additions to the government activities assets were for industrial utilities, streetscape project and purchase and renovations of New City Hall.

See the notes to the financial statement for more detail or capital asset activity.

**Capital Assets and Debt Administration (Continued)**

*Long-term debt*

During the year, the City declared $130,269 to the beginning outstanding governmental activities "notes payable" and retired $89,704.

The City also retires 399,000 of outstanding review bonds.

| | Outstanding Borrowings | | | | | |
|---|---|---|---|---|---|---|
| | Governmental Activities | | Business-type Activities | | Totals | |
| | 2011 | 2010 | 2011 | 2010 | 2011 | 2010 |
| Notes Payable | $ 923,401 | $ 1,073,735 | $ 2,436,000 | $ - | $ 3,359,401 | $ 1,073,735 |
| Revenue Bonds Payable | - | - | | 2,835 | - | 2,835 |
| Compensated Absences | - | - | - | - | - | - |
| **Total** | **$ 923,401** | **$ 1,073,735** | **$ 2,436,000** | **$ 2,835** | **$ 3,359,401** | **$ 1,076,570** |

See footnote to financial statements for more detail on long term debt activity.

**Economic Conditions Affecting the City**

The City is a small rural community with a convenient location to Interstate 75. The City Council and Management are very aware of present and changing economic conditions and their effect on its citizens. The city is committed to area industrial and commercial growth and development for the city and its immediate area.

The City is Always aware of the needs of its citizens and to provide to these needs in the way of Public Safety, Water, Sewer and Gas Services, infrastructure and many other ways.

**Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances, comply with finance related laws and regulations, and to demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information contact the City Clerk at (229) 268-4744.

CITY OF VIENNA, GEORGIA
GOVERNMENT-WIDE STATEMENT OF NET ASSETS
September 30, 2011

| | Governmental Activities | Business-Type Activities | Total Reporting Entity | Discretely Presented Component Units |
|---|---|---|---|---|
| ASSETS | | | | |
| Cash and cash equivalents | $ 131,757 | $ 864,188 | $ 995,945 | $ 685 |
| Receivables (net of allowance): | | | | |
| Taxes | 62,928 | - | 62,928 | |
| Accounts | - | 163,434 | 163,434 | |
| Local option sales tax | 24,893 | - | 24,893 | |
| Other | - | 267,709 | 267,709 | |
| Restricted cash | 694,417 | 321,404 | 1,015,821 | |
| Interfund balance | | | - | |
| Capital assets: | | | | |
| Land | 197,264 | - | 197,264 | 48,071 |
| Infrastructure | 3,120,022 | - | 3,120,022 | |
| Buildings | 3,717,650 | - | 3,717,650 | 26,144 |
| Vehicles | 1,367,897 | - | 1,367,897 | |
| Furniture, fixtures & equipment | 414,656 | 1,123,497 | 1,538,153 | |
| Utility plant in service | - | 15,660,514 | 15,660,514 | |
| Other fixed assets | - | - | - | |
| Accumulated depreciation | (2,786,459) | (6,931,418) | (9,717,877) | |
| Total Assets | $ 6,945,025 | $ 11,469,328 | $ 18,414,353 | $ 74,900 |
| LIABILITIES AND NET ASSETS | | | | |
| Accounts and claims payable | $ 8,320 | $ 93,548 | $ 101,868 | $ - |
| Accrued liabilities | 718 | 6,845 | 7,563 | |
| Accrued interest | - | - | - | |
| Customer deposits | - | 120,901 | 120,901 | |
| Noncurrent liabilities: | | | | |
| Due within one year | 88,219 | 414,888 | 503,107 | |
| Due in more than one year | 835,182 | 2,201,555 | 3,036,737 | 5,500 |
| Total Liabilities | $ 932,439 | $ 2,837,737 | $ 3,770,176 | 5,500 |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | $ 5,107,629 | $ 7,236,150 | $ 12,343,779 | $ - |
| Restricted (Cash) | 694,417 | 321,404 | 1,015,821 | 69,400 |
| Unrestricted | 210,540 | 1,108,570 | 1,319,110 | |
| Total Net Assets | $ 6,012,586 | $ 8,666,124 | $ 14,678,710 | $ 69,400 |

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

CITY OF VIENNA, GEORGIA
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2010

| | Expenses | Program Revenues, Fees, Fines & Charges for Services | Capital Grants | Capital Contributions Program Revenues | Governmental Activities | Business-Type Activities | Total | Discretely Presented Component Units |
|---|---|---|---|---|---|---|---|---|
| Program Activities | | | | | | | | |
| Executive and Administrative | $ 615,946 | $ 37,843 | $ 99,999 | - | $ (478,104) | $ - | $ (478,104) | $ - |
| Public Safety - Police | 601,835 | 61,164 | - | - | (540,671) | - | (540,671) | - |
| Public Safety - Fire | 69,307 | - | - | - | (69,307) | - | (69,307) | - |
| Public Works - Streets, Parks & Cemetery | 404,966 | 8,043 | 2,500,715 | - | 2,103,792 | - | 2,103,792 | - |
| Recreation | 649 | - | - | - | (649) | - | (649) | - |
| Community Development | 154,436 | - | - | - | (154,436) | - | (154,436) | - |
| Interest on Long-Term Debt | 93,930 | - | - | - | (93,930) | - | (93,930) | - |
| Total Governmental Activities: | 1,941,069 | 107,050 | 2,600,714 | - | 766,695 | - | 766,695 | - |
| Business-type Activities: | | | | | | | | |
| Water and Sewer | 1,665,506 | 2,047,982 | - | | - | 382,476 | 382,476 | - |
| Gas | 1,643,165 | 1,661,456 | - | | - | 18,291 | 18,291 | - |
| Total Business-type Activities | 3,308,671 | 3,709,438 | - | | - | 400,767 | 400,767 | - |
| Total Primary Government | $ 5,249,740 | $ 3,816,488 | $ 2,600,714 | - | 766,695 | 400,767 | 1,167,462 | |
| Component Units: | | | | | | | | |
| Development Authorities | $ 1,307,125 | $ 1,310,697 | | - | - | - | - | 3,572 |
| General Revenues: | | | | | | | | $4,101 |
| Taxes: | | | | | | | | |
| Property | | | | - | 484,387 | - | 484,387 | - |
| SPLOST Tax | | | | - | 334,587 | - | 334,587 | - |
| Malt Beverage Tax | | | | - | 61,884 | - | 61,884 | - |
| Premium Tax | | | | - | 160,042 | - | 160,042 | - |
| Franchise Tax | | | | - | 289,328 | - | 289,328 | - |
| LOST | | | | - | 312,477 | - | 312,477 | - |
| Other Taxes | | | | - | 60,989 | - | 60,989 | - |
| Miscellaneous and Other | | | | - | 228,460 | - | 228,460 | - |
| Total General Revenues | | | | - | 1,932,154 | - | 1,932,154 | - |
| Transfers | | | | - | 226,981 | (226,981) | - | - |
| Total General Revenues & Transfers | | | | - | 2,159,135 | (226,981) | 1,932,154 | - |
| Change in Net Assets | | | | - | 2,925,830 | - | - | - |
| Net Assets at Beginning of Year, | | | | - | 3,084,880 | - | - | 65,299 |
| Prior Period Adjustment | | | | | 1,876 | | | |
| Net Assets at End of Year | | | | $ - | $ 6,012,586 | $ - | $ - | $69,400 |

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

CITY OF VIENNA, GEORGIA
BALANCE SHEET - GOVERNMENTAL FUNDS
September 30, 2011

| ASSETS AND OTHER DEBITS | General | CDBG-EIP-09q-x-046-5196 | USDA | Special 1% Sales Tax | Sidewalk Project | ONE-GEORGIA 10-92-046-2-4569 | STANLEY GAMBRELL UTILITY ASSISTANCE | CDBG08-P-X046-2-5077 | Hotel Motel | EDA 04-01-06290 | EPA XP-95416910 | Total Governmental Funds |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ASSETS | | | | | | | | | | | | |
| Cash on Hand and in Banks | $ 131,757 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 131,757 |
| Restricted Cash | - | - | 14,747 | 281,514 | 48,659 | - | 43,319 | - | 6,278 | 234,000 | 66,000 | 694,517 |
| Accounts Receivable | - | - | - | - | - | - | - | - | - | - | - | - |
| Accounts Receivable- Water Fund | - | - | - | - | - | - | - | - | - | - | - | - |
| Accounts Receivable- Gas Fund | - | - | - | - | - | - | - | - | - | - | - | - |
| Taxes Receivable | 62,928 | - | - | - | - | - | - | - | - | - | - | 62,928 |
| Local Option Sales Tax | 24,893 | - | - | - | - | - | - | - | - | - | - | 24,893 |
| TOTAL ASSETS AND OTHER DEBITS | $ 219,578 | $ - | $ 14,747 | $ 281,514 | $ 48,659 | $ - | $ 43,319 | $ - | $ 6,278 | $ 234,000 | $ 66,000 | $ 914,095 |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | | |
| LIABILITIES | | | | | | | | | | | | |
| Accounts Payable | $ 8,220 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 8,220 |
| Accrued Liabilities | 718 | - | - | - | - | - | - | - | - | - | - | 718 |
| TOTAL LIABILITIES | $ 8,938 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 8,938 |
| FUND BALANCES | | | | | | | | | | | | |
| Reserved | $ - | $ - | $ 14,747 | $ 281,514 | $ 48,659 | $ - | $ 43,319 | $ - | $ 6,278 | $ 234,000 | $ 66,000 | $ 694,517 |
| Unreserved | 210,640 | - | - | - | - | - | - | - | - | - | - | 210,640 |
| TOTAL FUND BALANCES | $ 210,640 | $ - | $ 14,747 | $ 281,514 | $ 48,659 | $ - | $ 43,319 | $ - | $ 6,278 | $ 234,000 | $ 66,000 | $ 905,157 |
| TOTAL LIABILITIES AND FUND BALANCES | $ 219,578 | $ - | $ 14,747 | $ 281,514 | $ 48,659 | $ - | $ 43,319 | $ - | $ 6,278 | $ 234,000 | $ 66,000 | $ 914,095 |

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

CITY OF VIENNA, GEORGIA
RECONCILIATION OF THE GOVERNMENT FUNDS
BALANCE SHEET TO THE GOVERNMENT-
WIDE STATEMENT OF NET ASSETS
For Fiscal Year Ended September 2011

| | |
|---|---|
| Total fund balances - total governmental funds | $ 905,157 |
| Amounts reported for Governmental Activities in the Statement of Net Assets are different because: | |
| Capital assets used in governmental activities are not current in the Governmental Funds Balance Sheet | 6,031,030 |
| Deferred revenues for delinquent property taxes deferred in the governmental funds because they will not be received within sixty days of the City's year-end. | - 0 - |
| Internal Service Funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Government-Wide Statement of Net Assets. | - 0 - |
| Long-term liabilities are not due and payable in the current period and therefore they are not reported in the Govern-mental Funds Balance Sheet. | (923,401) |
| Prior period adjustment | (200) |
| Net assets of governmental activities | $6,012,586 |

