CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2015

Prepared by:

DEPARTMENT OF FINANCE

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

Letter of transmittal i
Certificate of Achievement for Excellence in Financial Reporting vi
List of principal officials vii
Organization chart viii

FINANCIAL SECTION

Independent auditors' report 1

Management's discussion and analysis 4

Basic financial statements:
Government-wide financial statements:
Statement of net position 10
Statement of activities 12
Fund financial statements:
Balance sheet - Governmental funds 13
Reconciliation of fund balances on the balance sheet for governmental funds to net position of governmental activities on the statement of net position 14
Statement of revenues, expenditures, and changes in fund balances - Governmental funds 15
Reconciliation of the statement of revenues, expenditures and changes in fund balances of governmental funds to the statement of activities 16
Statement of revenues, expenditures and changes in fund balance - Budget and actual - General fund 17
Statement of net position - Proprietary funds 19
Statement of revenues, expenses, and changes in fund net position - Proprietary funds 21
Statement of cash flows - Proprietary funds 22
Notes to basic financial statements 24

Required supplementary information:
Schedule of changes in the net pension liability and related ratios - Defined benefit pension plan 47
Schedule of contributions - Defined benefit pension plan 48
Schedule of funding progress - Other post-employment benefits plan 49

Supplemental information:
Nonmajor governmental funds:
Combining balance sheet - Nonmajor governmental funds 50
Combining statement of revenues, expenditures, and changes in fund balances - Nonmajor governmental funds 51
Capital projects funds:
Capital projects fund:
Comparative balance sheets 52
Comparative statements of revenues, expenditures, and changes in fund balance 53
SPLOST Fund:
Comparative balance sheets 54
Comparative statements of revenues, expenditures, and changes in fund balance 55
Special revenue funds:
Community development fund:
Comparative balance sheets 56
Comparative statements of revenues, expenditures, and changes in fund balance 57
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual 58

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

TABLE OF CONTENTS

Page

Special revenue funds (continued):
Hotel/Motel tax fund:
Comparative statements of revenues, expenditures, and changes in fund balance 59
Schedule of revenues, expenditures, and changes in fund balance - Budget and actual 60
Major governmental funds:
General fund:
Comparative balance sheets 61
Comparative statements of revenues, expenditures, and changes in fund balance 62
Enterprise funds:
Utility fund:
Comparative statements of net position 63
Comparative statements of revenues, expenses, and changes in fund net position 65
Comparative statements of cash flows 66
Schedule of operating income 68
Schedule of changes in utility plant in service 69
Comparative schedules of revenues 70
Water and sewerage fund:
Comparative statements of net position 71
Comparative statements of revenues, expenses, and changes in fund net position 73
Comparative statements of cash flows 74
Sanitation fund:
Comparative statements of net position 75
Comparative statements of revenues, expenses, and changes in fund net position 77
Comparative statements of cash flows 78
Internal service funds:
Combining statement of net position 79
Combining statement of revenues, expenses, and changes in fund net position 80
Combining statement of cash flows 81
Group insurance fund:
Comparative statements of net position 82
Comparative statements of revenues, expenses, and changes in fund net position 83
Comparative statements of cash flows