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

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENED SEPTEMBER 30, 2011

| | Governmental Fund Types | | | | | |
|---|---|---|---|---|---|---|
| | General | CDBG-EIP-09q-x-046-5196 | USDA | Hotel Motel | Special 1% Sales Tax | Sidewalk Projects |
| REVENUES | | | | | | |
| Taxes | $ 1,362,522 | $ - | | $ 6,584 | $ - | $ - |
| Licenses and Permits | 37,843 | - | | - | - | - |
| Intergovernmental | 96,819 | 822,049 | | - | 174,026 | - |
| Charge for Services | 8,043 | - | | - | - | - |
| Fines and Forfeits | 61,164 | - | | - | - | - |
| Grants | - | | 99,999 | | 158,666 | |
| Miscellaneous and Other | 227,457 | - | | - | 1,895 | - |
| TOTAL REVENUES | $ 1,793,848 | $ 822,049 | $ 99,999 | $ 6,584 | $ 334,587 | $ - |
| EXPENDITURES - CURRENT | | | | | | |
| Executive and Administrative | $ 472,711 | $ - | | $ - | $ - | $ - |
| Public Safety - Police | 582,945 | - | | - | - | - |
| Public Safety - Fire | 41,458 | - | | - | - | - |
| Public Works - Streets, Parks, Cemetery & Recreation | 380,386 | - | | - | - | - |
| Community Development | 129,856 | - | | - | - | - |
| CAPITAL OUTLAY | | | | | | |
| Construction | 79,000 | - | 85,352 | - | - | - |
| Equipment | 198,445 | - | - | - | - | - |
| Streetscape | - | - | - | - | - | 16,925 |
| Waste Water Project | - | 822,049 | - | - | - | |
| Purchase D Cuts Bldg | - | - | - | - | 158,666 | - |
| Debt Services | - | - | - | - | 93,930 | - |
| TOTAL EXPENDITURES | $ 1,884,801 | $ 822,049 | $ 85,352 | $ - | $ 252,596 | $ 16,925 |
| EXCESS OF REVENUES OVER EXPENDITURES | $ (90,953) | $ - | $ 14,647 | $ 6,584 | $ 81,991 | $ (16,925) |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers | 226,981 | - | - | - | - | - |
| Prior Period Adjustment | - | - | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES | $ 226,981 | $ - | $ - | $ - | $ - | $ - |
| EXCESS OF EXPENDITURES OVER REVENUES AND OTHER SOURCES | $ 136,028 | $ - | $ 14,647 | $ 6,584 | $ 81,991 | $ (16,925) |
| FUND BALANCE - BEGINNING | $ 74,612 | $ - | $ 100 | $ (306) | $ 199,523 | $ 65,584 |
| FUND BALANCE - ENDING | $ 210,640 | $ - | $ 14,747 | $ 6,278 | $ 281,514 | $ 48,659 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENED SEPTEMBER 30, 2011

| | Governmental Fund Types | | | | | |
|---|---|---|---|---|---|---|
| | ONE-GEORGIA 10-92-046-2-4569 | STANLEY GAMBRELL UTILITY ASSISTANCE | CDBG08-P-X046-2-5077 | EDA 04-01-06290 | EPA XP-95416910 | Total Reporting Entity |
| REVENUES | | | | | | |
| Taxes | $ - | $ - | $ - | | $ - | $ 1,369,106 |
| Licenses and Permits | - | - | - | | - | 37,843 |
| Intergovernmental | 462,772 | - | - | 731,000 | 388,075 | 2,674,741 |
| Charge for Services | | - | - | - | - | 8,043 |
| Fines and Forfeits | | - | - | - | - | 61,164 |
| Grants | - | - | - | - | - | 258,665 |
| Miscellaneous and Other | - | 50,235 | - | - | - | 279,587 |
| TOTAL REVENUES | $ 462,772 | $ 50,235 | $ - | $ 731,000 | $ 388,075 | $ 4,689,149 |
| EXPENDITURES - CURRENT | | | | | | |
| Executive and Administrative | | $ 6,916 | $ 2,884 | $ - | $ - | $ 482,511 |
| Public Safety - Police | - | - | - | - | - | 582,945 |
| Public Safety - Fire | - | - | - | - | - | 41,458 |
| Public Works - Streets, Parks, Cemetery & Recreation | - | - | - | - | - | 380,386 |
| Community Development | - | - | - | - | - | 129,856 |
| CAPITAL OUTLAY | | | | | | |
| Construction | - | - | - | - | - | 164,352 |
| Equipment | - | - | - | - | - | 198,445 |
| Streetscape | - | - | - | - | - | 16,925 |
| Waste Water Project | 462,772 | - | - | 497,000 | 322,075 | 2,103,896 |
| Purchase D Cuts Bldg | - | - | - | - | - | 158,666 |
| Debt Services | - | - | - | - | - | 93,930 |
| TOTAL EXPENDITURES | $ 462,772 | $ 6,916 | $ 2,884 | $ 497,000 | $ 322,075 | $ 4,353,370 |
| EXCESS OF REVENUES OVER EXPENDITURES | $ - | $ 43,319 | $ (2,884) | $ 234,000 | $ 66,000 | 335,779 |
| OTHER FINANCING SOURCES | | | | | | |
| Transfers | - | - | - | | - | 226,981 |
| Prior Period Adjustment | - | - | - | | - | |
| TOTAL OTHER FINANCING SOURCES | $ - | $ - | $ - | $ - | $ - | $ 226,981 |
| EXCESS OF EXPENDITURES OVER REVENUES AND OTHER SOURCES | $ - | $ 43,319 | $ (2,884) | $ 234,000 | $ 66,000 | $ 562,760 |
| FUND BALANCE - BEGINNING | $ - | $ - | $ 2,884 | $ - | $ - | $ 342,397 |
| FUND BALANCE - ENDING | $ - | $ 43,319 | $ - | $ 234,000 | $ 66,000 | $ 905,157 |

CITY VIENNA, GEORGIA
Reconciliation of the Government Funds -
Statement of Revenues, Expenditures and Changes in Fund
Balances to the Government-Wide Statement of Activities and
Changes in Net Assets
For Fiscal Year Ended September 30, 2011

| | |
|---|---|
| Net change in fund balances - total government funds | $ 562,760 |
| Amounts reported for governmental activities in the Statements of Activities are different because: | |
| Governmental Funds report capital outlay as expenditures. However, in the Government-Wide Statement of Activities and changes in Net Assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period. | 2,642,284 |
| Depreciation expense on capital assets is reported In the Government-Wide Statement of Activities and Changes in Net Assets, but they do not require the use of current financial resources. Therefore, depreciation expense on capital is not reported as expenditures in Government Funds. | (239,251) |
| Principal payments on long-term debt<br>Principal Payments<br>Governmental Funds principal payments on long-term debt | (176,731) |
| New Debt Created<br>Debt created<br>Book value of assets transferred<br>Gain on transfer of assets and debt | (130,269) |
| Prior period adjustment | 6,525 |
| | $2,925,830 |

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

CITY OF VIENNA, GEORGIA
GENERAL FUND TYPE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL GENERAL FUND TYPE
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Budget | Budget 2011 Final | Actual | Variance |
|---|---|---|---|---|
| **REVENUES** | | | | |
| Taxes | $ 1,393,500 | $ 1,393,500 | $ 1,362,522 | $ (30,978) |
| Licenses and Permits | 51,700 | 51,700 | 37,843 | (13,857) |
| Intergovernmental | - | - | 96,819 | 96,819 |
| Charge for Services | 11,000 | 11,000 | 8,043 | (2,957) |
| Fines & Forfeits | 117,000 | 117,000 | 61,164 | (55,836) |
| Miscellaneous and Other | 264,562 | 264,562 | 227,457 | (37,105) |
| **TOTAL REVENUES** | $ 1,837,762 | $ 1,837,762 | $ 1,793,848 | $ (43,914) |
| **EXPENDITURES CURRENT** | | | | |
| Executive and Administrative | $ 481,887 | $ 481,887 | $ 513,284 | $ (31,397) |
| Public Safety-Police | 638,850 | 638,850 | 582,945 | 55,905 |
| Public Safety-Fire | 94,100 | 94,100 | 41,458 | 52,642 |
| Public Works-Streets, | | - | | - |
| Parks, & Recreation | 341,775 | 341,775 | 328,827 | 12,948 |
| Community Development | 131,150 | 131,150 | 140,842 | (9,692) |
| Sanitation | 150,000 | 150,000 | | |
| **CAPITAL OUTLAY** | | | | - |
| Executive and Administrative | - | - | 79,000 | (79,000) |
| Community Development | - | - | - | - |
| Fire | - | - | - | - |
| Streets, Parks, Cemetery & Recreation | - | - | 198,445 | (198,445) |
| Industrial Utilities | - | - | - | - |
| SPLOST Project | - | - | - | - |
| Debt Services | - | - | - | - |
| **TOTAL EXPENDITURES** | $ 1,837,762 | $ 1,837,762 | $ 1,884,801 | $ (197,039) |
| **EXCESS OF EXPENDITURES OVER REVENUES** | - | - | (90,953) | (290,184) |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers | - | - | 226,981 | - |
| **TOTAL OTHER FINANCING SOURCES** | - | - | 226,981 | - |
| **EXCESS OF EXPENDITURES OVER REVENUES AND OTHER SOURCES** | | | $ 136,028 | |
| **FUND BALANCE - BEGINNING** | | | 74,612 | |
| **FUND BALANCE - ENDING** | | | $ 210,640 | |

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

CITY OF VIENNA, GEORGIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
September 30, 2011

| | Water & Sewer Revenue Fund | Gas Revenue Fund | Business-type Activities Enterprise Funds Total |
|---|---|---|---|
| Assets: | | | |
| Current Assets | | | |
| Cash in Banks -General | $ 368,574 | $ 495,614 | $ 864,188 |
| Accounts Receivable | 67,467 | 95,967 | 163,434 |
| Accounts Receivable -USDA | 80,234 | - | 80,234 |
| Accounts Receivable-Gas | (489) | 489 | - |
| Accounts Receivable-GA DOR | - | 3,103 | 3,103 |
| Due from Grant Fund | 92,186 | 92,186 | 184,372 |
| Total Current Assets | $ 607,972 | $ 687,359 | $ 1,295,331 |
| Noncurrent Assets: | | | |
| Restricted Assets | | | |
| Investments -Sinking Fund | 321,404 | - | 321,404 |
| Total Restricted Assets | $ 321,404 | $ - | $ 321,404 |
| Capital Assets | | | |
| Utility Plant in Service | $ 14,762,640 | $ 897,874 | $ 15,660,514 |
| Equipment | 329,482 | 794,015 | 1,123,497 |
| Accumulated Depreciation | (5,736,901) | (1,194,517) | (6,931,418) |
| Total Capital Assets Net of Accumulated Depreciation Net | $ 9,355,221 | $ 497,372 | $ 9,852,593 |
| Other Assets | | | |
| Revenue Bond Closing Cost | 62,400 | - | 62,400 |
| Less: Accumulated Amortization | (62,400) | - | (62,400) |
| Total Other Assets -Net | - | - | - |
| Total Noncurrent Assets | $ 9,676,625 | $ 497,372 | $ 10,173,997 |
| Total Assets | $ 10,284,597 | $ 1,184,731 | $ 11,469,328 |
| Liabilities: | | | |
| Current Liabilities | | | |
| Accounts Payable | $ 12,067 | $ 81,481 | $ 93,548 |
| Sales Tax Payable | - | 6,845 | 6,845 |
| Bonds Payable-Current | 404,000 | - | 404,000 |
| GEFA | 10,888 | - | 10,888 |
| Total Current Liabilities | $ 426,955 | $ 88,326 | $ 515,281 |
| Long-Term Liabilities | | | |
| Customer Deposits | $ 75,880 | $ 45,021 | $ 120,901 |
| Revenue Bonds Payable-Current | - | - | - |
| Revenue Bonds Payable | 2,032,000 | - | 2,032,000 |
| GEFA Notes Payable | 169,555 | - | 169,555 |
| Total Long-Term Liabilities | $ 2,277,435 | $ 45,021 | $ 2,322,456 |
| Total Liabilities | $ 2,704,390 | $ 133,347 | $ 2,837,737 |
| Net Assets | | | |
| Invested in Capital Assets, Net of Related Debt | $ 6,738,778 | $ 497,372 | $ 7,236,150 |
| Restricted (Cash) | 321,404 | - | 321,404 |
| Unrestricted | 520,024 | 554,012 | 1,074,036 |
| Total Net Assets | $ 7,580,206 | $ 1,051,384 | $ 8,631,590 |

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

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Water & Sewer Revenue Fund | Gas Revenue Fund | Business-Type Activities Enterprise Funds |
|---|---|---|---|
| OPERATING REVENUE | | | |
| Sales and Charges | $ 823,400 | $ 1,651,263 | $ 2,474,663 |
| Operating Income (Tyson Contract) | 1,097,854 | - | 1,097,854 |
| Miscellaneous Operating Revenue | 49,890 | 2,461 | 52,351 |
| Sale of Land and Equipment, net | - | - | - |
| Hayfield Rent | 34,790 | - | 34,790 |
| Grants | 39,185 | - | 39,185 |
| TOTAL OPERATING REVENUE | $ 2,045,119 | $ 1,653,724 | $ 3,698,843 |
| COST OF GAS SOLD | | | |
| Purchases - Gas | $ - | $ 1,233,064 | $ 1,233,064 |
| NET OPERATING REVENUE | $ 2,045,119 | $ 420,660 | $ 2,465,779 |
| OPERATING EXPENSES | | | |
| Salaries and Benefits | $ 206,721 | $ 123,915 | $ 330,636 |
| Supplies | 44,991 | 34,827 | 79,818 |
| Repairs and Maintenance | 773,961 | 9,884 | 783,845 |
| Insurance Paid | 38,700 | 26,000 | 64,700 |
| Public Service Utilities | 47,604 | 34,701 | 82,305 |
| Other Services and Charges | 78,001 | 125,399 | 203,400 |
| TOTAL OPERATING EXPENSES | $ 1,189,978 | $ 354,726 | $ 1,544,704 |
| OPERATING INCOME (BEFORE DEPRECIATION) | $ 855,141 | $ 65,934 | $ 921,075 |
| Depreciation | (308,804) | (55,376) | (364,180) |
| OPERATING INCOME | $ 546,337 | $ 10,558 | $ 556,895 |
| NON-OPERATING REVENUE (EXPENSES) | | | |
| Interest Income | $ 2,863 | $ 7,732 | $ 10,595 |
| Interest Expense | (166,724) | - | (166,724) |
| CDBG Grant | - | - | - |
| TOTAL NON-OPERATING REVENUE (EXPENSES) | (163,861) | 7,732 | (156,129) |
| NET INCOME (LOSS) BEFORE TRANSFERS | $ 382,476 | $ 18,290 | $ 400,766 |
| TRANSFERS (Net) | (40,147) | (186,834) | (226,981) |
| CHANGE IN NET ASSETS | $ 342,329 | $ (168,544) | $ 173,785 |
| NET ASSETS AT BEGINNING OF YEAR | $ 7,237,877 | $ 1,219,928 | $ 8,457,805 |
| NET ASSETS AT END OF YEAR | $ 7,580,206 | $ 1,051,384 | $ 8,631,590 |

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

CITY OF VIENNA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
CITY OF VIENNA, GEORGIA
FOR THE YEAR ENDING SEPTEMBER 30, 2011

| | Water & Sewer Revenue Fund | Gas Revenue Fund | Business-Type Activities Enterprise Funds |
|---|---|---|---|
| Cash Flows From Operating Activities: | | | |
| Cash Received from Customers | $ 1,977,060 | $ 1,672,503 | $ 3,649,563 |
| Cash Payment to Suppliers and Services | (985,423) | (1,432,471) | (2,417,894) |
| Cash Payment to Employees for Services | (206,721) | (123,915) | (330,636) |
| Net Cash Provided (Used) by Operating Activities | $ 784,916 | $ 116,117 | $ 901,033 |
| Cash Flows From Non Capital Financing Activities: | | | |
| Operating Grants Received | $ - | $ - | $ - |
| Transfers to Other Funds | $ (40,147) | $ (186,834) | $ (226,981) |
| Net Cash Provided (Used) by Non Capital Financing Activities | $ (40,147) | $ (186,834) | $ (226,981) |
| Cash Flows from Capital and Related Financing Activities: | | | |
| Acquisition & Construction of Capital Assets | $ (123,334) | $ - | $ (123,334) |
| GEFA Funds, net | (10,456) | - | (10,456) |
| Interest Paid on Bonds | (166,724) | - | (166,724) |
| Retirement on Bonds | (399,000) | - | (399,000) |
| Construction Grant-CDBG | - | - | - |
| Net Cash Provided (Used) by Capital & Related Financing Activities | $ (699,514) | $ - | $ (699,514) |
| Cash Flow From Investing Activities: | | | |
| Interest on Cash and Investments | $ 2,863 | $ 7,732 | $ 10,595 |
| Net Cash Flow Provided (Used) by Investing Act. | $ 2,863 | $ 7,732 | $ 10,595 |
| Net Increase (Decrease) in Cash & Cash Investments | $ 48,118 | $ (62,985) | $ (14,867) |
| Cash and Cash Investments, October 1 | 641,859 | 558,599 | 1,200,458 |
| Cash and Cash Investments, September 30 | $ 689,977 | $ 495,614 | $ 1,185,591 |

Disclosure of Accounting Policy:
For purposes of the Statement of Cash Flows, the City considers investment due in less than 90 days to be cash equivalents.

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

CITY OF VIENNA, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
CITY OF VIENNA, GEORGIA
FOR THE YEAR ENDING SEPTEMBER 30, 2011

| | Water & Sewer Revenue Fund | Gas Revenue Fund | Business-Type Activities Enterprise Funds |
|---|---|---|---|
| Reconciliation of Income (loss) from Operations Net Cash Provided (used) by Operating Activities: | $ 546,337 | $ 10,558 | $ 556,895 |
| Income (Loss) from Operations | | | |
| Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation and Amortization | 308,804 | 55,376 | 364,180 |
| Change in Assets and Liabilities: | | | |
| (Increase) Decrease in Accounts Receivable | (22,949) | 28,469 | 5,520 |
| (Increase) Decrease in Accounts Receivable- General | (55,691) | 50,518 | (5,173) |
| (Increase) Decrease in Accounts Receivable- Water | - | 2,784 | 2,784 |
| (Increase) Decrease in Accounts Receivable- Gas | (2,784) | - | (2,784) |
| (Increase) Decrease in Accounts Receivable GA DOR | - | (3,103) | (3,103) |
| Increase in other Current Liabilities | 2,357 | (31,404) | (29,047) |
| (Increase) in Customer Deposits | 8,842 | 2,919 | 11,761 |
| Net Cash Provided (used) by Operating Activities | $ 784,916 | $ 116,117 | $ 901,033 |
| Current Assets - Cash & Cash Investments | $ 403,107 | $ 495,614 | $ 898,721 |
| Restricted Assets - Cash & Cash Investments | 286,870 | - | 286,870 |
| Total Cash and Cash Investments | $ 689,977 | $ 495,614 | $ 1,185,591 |

Disclosure of Accounting Policy:
For purposes of the Statement of Cash Flows, the City considers investment due in less than 90 days to be cash equivalents.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A. Reporting Entity

The City operates a Council - Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), recreation, public improvements, planning and zoning and general administrative services. In addition, the City operates a public utility (water, sewer and gas) for the incorporated area.

The accounting policies and the presentation of the financial report of the City of Vienna have been designed to conform to generally accepted accounting principles as applicable to governmental units, in accordance with the Governmental Accounting Standards Board (GASB). GASB embodies the official pronouncements previously issued by the National Council on Governmental Accounting (NCGA): The City applies all applicable FASB pronouncements issued before November 30, 1989 in accounting and reporting for its proprietary operations. The following is a summary of the significant accounting policies:

The Governmental Accounting Standards Board (GASB) has issued Statement No. 34. This Statement establishes new financial reporting requirements for state and local governments throughout the United States. Its implementation creates new information and restructures much of the information that governments have presented in the past.

The GASB's intent is to make annual reports more comprehensive and easier to understand.

GASB 34 takes effect for entities the size of Vienna, Georgia during the fiscal year ending September 30, 2004. Some of the more significant changes in GASB Statement 34 incurred:

1. The presentation of a government-wide statement of net assets that includes infrastructure (roads, bridges, etc.) and all debt.
2. The presentation of current and accumulated depreciation by activity.
3. The presentation of a government-wide statement of activities using full accrual accounting.
4. The presentation of the original adopted budget as well as the final amended budget in the budgetary comparison statements.

The City's basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards include whether:

(a) the organization is legally separate (can sue and be sued in their own name)
(b) the City holds the corporate powers of the organization
(c) the City appoints a voting majority of the organization's board
(d) the City is able to impose its will on the organization
(e) the organization has the potential to impose financial benefit/burden on the City
(f) there is fiscal dependency by the organization on the City.

Based on the aforementioned criteria, the City of Vienna has two component units.

In accordance with the above criteria the City has determined that the Downtown Development Authority of the City of Vienna and the Development Authority of City of Vienna, Georgia should be included as directly presented component units. It is presented in a separate column to emphasize that it is legally separate from the City and has a fiscal year end of September 30, 2011. Separately audited general purpose financial statements may be obtained from the City of Vienna, Georgia's office or the Downtown Development Authority of the City of Vienna and the

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

A. Reporting Entity: (Continued)

Development Authority of the City of Vienna, Georgia. The purpose of the Authorities is to revitalize and redevelop central business districts and to promote the public good and the general welfare of the state.

B. Basis of Presentation

The government-wide financial statements (the statement of net asset and the statement of changes in net assets) report information on all activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The government-wide financial statements are accounted for on the accrual basis.

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

Fund Financial Statements:

The city segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and propriety activities. These statements present each major fund as a separate column on the fund financial statements: all non-major funds are aggregated and presented in a single column.

Governmental funds are those through which most governmental funds typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The City has presented the following major governmental funds:

General Fund -

General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

B. Basis of Presentation: (Continued)
Capital Project Funds-

The Capital Project Chip 09i-x-046-2-5182 Fund is used to account for financial resources to be used in acquisition of, construction of, or improvement to major capital facilities.

The USDA Fund is used to account for financial resources to be used in acquisition of, construction of, or improvement to major capital facilities.

The SPLOST Fund accounts for the receipt and disbursements of special sales tax (SPLOST) funds.

The Sidewalk Projects Fund accounts for the receipt of capital grants used in the construction of the sidewalk infrastructure of the City.

The City of Vienna Rural Public Transportation Section 5311 Program offers rural areas the opportunity to provide transit services to its citizens thus enhancing access to health care, business, commercial and activity centers. Section 5311 is the name of the Federal funding program administered by the FTA to provide assistance for rural public transportation.

Water and Sewer Fund -

Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

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

Gas Fund -
Gas Fund is used to account for the provision of gas services to the residents of the City. Activities of the fund include administration, operations and maintenance of the gas system and billing and collection activities. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure integrity of the funds.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

C. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due. CDBG Capital Projects Fund - This fund accounts for a CDBG grant used for the expansion of Water Drainage Capital improvement. The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

When both restricted and unrestricted resources are available for use, it is they County's policy to use restricted resources first, the unrestricted resources as they are needed.

D. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements;

The City manager submits an annual budget to the City Council in accordance with the City Charter. In September, the City Council adopts annual fiscal year appropriated budgets for City operating funds. These include General and Proprietary Funds. Once approved, the City Council may amend the legally adopted budget when expected modifications are required in estimated revenues and appropriations. The City of Vienna is a small city with a population of about 3,000. The City Council allows

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)

D. Budgets and Budgetary Accounting:(Continued)

management no authority to make changes in the budget. The legal level of budgetary control is at the departmental level of the funds shown above.

No budget is required or legally adopted for the Capital Projects Funds, except for a project length budget.

Each fund's appropriated budget is prepared on a detailed line item basis. Revenues and expenditures are budgeted by source. All budget revisions are subject to final review by the City Council.

The budget is not incorporated into the accounting system; however, it is used and compared to actual receipts and disbursements to insure fiscal responsibility.

There were several areas where expenditures were in excess of appropriated budgeted amounts. There are various reasons for this, all of which the City is aware of. The general fund expenditures exceeded budgeted amounts by $318,544. The City considers this immaterial relative to the budgeted expenditures of $1,785,500. See Financial Statements (page 19).

Council is aware and has approved the variances; however, the budget was not formerly amended.

E. Encumbrances

Encumbrance 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 appropriations, is not employed in the General Fund.

F. Cash and Investments

For purposes of the Statement of Cash Flows, the City considers investments due in less than 90 days to be cash equivalents.

At September 30, 2011, the bank account balance totaled $2,011,765. Cash and time deposits include amounts in demand deposits, passbook savings as well as certificates of deposits. All cash is separately held and reflected in its respective fund. Cash equivalents are short term, highly liquid investments with a maturity date of three months or less that can be converted to known amounts of cash.

The City's deposit policy limits deposits choices to checking accounts, money market accounts and certificates of deposits with local banks. All deposits are to be secured as required by state statute. The statute requires the deposits to be multiplied by 110 percent.

The City's investment policy limits choices to investments complying with state statutes. These investments are limited to obligations of states, obligations issued by the U.S. government, obligations fully insured or guaranteed by the U.S. government, or by a government agency of the United States, obligations of any corporation of the U.S. government, the local government investment pool established by state law and obligations of other political subdivisions of the State of Georgia.

Custodial Risk- Custodial credit risk that in the event of a bank failure, the City's deposits may not be returned to it. The City has a deposit policy for custodial credit risk.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

G. Inventory

Expendable supplies are recorded as expenditures at the time items are purchased. The City does not record inventories of supplies on the books.

H. Receivables Due From Other Governments

There were no receivables due from other governments as of September 30, 2011, except for the August and September 2011 payment of local option sales tax.

I. Accumulated Unpaid Vacation, Sick Pay, and Other Employee Benefit Amounts.

Accumulated unpaid sick pay and other employee benefit amounts are not accrued in governmental funds (using the modified accrual basis of accounting. At September 30, 2011, unrecorded liabilities included approximately $20,000 in vacation pay.

J. Comparative Data

Comparative total data for the prior years have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e. presentations of prior year totals by fund type) data has not been presented in each of the statements since the inclusion would make the statements unduly complex and difficult to read.

K. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

L. Property tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable on or before December 30. The City bills and collects its own property taxes. City property tax revenues are recognized when levied to the extend they result in current receivables.

M. Restricted Assets and Reserve for Bond Debt Service

Restricted Assets consist of cash and short term investments that are restricted for Water and Sewer Bond debt service.

This amount is separated as follows:

| | Restricted Assets |
|---|---|
| Sinking Funds | $321,404 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

M. Restricted Assets and Reserve for Bond Debt Service: (Continued)

Components of Restricted Assets are as follows:

| | Revenue Sinking and Reserve Funds | Total |
|---|---|---|
| Cash | $ 321,404 | $ 321,404 |

Reserve for bond debt service is the excess of restricted assets over the current portions of the debt service. There is a positive variance of $287,404 at September 30, 2011.

| | |
|---|---|
| Restricted Assets in Reserve and Sinking Funds | $ 321,404 |
| Less: Current Maturity of Revenue Bonds | (404,000) |
| Series 1993 and 1997 Tyson | 370,000 |
| Retained Earnings Reserved | $ 287,404 |

A listing of Revenue Bonds Payable is as follows: Water & Sewer Fund.

1. Change in revenue bond series 1982:

| | |
|---|---|
| Balance 10-01-10 | $ 220,000 |
| Payment | (15,000) |
| Balance 9-30-11 | $ 205,000 |

Schedule of interest and principal due.

| | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 10,250 | 15,000 | 25,250 |
| 2013 | 9,500 | 15,000 | 24,500 |
| 2014 | 8,750 | 15,000 | 23,750 |
| 2015 | 8,000 | 15,000 | 23,000 |
| 2016 | 7,250 | 15,000 | 22,250 |
| 2017 | 6,500 | 20,000 | 26,500 |
| 2018 | 5,500 | 20,000 | 25,500 |
| 2019 | 4,500 | 20,000 | 24,500 |
| 2020 | 3,500 | 20,000 | 23,500 |
| 2021 | 2,500 | 25,000 | 27,500 |
| 2022 | 1,250 | 25,000 | 26,250 |
| | $ 67,500 | $ 205,000 | $ 272,500 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

M. Restricted Assets and Reserve For Bond Debt Service: (Continued)

2. Changes in revenue bond series 1984:

| | |
|---|---|
| Balance 10-01-10 | $ 220,000 |
| Payment | (15,000) |
| Balance 9-30-11 | $ 205,000 |

Schedule of interest and principal due.

| | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 19,750 | 20,000 | 39,750 |
| 2013 | 18,750 | 25,000 | 43,750 |
| 2014 | 17,500 | 25,000 | 42,500 |
| 2015 | 16,250 | 25,000 | 41,250 |
| 2016 | 15,000 | 25,000 | 40,000 |
| 2017 | 13,750 | 30,000 | 43,750 |
| 2018 | 12,250 | 30,000 | 42,250 |
| 2019 | 10,750 | 30,000 | 40,750 |
| 2020 | 9,250 | 30,000 | 39,250 |
| 2021 | 7,500 | 35,000 | 42,500 |
| 2022 | 5,750 | 35,000 | 40,750 |
| 2023 | 4,000 | 40,000 | 44,000 |
| 2024 | 2,000 | 45,000 | 47,000 |
| | $ 152,500 | $ 395,000 | $ 547,500 |

3. Changes in revenue bond series 1985: Water & Sewer Fund

| | |
|---|---|
| Balance 10-01-10 | $ 190,000 |
| Payment | (9,000) |
| Balance 9-30-11 | $ 181,000 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

M. Restricted Assets and Reserve for Bond Debt Service: (Continued)

Schedule of interest and principal due.

| Year | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 9,050 | 9,000 | 18,050 |
| 2013 | 8,600 | 10,000 | 18,600 |
| 2014 | 8,100 | 10,000 | 18,100 |
| 2015 | 7,600 | 11,000 | 18,600 |
| 2016 | 7,050 | 11,000 | 18,050 |
| 2017 | 6,500 | 12,000 | 18,500 |
| 2018 | 5,900 | 12,000 | 17,900 |
| 2019 | 5,300 | 13,000 | 18,300 |
| 2020 | 4,650 | 13,000 | 17,650 |
| 2021 | 4,000 | 14,000 | 18,000 |
| 2022 | 3,300 | 15,000 | 18,300 |
| 2023 | 2,550 | 16,000 | 18,550 |
| 2024 | 1,750 | 17,000 | 18,750 |
| 2025 | 900 | 18,000 | 18,900 |
| | $ 75,250 | $ 181,000 | $ 256,250 |

4. Changes in revenue bond and series 1993: Water and Sewer Fund

| | | |
|---|---|---|
| Balance 10-01-10 | $ | 1,015,000 |
| Payment | | (235,000) |
| Balance 9-30-11 | $ | 780,000 |

Schedule of interest and principal due.

| Year | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 46,800 | 245,000 | 291,800 |
| 2013 | 32,100 | 260,000 | 292,100 |
| 2014 | 16,500 | 275,000 | 291,500 |
| | $ 95,400 | $ 780,000 | $ 875,400 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

M. Restricted Assets and Reserve for Bond Debt Service: (Continued)

5. Changes in revenue bond series 1997: Water & Sewer Fund

| | | |
|---|---|---|
| Balance 10-01-10 | $ | 995,000 |
| Payment | | (125,000) |
| Balance 9-30-11 | $ | 870,000 |

Schedule of interest and principal due.

| Year | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 50,156 | 125,000 | 175,156 |
| 2013 | 43,125 | 135,000 | 178,125 |
| 2014 | 35,362 | 140,000 | 175,362 |
| 2015 | 27,313 | 150,000 | 177,313 |
| 2016 | 18,687 | 160,000 | 178,687 |
| 2017 | 9,488 | 160,000 | 169,488 |
| | $ 184,131 | $ 870,000 | $ 1,054,131 |

Proceeds from all Bond Issues were to construct and/or improve water and sewer systems. The proceeds of the Series 1993 and 1997 Revenue Bond Issues, along with other funds, were used to acquire, equip and construct a new water and sewerage facility primarily to service Tyson Industries, an industry located in Vienna.

The Bond Ordinances relative to the Series 1993 and 1997 Revenue Bond Issues and an agreement with Tyson Industries among other items state the following:

A) Tyson Industries agrees to pay Fixed Operating Cost sufficient to pay the principal and interest on the Series 1993 and 1997 Revenue Bonds.
(B) Tyson Industries agrees to pay Variable Operating Cost sufficient to pay the operating, maintenance and repair expenses of the facility.

M1. Georgia Environmental Facilities Authority (GEFA)
On January 26, 2007, the City of Vienna executed a note in the amount of $189,285. On January 30, 2008, the City increased the note in the amount of $63,000. As of September 30, 2009, the City had drawn $192,708.86. Monthly payments will be approximately $1,900 per month. The purpose of this loan is for capital projects.

On July 1, 2009 a note was executed in the amount of $200,934. Monthly payments are in the amount of $1,510.38 for a period of 180 months with a rate of interest of 4.12% per annum. The first payment will begin August 1, 2009. Balance at September 30, 2011 is $180,443.

Changes in GEFA Debt:

| | | |
|---|---|---|
| Balance 10-01-10 | $ | 190,899 |
| Payment | | (10,456) |
| Balance 9-30-11 | $ | 180,443 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)
M1. Georgia Environmental Facilities Authority (GEFA) (continued)

Schedule of interest and principal due

| | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 7,237 | 10,888 | 18,125 |
| 2013 | 6,766 | 11,359 | 18,125 |
| 2014 | 6,295 | 11,830 | 18,125 |
| 2015 | 5,799 | 12,326 | 18,125 |
| 2016 | 5,286 | 12,839 | 18,125 |
| 2017 | 4,737 | 13,388 | 18,125 |
| 2018 | 4,180 | 13,945 | 18,125 |
| 2019 | 3,595 | 14,530 | 18,125 |
| 2020 | 2,988 | 15,137 | 18,125 |
| 2021 | 2,346 | 15,779 | 18,125 |
| 2022 | 1,686 | 16,439 | 18,125 |
| 2023 | 996 | 17,129 | 18,125 |
| 2024 | 282 | 14,854 | 15,136 |
| | $ 52,193 | $ 180,443 | $ 232,636 |

M2. United States Department of Agriculture- New City Hall

On November 28, 2008, the City of Vienna executed a note in the amount of $762,200 from the USDA for the purpose of financing a City Hall. The monthly payments are 51,929 including principal and interest. The rate of interest is 4.375% per annum. The first payment of interest only was due November 28, 2009. The balance as of September 30, 2011 as $743,617.

| | |
|---|---|
| Balance 10-01-10 | $ 762,200 |
| Payment | (18,583) |
| Balance 9-30-11 | $ 743,617 |

Schedule of interest and principal due.

| | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 32,533 | 19,396 | 51,929 |
| 2013 | 31,685 | 20,244 | 51,929 |
| 2014 | 30,799 | 21,130 | 51,929 |
| 2015 | 29,875 | 22,054 | 51,929 |
| 2016 | 28,910 | 23,019 | 51,929 |
| 2017 | 27,903 | 24,026 | 51,929 |
| 2018 | 26,851 | 25,078 | 51,929 |
| 2019 | 25,754 | 26,175 | 51,929 |
| 2020 | 24,609 | 27,320 | 51,929 |
| 2021 | 23,414 | 28,515 | 51,929 |
| 2022 | 22,166 | 29,763 | 51,929 |
| 2023 | 20,864 | 31,065 | 51,929 |
| 2024 | 19,505 | 32,424 | 51,929 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

M2. United States Department of Agriculture- New City Hall

Schedule of interest and principal due.

| | Interest | Principal | Total |
|---|---|---|---|
| 2025 | 18,087 | 33,842 | 51,929 |
| 2026 | 16,606 | 35,323 | 51,929 |
| 2027 | 15,061 | 36,868 | 51,929 |
| 2028 | 13,448 | 38,481 | 51,929 |
| 2029 | 11,764 | 40,165 | 51,929 |
| 2030 | 10,007 | 41,922 | 51,929 |
| 2031 | 8,173 | 43,756 | 51,929 |
| 2032 | 6,258 | 45,671 | 51,929 |
| 2033 | 4,260 | 47,669 | 51,929 |
| 2034 | 2,175 | 49,711 | 51,886 |
| | $ 450,707 | $ 743,617 | $ 1,194,324 |

N. Lease Purchase Agreements

The following is a summary of lease payable transactions for the twelve months ended September 30, 2011:

| | |
|---|---|
| Lease Payable at September 30, 2010 | $ 228,328 |
| Lease Retired | (176,731) |
| Additions | 130,269 |
| Lease Payable at September 30, 2011 | $ 181,866 |

In December 2005, the city entered into a lease purchase agreement with the Municipal Association of Georgia (BB&T) to purchase a Pierce Contender Pumper Fire Truck for a purchase price of $278,526, annual rate of interest is 4.210% with twenty-eight quarterly payments of $11,476.79. First payment was due January 15, 2006. Balance at September 30, 2011 was $55,616.

The following is a summary of lease transactions of the City for twelve months ended September 30, 2011:

| | |
|---|---|
| Lease Payable at September 30, 2010 | $ 98,059 |
| Lease Retired | (42,443) |
| Lease Payable at September 30, 2011 | $ 55,616 |

Principal and Interest for the next four years is as follows:

| | Principal | Interest | Total |
|---|---|---|---|
| 2012 | 44,258 | 1,649 | 45,907 |
| 2013 | 11,358 | 120 | 11,478 |
| | $ 478,983 | $ 1,769 | $ 57,385 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

N. Lease Purchase Agreements (continued)

In September 2008, the City entered into a lease purchase agreement with the Municipal Association of Georgia to purchase police cars for a purchase price of $67,172.83, annual rate of interest 5.95% with four year payments. Balance at September 30, 2011 is $-0-.

The following is a summary of lease transactions of the City for twelve months ended September 30, 2011:

| | | |
|---|---|---|
| Lease Payable at September 30, 2010 | $ | 22,577 |
| Lease Retired | | (22,577) |
| Lease Payable at September 30, 2011 | $ | - |

In September 2011, the City entered into a lease purchase agreement with the Georgia Municipal Association to purchase:
(2) 2011 Ford Crown Vic Police Cars
(1) Vermeer Brush Chipper
(1) John Deere Backhoe

For a purchase price of $130,269.00, annual interest rate of 3.160% with sixty monthly payments of $2,350.04. The balance at September 30, 2011 is $126,249.72.

The following is a summary of lease transactions of the City for twelve months ended September 30, 2011:

| | | |
|---|---|---|
| Lease Payable at September 30, 2010 | $ | 130,269 |
| Lease Retired | | (4,019) |
| Lease Payable at September 30, 2011 | $ | 126,250 |

Principal and Interest for the next five years is as follows:

| Year | Interest | Principal | Total |
|---|---|---|---|
| 2012 | 3,636 | 24,566 | 28,202 |
| 2013 | 2,848 | 25,352 | 28,200 |
| 2014 | 2,035 | 26,165 | 28,200 |
| 2015 | 1,196 | 27,004 | 28,200 |
| 2016 | 337 | 23,163 | 23,500 |
| | $ 10,052 | $ 126,250 | $ 136,302 |

Debt Service on the City's Debt:

| Fiscal Year End | |
|---|---|
| September 30, 2012 | 513,107 |
| September 30, 2013 | 548,636 |
| September 30, 2014 | 560,993 |
| September 30, 2015 | 300,865 |
| September 30, 2016 | 271,021 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

N. Lease Purchase Agreements (continued)

All proprietary fund debts are expected to be paid by resources of the proprietary fund and reported within these funds.

O. Receivable and Payables within the Reporting Entity

There were no receivables and payables within the reporting entity at September 30, 2011.

P. 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 or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Q. Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the applicable government or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or established historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

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

| | Balance October 1 | Additions Completions | Retirements Adjustments | Balance Sept 30 |
|---|---|---|---|---|
| Government Activities: | | | | |
| Capital Assets not being depreciated | | | | |
| Land | $ 197,264 | $ - | $ - | $ 197,264 |
| Total Capital Assets not being depreciated | 197,264 | - | - | 197,264 |
| Capital Assets being depreciated | | | | |
| Infrastructure | 1,016,126 | 2,103,896 | - | 3,120,022 |
| Buildings | 3,376,808 | 340,842 | - | 3,717,650 |
| Vehicles | 1,278,097 | 89,800 | - | 1,367,897 |
| Furniture and Equipment | 306,910 | 107,746 | - | 414,656 |
| Total Capital Assets being depreciated | 5,977,941 | 2,642,284 | - | 8,620,225 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Q. Capital Assets: (continued)

| | | | | |
|---|---|---|---|---|
| Less: Accumulated depreciation for: | | | | |
| Infrastructure | 33,384 | - | - | 33,384 |
| Buildings | 1,507,323 | - | - | 1,507,323 |
| Equipment & Vehicles | 1,006,550 | 239,251 | (49) | 1,245,752 |
| Total Accumulated Depreciation | 2,547,257 | 239,251 | (49) | 2,786,557 |
| Total Capital Assets, being depreciated | 3,430,684 | 2,403,033 | 49 | 5,833,668 |
| Governmental Activities, Capital Assets, Net | $ 3,627,948 | $ 2,403,033 | $ 49 | $ 6,031,030 |
| Business Type Activities: | | | | |
| Capital Assets not being depreciated | - | - | - | - |
| Capital Assets being depreciated | | | | - |
| Utility Plant | 15,919,417 | - | (258,903) | 15,660,514 |
| Equipment | 1,123,497 | - | - | 1,123,497 |
| Total Capital Assets being depreciated | 17,042,914 | - | (258,903) | 16,784,011 |
| Less: Accumulated Depreciation for: | | | | |
| Utility Plant | 5,657,759 | 325,146 | - | 5,982,905 |
| Equipment | 909,480 | 39,034 | - | 948,514 |
| Total Accumulated Depreciation | 6,567,239 | 364,180 | - | 6,931,419 |
| Total Capital Assets being depreciated, net | $ 10,475,675 | $ (364,180) | $ (258,903) | $ 9,852,592 |

Assets capitalized, not including infrastructure assets, have an original cost of $5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of $5,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method.

Estimated useful lives are as follows.

| | |
|---|---|
| Buildings | 20-50 Years |
| Utility System | 30-50 Years |
| Infrastructure | 20-50 Years |
| Machine and Equipment | 3-15 Years |

Depreciation expense was charged to Program/Functions of the Primary Government as follows:

| | |
|---|---|
| Program Activities: | |
| Executive and Administrative | 133,435 |
| Public Safety - Police | 18,890 |
| Public Safety - Fire | 27,849 |
| Cultural | 33,848 |
| Public Works - Streets, Parks & Cemetery | 24,580 |
| Recreation | 649 |
| | $ 239,251 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Q. Capital Assets: (continued)

| Business-Type Activities: | Water and Sewer | Gas |
|---|---|---|
| Utility Plant | $297,798 | $27,348 |
| Equipment | 11,006 | 28,028 |
| | $308,804 | $55,376 |

The City made an inventory of its governmental activities capital assets at September 30, 2004. Capital assets were adjusted for this inventory and for a change in its capital asset policy. Because of the above, governmental activities capital assets at September 30, 2003 will not agree with the previously released financial statements for September 30, 2003.

R. Defined Benefit Pension Plan

Plan Description:
The City's has a non-contributory defined benefit plan which is administered by the Georgia Municipal Employees Benefit System (GEMBS), a state-wide, agent multiple-employer type plan. GMEBS handles all administrative and investment functions relative to the plan. Eligibility requirements are one year for employees; for officials, there is no waiting period. The plan allows for early retirement at age 55 if the employee has ten years service. Normal retirement is at age 65 if the employee has 5 years of service and at age 65 for officials.

Monthly retirement benefits paid to an employee are equal to 1.0 to 1.75% of the monthly average earnings for the highest consecutive three-year wage period times the number of years of service. Monthly retirement benefits paid to an official are equal to $10 times the number of years of service.

Employees' and officials' benefits vest at 100 percent in one step after 10 years of service.

The Georgia Constitution enables the governing authority of the City, the Mayor and the Members of the City Council, to establish and to amend, from time to time, the contribution rates of the employer.

The plan issues a stand-alone financial report that can be obtained from City Hall in Vienna or GMEBS in Atlanta.

The benefit provisions were established by a City ordinance.

As of January 1, 2011 employee membership data was as follows:

| | |
|---|---|
| Retirees and beneficiaries currently receiving benefits | 23 |
| Terminated employees entitled to benefits but not yet receiving them | 6 |
| Current active employees: | |
| Vested | 14 |
| Unvested | 14 |
| Total membership in the plan | 57 |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

R. Defined Benefit Pension Plan: (Continued)

Funding Status and Progress:
The amount shown below as the "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure is intended to help users assess the funding status of the retirement plan on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among employers. The measure is the actuarial present value of credited projected benefits and is independent of the funding method used to determine contributions to the retirement plan. The pension benefit obligation was determined as a part of an actuarial valuation of the plan as of January 1, 2011.

Significant actuarial assumptions used in determining the pension benefit obligation include: (a) the rate of return on investments of 8 percent per year, (b) projected salary increases of 5.5 percent per year, and (c) a post retirement benefit increase of 4.0 percent per year.

| | |
|---|---|
| Pension Benefit Values: | |
| Retirees and beneficiaries currently receiving benefits and terminated employees not yet receiving benefits | $2,136,365 |
| Current Employees: | |
| Accumulated employee contributions including allocated investment income | - 0 - |
| Employer financed - vested | 1,085,844 |
| Employer financed - nonvested | 99,276 |
| Total pension benefit obligation | $3,321,485 |
| Net assets available for benefits at market value | 2,259,184 |
| Unfunded pension benefit obligation (funding excess) | $(1,062,301) |

Funding Policy and Annual Contributions:

The funding policy for the plan is to contribute an amount equal to the recommended contribution computed by actuaries each year.

The recommended contribution meets the guidelines for calculating an annual required contribution set forth in Paragraphs 9-10 of GASB Statement No. 27. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets is to roll forward prior year's actuarial value with contributions, disbursements, and expected returns on investments, plus 10% of investment gains (losses) during the prior years. The period, and related method, for amortizing the initial unfunded actuarial accrued liability is 30 years from1981 and current changes in the unfunded actuarial accrued liability of 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

R. Defined Benefit Pension Plan: (Continued)

These amortization periods, if applicable, are closed for this plan year.
The recommended contribution as a percent of covered payroll is 24.93%, which will begin On October 1, 2011.

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

The significant actuarial assumptions used in the current valuation are:

- rate of return on investment — 7.75% per year
- projected salary increases - plus age and service based merit increases — 3.50% per year
- Cost of living adjustments — 3.50% per year

Annual Pension Cost Information:

| | Fiscal Year Ended | | | | |
|---|---|---|---|---|---|
| | 6/30/2005 | 6/30/2006 | 6/30/2007 | 6/30/2008 | 6/30/2009 |
| Annual Pension Cost (APC) | $ 73,083 | $ 75,607 | $ 94,882 | $ 157,874 | $ 270,079 |
| Contributions | $ 67,429 | $ 74,426 | $ 84,385 | $ 81,854 | $ 87,653 |
| Percentage of APC | 92.26% | 98.44% | 88.94% | 51.85% | 32.25% |
| Net Pension Obligation | | | | | |

Required Supplementary Information: (In Thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded/ (Surplus) AAL (UAAL) (b)- (a) | Funded Ratio (a)/(b) | Covered Payroll ( c ) | UAAL as a Percentage of Covered Payroll [(b)-(a)] / ( c) |
|---|---|---|---|---|---|---|
| 7/1/2007 | 2,418,964 | 2,401,938 | (17,026) | 100.71% | 685,115 | 0.00% |
| 7/1/2008 | 2,701,736 | 3,211,860 | 510,124 | 84.12% | 741,728 | 68.78% |
| 7/1/2009 | 2,007,229 | 3,415,131 | 1,407,902 | 58.77% | 835,158 | 168.58% |
| 1/1/2010 | 2,539,288 | 3,362,694 | 823,406 | 75.51% | 914,198 | 90.07% |
| 1/1/2011 | 2,772,802 | 3,543,451 | 770649 | 78.25% | 849,447 | 90.72% |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

R. Defined Benefit Pension Plan: (Continued)

Trend information for the past five years is presented below in thousands:

| | Fiscal Year Ended | | | | |
|---|---|---|---|---|---|
| | 6-30-05 | 6-30-06 | 6-30-07 | 6-30-08 | 6-30-09 |
| Net Assets Available for Benefits | $1,841 | $2,165 | $2,377 | $2,329 | $1,673 |
| Accrued Pension Benefits | $1,893 | $1,993 | $2,218 | $2,837 | $3,119 |
| Percentage Funded | 97.2% | 108.63% | 107.15% | 82.09% | 53.62% |
| Unfunded Pension Benefit Obligation (Excess) | $ 25 | $ (17) | $ 53 | $ 510 | $1,408 |
| Annual Covered Payroll | $ 710 | $ 685 | $760 | $742 | $835 |
| Unfunded Pension Obligation (Excess) as a Percentage of Covered Payroll | 3.6% | 3.9% | 7.51% | 68.78% | 168.58% |
| Percentage of Contributions to Annual Covered Payroll | 10.3% | 11.21% | 12.48% | 21.28% | 32.34% |

S. Risk Management:

The City of Vienna is exposed to various risks of losses to torts, thefts of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City has joined together with other municipalities in the state as part of the Georgia Interlocal Risk Management Agency Property and Liability Insurance Fund and the Georgia Municipal Association Group Self-insurance Workers Compensation Fund, a public entity risk pool currently operating as a common risk management and insurance program for member local governments.

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, and in accordance with any coverage descriptions issued, all incidents which could result 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.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

S. Risk Management (continued)

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.

Settled claims in the past three years have not exceeded the coverage.

The City of Vienna also provides health insurance coverage for its employees through the Georgia Municipal Employees Benefit System (GMEBS).

T. Joint Venture:

Under Georgia law, the County, in conjunction with other city and counties in the eight county west central Georgia area, is a member of the River Valley Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended September 30, 2010, the city paid $3,470 in such dues. Membership in RDC is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the RDC Board membership includes the chief elected official of each county and municipality of the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of an RDC. Separate financial statements may be obtained from:

River Valley Regional Development Center
228 West Lamar Street
Americus, Georgia 31709

U. Transfer between Funds

| | |
|---|---|
| General Fund | $ 226,981 |
| Water & Sewer Fund | (40,147) |
| Gas Fund | (186,834) |
| | $ - 0 - |

Funds were transferred to meet cash flow.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

V. Related Organizations

The following is a list of related organizations for which the City of Vienna appoints one or more of the Board of Directors:

- The Housing Authority of the City of Vienna

W. Subsequent Events

Subsequent to July 18, 2011, the City of Vienna received notification from the Georgia Environmental Protection Division that it was charged with openly dumping construction and demolition waste upon City of Vienna property. The City of Vienna at no time granted permission to third parties to dump construction and demolition waste upon its property. However, subsequent to September 30, 2011, the City of Vienna contracted with an independent third party to remediate the subject site at a cost of $1,800,000.00. The remediation was completed prior to April 26, 2012 and the Georgia Environmental Protection Division gave verbal approval to the Mayor and the independent contractor that the complaint was remediated. The City of Vienna is undertaking to satisfy its indebtedness to the third party contractor through the issuance of bonds of the type permitted by the laws of the State of Georgia in the amount of $1,800,000.00. The City of Vienna is also pursuing through legal means the third parties at fault with respect to the Environmental Protection Division complaint and recovery of monies expended by the City of Vienna for the remediation.

SUPPLEMENTAL INFORMATION

CITY OF VIENNA, GEORGIA
COMPARATIVE BALANCE SHEET
GENERAL FUND
September 30, 2011

| | 2011 | 2010 |
|---|---|---|
| ASSETS | | |
| Current Assets | | |
| Cash on Hand and in Banks | $ 62,684 | $136,237 |
| Investments | 69,073 | 67,717 |
| Accounts Receivable | - | 19,148 |
| Property Taxes Receivable | 62,928 | 40,154 |
| Local Option Sales Tax Receivable | 24,893 | 24,549 |
| TOTAL CURRENT ASSETS | $ 219,578 | $287,805 |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Accounts Payable | $ 8,220 | $30,618 |
| Accrued and Withheld Payroll Taxes | - | 3,196 |
| Other Accrued Liabilities | 718 | 450 |
| Note Payable BB&T | - | - |
| TOTAL LIABILITIES | $ 8,938 | $34,264 |
| FUND BALANCE | | |
| Fund Balance | $ 210,640 | $ 253,541 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 219,578 | $287,805 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES - EXPENDITURES AND
CHANGES IN FUND BALANCE (DETAIL)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Budget | Actual | Variance |
|---|---|---|---|
| Taxes | | | |
| General Property | $ 499,558 | $ 484,387 | $ (15,171) |
| Malt Beverage | 62,000 | 61,884 | (116) |
| Premium | 160,042 | 160,042 | - |
| Franchise | 317,000 | 289,328 | (27,672) |
| Local Option Sales | 305,900 | 312,477 | 6,577 |
| Ad Valorem, Intangible, and Miscellaneous | 49,000 | 54,405 | 5,405 |
| | $ 1,393,500 | $ 1,362,523 | $ (30,977) |
| LICENSES AND PERMITS | | | |
| Business, Professional and Occupation Licenses | $ 41,500 | $ 37,843 | $ (3,657) |
| Alcoholic Beverage Licenses | 10,200 | - | (10,200) |
| | $ 51,700 | $ 37,843 | $ (13,857) |
| INTERGOVERNMENTAL REVENUES | | | |
| State | $ - | $ 2,000 | $ 2,000 |
| Federal | - | 94,819 | 94,819 |
| | $ - | $ 96,819 | $ 96,819 |
| CHARGE FOR SERVICE | | | |
| Garbage B & C Service | $ 11,000 | $ 8,043 | $ (2,957) |
| FINES AND FORFEITS | | | |
| Fines | $ 117,000 | $ 61,164 | $ (55,836) |
| MISCELLANEOUS REVENUES | | | |
| Penalties and Interest, Taxes and Licenses | $ 10,862 | $ 7,467 | $ (3,395) |
| Sale of Cemetery Lots | 12,000 | 3,360 | (8,640) |
| Sale of Property | - | 500 | 500 |
| Interest | 4,000 | 1,626 | (2,374) |
| Rent | 10,000 | 9,250 | (750) |
| Garbage Revenue | 162,000 | - | (162,000) |
| DARE | | - | - |
| Election Fees | - | 163 | 163 |
| Reimbursement | - | 21,194 | 21,194 |
| Animal Control | - | - | - |
| Transfer | 52,500 | 109,540 | 57,040 |
| Miscellaneous and Other | 10,000 | 25,126 | 15,126 |
| Lease | - | - | - |
| Permits | 3,200 | - | (3,200) |
| School Resource Officers | - | - | - |
| | $ 264,562 | $ 178,226 | $ (86,336) |
| TOTAL REVENUES | $ 1,837,762 | $ 1,744,618 | $ (93,144) |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES - EXPENDITURES AND
CHANGES IN FUND BALANCE (DETAIL)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| EXECUTIVE, LEGISLATIVE AND JUDICIAL | Budget | Actual | Variance |
|---|---|---|---|
| Mayor and Council | $ 3,600 | $ 2,700 | $ 900 |
| Judges Salaries | 4,200 | 4,200 | - |
| Training | 5,000 | 3,343 | 1,657 |
| Professional Fees | 50,000 | 49,890 | 110 |
| Advertising | 5,000 | 5,000 | - |
| Travel/ Conference | 8,000 | 10,022 | (2,022) |
| Dues & Subscription | 3,500 | 3,426 | 74 |
| Auto Expense | 2,000 | 2,000 | - |
| Pension Cost | 6,000 | 5,628 | 372 |
| Insurance | 0 | 1,500 | (1,500) |
| Repair & Maintenance | 900 | 2,452 | (1,552) |
| Interest | 0 | - | - |
| Public Service Utilities | 8,000 | 7,738 | 262 |
| Operating Supplies | 3,000 | 1,875 | 1,125 |
| Miscellaneous Expense | 2,629 | 381 | 2,248 |
| TOTAL EXECUTIVE,LEGISLATIVE AND JUDICIAL | $ 101,829 | $ 100,155 | $ 1,674 |
| ADMINISTRATIVE | | | |
| Salaries- Regular | $ 174,000 | $ 168,804 | $ 5,196 |
| FICA/ Medicare Expense | 12,583 | 13,126 | (543) |
| Employee Insurance and Retirement | 25,000 | 36,071 | (11,071) |
| Pension Cost | 31,000 | 45,892 | (14,892) |
| Training | 1,200 | 1,114 | 86 |
| Professional Fees | 9,800 | 5,802 | 3,998 |
| Repairs & Maintenance | 6,000 | 3,776 | 2,224 |
| Travel/ Conference | 1,600 | 1,596 | 4 |
| Dues & Subscription | 550 | 528 | 22 |
| Auto Expense | 1,500 | 1,453 | 47 |
| Public Service Utilities | 12,000 | 11,621 | 379 |
| Operating Supplies | 10,000 | 6,411 | 3,589 |
| Casual Labor | 1,150 | 1,150 | - |
| Bonuses | - | - | - |
| Interest | - | 34,900 | (34,900) |
| Machinery & Equipment | 7,050 | 6,685 | 365 |
| Office Supplies | 9,450 | 6,392 | 3,058 |
| Worker's Compensation | 1,000 | 2,000 | (1,000) |
| Bad Debt & Adjustments | - | - | - |
| Miscellaneous Expense | 1,500 | 1,500 | - |
| TOTAL ADMINISTRATIVE | $ 305,383 | $ 348,821 | $ (43,438) |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES - EXPENDITURES AND
CHANGES IN FUND BALANCE (DETAIL)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| POLICE DEPARTMENT | Budget | Actual | Variance |
|---|---|---|---|
| Salaries- Regular | $ 350,000 | $ 324,502 | $ 25,498 |
| FICA/ Medicare Expense | 26,000 | 25,223 | 777 |
| Employee Insurance and Retirement | 61,000 | 76,751 | (15,751) |
| Pension Cost | 44,000 | 45,968 | (1,968) |
| Uniforms | 3,000 | 4,251 | (1,251) |
| Training | 1,300 | 1,447 | (147) |
| Professional Fees | 15,000 | 16,261 | (1,261) |
| Repairs & Maintenance | 5,800 | 5,799 | 1 |
| Advertising | 400 | 365 | 36 |
| Travel/ Conference | 2,500 | 2,502 | (2) |
| Dues & Subscription | 400 | 349 | 52 |
| Auto Expense | 22,500 | 23,317 | (817) |
| Public Service Utilities | 13,700 | 13,589 | 111 |
| Operating Supplies | 9,600 | 10,163 | (563) |
| Office Supplies | 1,100 | 1,121 | (21) |
| Vehicles | 20,000 | - | 20,000 |
| Building | - | - | - |
| Interest | - | 681 | (681) |
| Machinery & Equipment | 2,200 | 2,136 | 64 |
| Animal Control | 10,000 | 9,501 | 499 |
| School Resources Officers | - | - | - |
| Worker's Compensation | 8,350 | 8,339 | 11 |
| School Resources- FICA/Medicare | - | - | - |
| School Resources- Insurance | 8,000 | 8,000 | - |
| Overtime and Court | - | - | - |
| Miscellaneous Expense | 34,000 | 2,680 | 31,320 |
| TOTAL POLICE DEPARTMENT | $ 638,850 | $ 582,945 | $ 55,905 |

| PUBLIC SAFETY - FIRE DEPARTMENT | | | |
|---|---|---|---|
| Fireman Fees | $ 24,000 | $ 23,015 | $ 985 |
| Fireman's Pension Fund and Insurance | 8,500 | 4,000 | 4,500 |
| Pension Cost | - | 3,410 | (3,410) |
| Uniforms | 3,500 | 98 | 3,402 |
| Repair & Maintenance | 3,000 | 1,754 | 1,246 |
| Travel/ Conference | - | - | - |
| Dues & Subscription | 50 | 40 | 10 |
| Public Service Utilities | 50 | 18 | 32 |
| Operating Supplies | 6,000 | 3,674 | 2,326 |
| Vehicle Expense | 47,000 | - | 47,000 |
| Worker's Compensation | 1,000 | 1,000 | - |
| Professional Fees | 1,000 | 746 | 254 |
| Interest | - | 3,464 | (3,464) |
| Miscellaneous Expense | - | 240 | (240) |
| TOTAL FIRE DEPARTMENT | $ 94,100 | $ 41,458 | $ 52,642 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES - EXPENDITURES AND CHANGES IN FUND BALANCE (DETAIL)
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| COMMUNITY DEVELOPMENT | Budget | Actual | Variance |
|---|---|---|---|
| Salaries- Regular | $ 56,000 | $ 53,707 | $ 2,293 |
| FICA/ Medicare Expense | 4,000 | 7,730 | (3,730) |
| Employee Insurance and Retirement | 12,400 | 12,400 | - |
| Repair & Maintenance | 950 | 942 | 8 |
| Dues & Subscription | 450 | 593 | (143) |
| Travel/ Conference | 5,000 | 5,133 | (133) |
| Public Service Utilities | 8,500 | 8,492 | 8 |
| Operating Supplies | 700 | - | 700 |
| Office Supplies | 700 | 1,125 | (425) |
| Pension Cost | 13,000 | 11,385 | 1,615 |
| Professional Fees | 5,000 | - | 5,000 |
| Conference/Training | 950 | 825 | 125 |
| Vienna Better Hometown | 900 | - | 900 |
| Vienna DDA | 1,000 | - | 1,000 |
| GIRMA | 900 | - | 900 |
| Worker's Compensation | 700 | 700 | - |
| TOTAL COMMUNITY DEVELOPMENT | $ 111,150 | $ 103,032 | $ 8,118 |
| STREET, PARKS AND RECREATION | | | |
| Salaries- Regular | $ 132,000 | $ 130,127 | $ 1,873 |
| FICA/ Medicare Expense | 8,800 | 10,114 | (1,314) |
| Employee Insurance and Retirement | 21,575 | 20,692 | 883 |
| Pension Cost | 45,000 | 36,861 | 8,139 |
| Uniforms | 3,000 | 2,796 | 204 |
| Professional Fees | 3,600 | 3,542 | 58 |
| Repairs & Maintenance | 12,000 | 10,386 | 1,614 |
| Insurance | - | 6,000 | (6,000) |
| Vehicle Expense | 12,000 | 12,000 | - |
| Public Service Utilities | 45,000 | 44,933 | 67 |
| Operating Supplies | 23,000 | 21,469 | 1,531 |
| Office Supplies | 50 | 46 | 4 |
| Casual Labor | 5,000 | - | 5,000 |
| Machinery and Equipment | 9,900 | 7,825 | 2,075 |
| Worker's Compensation | 4,350 | 4,350 | - |
| GIRMA | 6,000 | | 6,000 |
| Miscellaneous Expense | - | 8,740 | (8,740) |
| TOTAL STREET, PARKS AND RECREATION | $ 331,275 | $ 319,881 | $ 11,394 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES - EXPENDITURES AND
CHANGES IN FUND BALANCE (DETAIL)
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Budget | Actual | Variance |
|---|---|---|---|
| OTHER EXPENSES | | | |
| Van | $ - | $ - | $ - |
| Vienna Better Hometown | - | 785 | (785) |
| Mosquito Control | 10,500 | 8,946 | 1,554 |
| Transportation | 20,000 | 37,809 | (17,809) |
| Vienna Development Authority/ City Hall Note | - | - | - |
| Library | 2,400 | 2,400 | - |
| Chamber of Commerce | 20,000 | 21,639 | (1,639) |
| GIRMA | - | 4,039 | (4,039) |
| PIG JIG | 2,000 | 2,000 | - |
| JMERS | - | - | - |
| Professional Fees | - | 4,925 | (4,925) |
| Council on Aging | - | - | - |
| Cemetery | 26,000 | 13,750 | 12,250 |
| Miscellaneous and Reserves | - | 14,770 | (14,770) |
| Miscellaneous | 164,775 | - | 164,775 |
| Administrative General Expense | - | - | - |
| Unemployement | 9,500 | - | 9,500 |
| Capital Outlay: | | | - |
| Equipment and Other | - | 198,445 | (198,445) |
| Spec Building | - | 79,000 | (79,000) |
| Sidewalk | - | - | - |
| Industrial Utilities | - | - | - |
| New City Hall | - | - | - |
| SPLOST Project | - | - | - |
| Garage | - | - | - |
| TOTAL OTHER | $ 255,175 | $ 388,508 | $ (133,333) |
| TOTAL EXPENDITURES | $ 1,837,762 | $ 1,884,801 | $ (47,039) |
| EXCESS OF REVENUES OVER EXPENDITURES | $ - | $ (140,184) | $ (140,184) |
| OTHER FINANCING SOURCES | | | |
| Transfers | | 226,981 | |
| Debt Services | - | | |
| Prior Period Adjustment | - | 49,231 | |
| TOTAL OTHER FINANCIAL SOURCES | $ - | $ 276,212 | $ - |
| EXCESS OF EXPENDITURES OVER REVENUES AND OTHER FINANCING SOURCES | - | 136,028 | . |
| FUND BALANCE - BEGINNING | | 74,612 | |
| FUND BALANCE - ENDING | | $ 210,640 | |

CITY OF VIENNA, GEORGIA
SEWER IMPROVEMENTS BALANCE SHEET
CDBG 08-P-X-046-2-5077
CAPITAL PROJECTS FUND
September 30, 2011

| | 9/30/2011 | 9/30/2010 |
|---|---|---|
| ASSETS | | |
| Cash in Bank | $ - | $ 2,884 |
| TOTAL ASSETS | $ - | $ 2,884 |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Liabilities | $ - | $ 100 |
| TOTAL LIABILITIES | $ - | $ 100 |
| FUND BALANCE | | |
| Fund Balance | $ - | $ 2,784 |
| TOTAL LIABILITIES AND FUND BALANCE | $ - | $ 2,884 |

* Included in Water and Sewer Fund

CITY OF VIENNA GEORGIA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE -BUDGET AND ACTUAL
08p-x-046-2-5077
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | Project Length Budget | Actual | Variances Favorable Unfavorable |
|---|---|---|---|
| REVENUES | | | |
| Intergovernmental Revenue | $ 413,476 | $ - | $ (219,939) |
| TOTAL REVENUES | $ 413,476 | $ - | $ (219,939) |
| EXPENDITURES | | | |
| Acquisition of Property (Public) | | | |
| P-001-01 | $ 5,000 | | $ 5,000 |
| Contingencies | | | |
| C-022-00 | 32,705 | | 32,705 |
| Engineering-Water/Sewer Improvements | | | |
| T-03J-02 | 33,586 | | 33,586 |
| Sewer Facilities | | | |
| P-03J=02 | 316,550 | | 316,550 |
| Administration | | | |
| A-21A-00 | 25,635 | | 25,635 |
| TOTAL EXPENDITURES | $ 413,476 | $ - | $ 413,476 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | $ - | $ - | $ 193,537 |
| FUND BALANCE -BEGINNING* | | 2,884 | |
| FUND BALANCE -ENDING | | $ - | ** |

*Included in Water and Sewer Fund

** Disbursement made to:
City of Vienna 100
DCA - Balance Returned 2784

CITY OF VIENNA, GEORGIA
SOURCE AND APPLICATION OF FUNDS SCHEDULE
08-p-046-2-5077
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| | | |
|---|---|---|
| Total Program Year 2000 Funds Allocated to Recipient | $ | 413,476 |
| Funds Drawn by Recipient -FYE 9-30-10 | | 188,699 |
| FYE 9-30-11 | | - |
| Funds Still Available from Program Year 2008 Resources | $ | 31,240 |
| Total Program Year 2000 Funds Drawn and Received by Recipient | $ | 382,236 |
| Less: Funds Applied and Expended to Program Year 2008 Costs -FYE 9-30-10 | | 255,432 |
| FYE 9-30-11 | | - |
| Total Program Year 2008 Funds Held by Recipient | $ | - |

* Disbursements made to:
City of Vienna $ 100.
DCA - Balance Returned $2784.

* Included in Water and Sewer Fund

CITY OF VIENNA, GEORGIA
Schedule of Projects Constructed
08p-046-2-5077
FOR THE YEAR ENDED SEPTEMBER 30, 2011

| Program | Latest Approved Budget CDBG Funds | Accumulative Expenditures To Date CDBG Funds | Accumulative Expenditures To Date Other Funds | Grant Total Expenditures To Date | Questioned Costs |
|---|---|---|---|---|---|
| Acquisition of Property (Public) | | | | | |
| P-001-01 | $ 5,000 | $ - | $ - | $ - | - |
| Contingencies | | | | | |
| C-022-00 | 32,705 | - | - | - | - |
| Engineering-Water/Sewer Improvements | | | | | |
| T-03J-02 | 33,586 | 37,923 | - | 37,923 | - |
| Sewer Facilities | | | | | |
| P-03j-02 | 316,550 | 317,620 | - | 317,620 | - |
| Administration | | | | | |
| A-21A-00 | 25,635 | 23,909 | - | 23,909 | - |
| Totals | $ 413,476 | $ 379,452 | $ - | $ 379,452 | $ - |

*Included in Water and Sewer Fund

CITY OF VIENNA, GEORGIA

BALANCE SHEET

CDBG-EIP-09q-x-046-2-5196

SEPTEMBER 30, 2011

| | 9/30/2011 |
|---|---|
| **ASSETS** | |
| Cash in Bank | 0 |
| TOTAL ASSETS | 0 |
| **LIABILITIES AND FUND BALANCE** | |
| **LIABILITIES** | |
| Liabilities | 0 |
| TOTAL LIABILITIES | 0 |
| **FUND BALANCE** | |
| Fund Balance | 0 |
| TOTAL FUND BALANCE | 0 |
| TOTAL LIABILITIES AND FUND BALANCE | 0 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
CDBG-EIP-09q-x-046-2-5196
FOR THE YEAR ENDING SEPTEMBER 30, 2011

| | | |
|---|---|---|
| **REVENUES** | | |
| Intergovernmental Revenue | $ | 822,049 |
| TOTAL REVENUES | $ | 822,049 |
| **EXPENDITURES** | | |
| Waste Water Project | $ | 822,049 |
| TOTAL EXPENDITURES | $ | 822,049 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | $ | - |
| FUND BALANCE at October 1, 2010 | $ | - |
| FUND BALANCE at September 30, 2011 | $ | - |

CITY OF VIENNA, GEORGIA
BALANCE SHEET
ONE GEORGIA 10-9Q-046-2-4569
September 30, 2011

| | 9/30/2011 |
|---|---|
| ASSETS | |
| Cash in Bank | $ - |
| TOTAL ASSETS | $ - |
| LIABILITIES AND FUND BALANCE | |
| LIABILITIES | |
| Liabilities | $ - |
| TOTAL LIABILITIES | $ - |
| FUND BALANCE | |
| Fund Balance | $ - |
| TOTAL LIABILITIES AND FUND BALANCE | $ - |

*Reimbursed to the City
* Included in Water and Sewer Fund

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
ONE-GEORGIA 10-9q-46-2-4569
FOR THE YEAR ENDING SEPTEMBER 30, 2011

| | | |
|---|---|---|
| REVENUES | | |
| Intergovernmental Revenue | $ | 462,772 |
| TOTAL REVENUES | $ | 462,772 |
| EXPENDITURES | | |
| Waste Water Project | $ | 462,772 |
| TOTAL EXPENDITURES | $ | 462,772 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | $ | - |
| FUND BALANCE AT October 1, 2010 | $ | - |
| FUND BALANCE AT September 30, 2011 | $ | - |

CITY OF VIENNA, GEORGIA
BALANCE SHEET
USDA- SPEC BUILDING
September 30, 2011

| | 9/30/2011 | 9/30/2010 |
|---|---|---|
| ASSETS | | |
| Cash in Bank | $ 14,647 | $ - |
| TOTAL ASSETS | $ 14,647 | $ - |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Liabilities | $ - | $ - |
| TOTAL LIABILITIES | $ - | $ - |
| FUND BALANCE | | |
| Fund Balance | $ 14,647 | $ - |
| TOTAL LIABILITIES AND FUND BALANCE | $ 14,647 | $ - |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
USDA SPEC BUILDING
FOR THE YEAR ENDING SEPTEMBER 30, 2011

| | | |
|---|---|---|
| REVENUES | | |
| Intergovernmental Revenue | $ | 99,999 |
| TOTAL REVENUES | $ | 99,999 |
| EXPENDITURES | | |
| Waste Water Project | $ | 85,352 |
| TOTAL EXPENDITURES | $ | 85,352 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | $ | 14,647 |
| FUND BALANCE AT OCTOBER 1, 2010 | | |
| City of Vienna | $ | 100 |
| FUND BALANCE AT SEPTEMBER 30, 2011 | $ | 14,747 |

CITY OF VIENNA, GEORGIA
SPECIAL USE LOCAL OPTION SALES TAX FUNDS
BALANCE SHEET
September 30, 2011

| | SPECIAL LOCAL OPTION SALES TAX FUND 2007 | TOTAL |
|---|---|---|
| ASSETS | | |
| Cash | $ 281,514 | $ 281,514 |
| TOTAL ASSETS | $ 281,514 | $ 281,514 |
| LIABILITES AND FUND BALANCE | | |
| LIABILITIES | | |
| Accounts Payable | $ - | $ - |
| TOTAL LIABILITIES | $ - | $ - |
| FUND BALANCE | | |
| Fund Balance | $ 281,514 | $ 281,514 |
| TOTAL FUND BALANCE | $ 281,514 | $ 281,514 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 281,514 | $ 281,514 |

CITY OF VIENNA, GEORGIA
SPECIAL USE LOCAL OPTION SALES TAX FUNDS
CHANGES IN FUND BALANCE (GAAP BASIS)
FOR THE YEAR ENDING SEPTEMBER 30, 2011

| | Special Local Option Sales Tax Fund 2007 | Total |
|---|---|---|
| REVENUES | | |
| Intergovernmental | $ 174,026 | $ 174,026 |
| Grants | 158,666 | 158,666 |
| Miscellaneous and Other | 1,895 | 1,895 |
| TOTAL REVENUES | $ 334,587 | $ 334,587 |
| EXPENDITURES | | |
| Purchase D Cutts Bldg | $ 158,666 | $ 158,666 |
| Debt Services | 93,930 | 93,930 |
| TOTAL EXPENDITURES | $ 252,596 | $ 252,596 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | $ 81,991 | $ 81,991 |
| FUND BALANCE AT October 1, 2010 | $ 199,523 | $ 199,523 |
| FUND BALANCE AT September 30, 2011 | $ 281,514 | $ 281,514 |

CITY OF VIENNA, GEORGIA
COMPARATIVE BALANCE SHEET
WATER AND SEWER REVENUE FUND
September 30, 2011

| ASSETS | 2011 | 2010 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash in Banks -General | $ 368,574 | $ 253,471 |
| DUE FROM GRANT FUND | 92,186 | - |
| Due from USDA RBEG09 | 80,234 | 80,234 |
| Accounts Receivable | 67,467 | 44,518 |
| Accounts Receivable-Gas | (489) | (3,273) |
| TOTAL CURRENT ASSETS | $ 607,972 | $ 374,950 |
| RESTRICTED ASSETS | | |
| Sinking Fund Investments | $ 321,404 | $ 385,504 |
| TOTAL RESTRICTED ASSETS | $ 321,404 | $ 385,504 |
| UTILITY PLANT IN SERVICE | | |
| Plant in Service | $ 14,762,640 | $ 14,642,190 |
| Machinery and Equipment | $ 329,482 | $ 329,482 |
| Less: Accumulated Depreciation | (5,736,902) | (5,136,086) |
| UTILITY PLANT IN SERVICE -NET | $ 9,355,220 | $ 9,835,586 |
| OTHER FIXED ASSETS | | |
| Less: Accumulated Depreciation | | (292,011) |
| OTHER FIXED ASSETS -NET | $ - | $ (292,011) |
| OTHER ASSETS | | |
| Revenue Bond Closing Cost | $ 62,400 | $ 62,400 |
| Less: Accumulated Amortization | (62,400) | (62,400) |
| OTHER ASSETS -NET | - | - |
| TOTAL ASSETS | $ 10,284,596 | $ 10,304,029 |

CITY OF VIENNA, GEORGIA
COMPARATIVE BALANCE SHEET
WATER AND SEWER REVENUE FUND
September 30, 2011

| | 2011 | 2010 |
|---|---|---|
| LIABILITIES AND EQUITY | | |
| CURRENT LIABILITIES | | |
| (Payable from Current Assets) | | |
| Accounts Payable | $ 12,067 | $ 9,710 |
| GEFA | 10,888 | 10,456 |
| Accrued Interest | - | - |
| TOTAL CURRENT LIABILITIES | $ 22,955 | $ 20,166 |
| LIABILITIES PAYABLE FROM RESTRICTED ASSETS | | |
| Customer's Deposits | $ 75,880 | $ 67,038 |
| Revenue Bonds Payable -Current | 404,000 | 404,000 |
| TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS | $ 479,880 | $ 471,038 |
| LONG TERM LIABILITIES | | |
| Revenue Bonds Payable | $ 2,032,000 | $ 2,431,000 |
| GEFA Notes Payable | 169,555 | 180,443 |
| TOTAL LONG TERM LIABILITIES | $ 2,201,555 | $ 2,611,443 |
| TOTAL LIABILITIES | $ 2,704,390 | $ 3,102,647 |
| FUND EQUITY | | |
| Invested in Capital Assets, Net of Related Debt | $ 6,738,778 | $ 6,517,676 |
| Restricted (Cash) | 321,404 | 385,504 |
| Unrestricted | 520,024 | 298,202 |
| TOTAL FUND EQUITY | $ 7,580,206 | $ 7,201,382 |
| TOTAL LIABILITIES AND FUND EQUITY | $ 10,284,596 | $ 10,304,029 |

CITY OF VIENNA, GEORGIA
COMPARATIVE BALANCE SHEET
GAS REVENUE FUND
September 30, 2011

ASSETS

| | 2011 | 2010 |
|---|---|---|
| CURRENT ASSETS | | |
| Cash in Banks | $ 115,145 | $ 185,590 |
| Accounts Receivable - Gas | 95,967 | 121,334 |
| Accounts Receivable - Other | 95,778 | 3,103 |
| Investments | 380,469 | 373,009 |
| TOTAL CURRENT ASSETS | $ 687,359 | $ 683,036 |
| UTILITY PLANT IN SERVICE | | |
| Plant in Service | $ 897,874 | $ 897,874 |
| Less: Accumulated Depreciation | (548,483) | (521,673) |
| UTILITY PLANT IN SERVICE - NET | $ 349,391 | $ 376,201 |
| OTHER FIXED ASSETS | | |
| Machinery and Equipment | $ 794,015 | $ 794,015 |
| Less: Accumulated Depreciation | (646,035) | (617,469) |
| OTHER FIXED ASSETS - NET | $ 147,980 | $ 176,546 |
| TOTAL ASSETS | $ 1,184,730 | $ 1,235,783 |

CITY OF VIENNA, GEORGIA
COMPARATIVE BALANCE SHEET
GAS REVENUE FUND
September 30, 2011

LIABILITIES AND FUND EQUITY

| | 2011 | 2010 |
|---|---|---|
| CURRENT LIABILITIES | | |
| (Payable from Current Assets) | | |
| Accounts Payable | $ 81,481 | $ 111,452 |
| Accrued Expenses | 6,845 | 8,278 |
| TOTAL CURRENT LIABILITIES | $ 88,326 | $ 119,730 |
| LIABILITIES PAYABLE FROM RESTRICTED ASSETS | | |
| Customer's Deposits | $ 45,021 | $ 42,102 |
| TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS | $ 45,021 | $ 42,102 |
| TOTAL LIABILITIES | $ 176,652 | $ 161,832 |
| FUND EQUITY | | |
| Contributions from Federal Government | $ 56,652 | $ 56,652 |
| Retained Earnings - Unreserved | 951,426 | 1,017,299 |
| TOTAL FUND EQUITY | $ 1,008,078 | $ 1,073,951 |
| TOTAL LIABILITIES AND FUND EQUITY | $ 1,184,730 | $ 1,235,783 |

CITY OF VIENNA, GEORGIA
BALANCE SHEET
STANLEY GAMBRELL UTILITY ASSISTANCE FUND
FOR THE YEAR ENDING SEPTEMBER 30,2001

| | |
|---|---|
| ASSETS | |
| Cash in Bank | $ 43,319 |
| TOTAL ASSETS | $ 43,319 |
| LIABILITIES AND FUND BALANCE | |
| LIABILITIES | |
| Liabilities | $ - |
| TOTAL LIABILITIES | $ - |
| FUND BALANCE | |
| Fund Balance | $ 43,319 |
| TOTAL FUND BALANCE | $ 43,319 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 43,319 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
STANLEY GAMBRELL UTILITY ASSISTANCE FUND
September 30, 2011

| | |
|---|---|
| REVENUES | |
| Donations | $ 50,235 |
| TOTAL REVENUES | $ 50,235 |
| EXPENDITURES | |
| Gas Assistance | $ 6,916 |
| TOTAL EXPENDITURES | $ 6,916 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | $ 43,319 |
| FUND BALANCE AT October 1, 2010 | $ - |
| FUND BALANCE AT September 30, 2011 | $ 43,319 |

CITY OF VIENNA, GEORGIA
BALANCE SHEET
EDA 04-01-06290
September 30, 2011

| | |
|---|---|
| ASSETS | |
| Cash in Bank | $ 234,000 |
| TOTAL ASSETS | 234,000 |
| LIABILITIES AND FUND BALANCE | |
| LIABILITIES | |
| Liabilities | - |
| TOTAL LIABILITIES | - |
| FUND BALANCE | |
| Fund Balance | 234,000 |
| TOTAL FUND BALANCE | 234,000 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 234,000 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
EDA 04-01-06290
September 30, 2011

| | |
|---|---|
| REVENUES | |
| Intergovernmental Revenue | $ 234,000 |
| TOTAL REVENUES | 234,000 |
| EXPENDITURES | |
| | - |
| TOTAL EXPENDITURES | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 234,000 |
| FUND BALANCE AT October 1, 2010 | - |
| FUND BALANCE AT September 30, 2011 | $ 234,000 |

CITY OF VIENNA, GEORGIA
BALANCE SHEET
EPA XP-95416910
September 30, 2011

| | |
|---|---|
| **ASSETS** | |
| Cash in Bank | $ 66,000 |
| TOTAL ASSETS | 66,000 |
| **LIABILITIES AND FUND BALANCE** | |
| **LIABILITIES** | |
| Liabilities | - |
| TOTAL LIABILITIES | - |
| **FUND BALANCE** | |
| Fund Balance | 66,000 |
| TOTAL FUND BALANCE | 66,000 |
| TOTAL LIABILITIES AND FUND BALANCE | $ 66,000 |

CITY OF VIENNA, GEORGIA
STATEMENT OF REVENUES AND EXPENDITURES
EPA XP-95416910
September 30, 2011

| | |
|---|---|
| REVENUES | |
| Intergovernmental Revenue | $ 66,000 |
| TOTAL REVENUES | 66,000 |
| EXPENDITURES | |
| | - |
| TOTAL EXPENDITURES | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 66,000 |
| FUND BALANCE AT October 1, 2010 | - |
| FUND BALANCE AT September 30, 2011 | $ 66,000 |

# HERBERT E. ALLEN

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June 11, 2012

## INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying Schedule of Special Purpose Local Option Sales Tax for the City of Vienna, Georgia for the year ended September 30, 2011. This schedule is the responsibility of the City of Vienna, Georgia's management. Our responsibility is to express an opinion on the Schedule of Special Purpose Local Sales Tax 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 Schedule of Special Purpose Local Option Sales Tax is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedule of Special Purpose Local Option Sales Tax. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the Schedule of Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedule of Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated 48-8-121 on the modified accrual basis of accounting and is not intended to be a complete presentation of the City of Vienna, Georgia's revenues and expenditures.

In our opinion, the Schedule of Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost, the project in the City of Vienna, Georgia's resolution or ordinance calling for the tax for the year ended September 30, 2011, in conformity with accounting principles generally accepted in the United States of America.

HERBERT E. ALLEN, CPA

HERBERT E. ALLEN, CPA

CITY OF VIENNA, GEORGIA
SCHEDULE OF EXPENDITURES OF SPECIAL PURPOSE LOCAL OPTION
SALES TAX PROCEEDS
FOR THE YEAR ENDING SEPTEMBER 30, 2011

| | ESTIMATED COST | | EXPENDITURES | | | ESTIMATED % OF COMPLETION |
|---|---|---|---|---|---|---|
| | Original | Current | Prior Years | Current Year | TOTAL | |
| Capital Outlay Projects 6/19/2006 | | | | | | |
| City Administration Building | $ 600,000 | $ 600,000 | $ 45,580 | $ 93,930 | $ 139,510 | 23.25% |
| City Public Safety Facility | 600,000 | 600,000 | 25,000 | 158,666 | 183,666 | 30.61% |
| Regional Community Civic Center | 500,000 | 500,000 | 5,500 | - | 5,500 | 1.10% |
| City Wastewater Treatment Facility Improvements- Old Americus Road | 800,000 | 800,000 | 353,930 | - | 353,930 | 44.24% |
| Total | $ 2,500,000 | $ 2,500,000 | $ 430,010 | $ 252,596 | $ 682,606 | 27.30% |

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June 11, 2012

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

Honorable Mayor and City Council
City of Vienna
Vienna, Georgia

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund, and the aggregate discretely presented component units as of and for the year ended September 30, 2011, and have issued our report thereon dated June 11, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

A *control deficiency* is an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

Compliance and Other Matters

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

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

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June 11, 2012

Honorable Mayor and City Council
City of Vienna
Vienna, Georgia 31092

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

We have audited City of Vienna, Georgia's compliance with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of City of Vienna, Georgia's major federal programs for the year ended September 30, 2011. City of Vienna, Georgia's major federal programs were identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Vienna, Georgia's management. Our responsibility is to express an opinion on City of Vienna, Georgia's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of Vienna, Georgia's compliance with those requirements and performing such other procedures as we considered necessary in the circumstance. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of Vienna, Georgia's compliance with those requirements.

In our opinion, City of Vienna, Georgia complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2011.

INTERNAL CONTROL OVER COMPLIANCE

Management of City of Vienna, Georgia is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Vienna, Georgia's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Vienna, Georgia's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

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

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

HERBERT E. ALLEN, CPA

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CITY OF VIENNA, GEORGIA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
September 30, 2011

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the basic financial statements of the City of Vienna, Georgia.

2. No significant deficiencies were disclosed during the audit of the basic financial statements.

3. No instances of noncompliance material to the financial statements of the City of Vienna, Georgia were disclosed during the audit of the basic financial statements.

4. No significant deficiency disclosed during the audit of the major federal ward programs is reported in the "Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133."

5. The auditor's report on compliance for the major federal award programs for the City of Vienna, Georgia expressed an unqualified opinion.

6. No audit findings relative to the major federal awards program for the City of Vienna, Georgia is reported in Part C of this schedule.

7. The programs tested as a major program are the U.S. Department of Housing and Urban Development- Community Development Block Grant CFDA #14.228 and the Department of Commerce- Economic Development Grant CFDA #11.30. and U.S. Environmental Protection Agency-Solid waste management grant-CFDA #66.808

8. The threshold for distinguishing types A and B programs was $300,000.

9. The City of Vienna, Georgia was not determined to be a low risk auditee.

CITY OF VIENNA, GEORGIA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended September 30, 2011

| Federal Grantor/ Pass-through Grantor Program Title | Federal CFDA Number | Pass-through Entity ID# | Federal Expenditures |
|---|---|---|---|
| U.S Department of Housing and Urban Development Passed through Georgia Dept of Community Affairs Community Development Block Grant - EIP | 14.228 | 09q-x-046-2-51 | $500,000 |
| U S Department of Commerce Economic Development Admistration Grant | 11.3 | | 869,872 |
| U.S. Environmental Protection Agency Solid Wast Management Grant | 66.808 | | 477,000 |
| U.S. Department of Agriculture Community Facilities Grant | 10.78 | | 85,352 |
| Total expenditures of federal awards | | | $1,932,224 |

CITY OF VIENNA, GEORGIA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
September 30, 2011

## NOTE A – BASIS OF PRESENTATION

**The schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the City of Vienna, Georgia under programs of the federal government for the year ended September 30, 2011. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Because the Schedule presents only a selected portion of the operations of the City of Vienna, Georgia, it is not Intended to and does not present the financial position, changes in net assets, or cash flows of the City of Vienna, Georgia.**

## NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1) Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

2) Pass-through entity identifying numbers are presented where available.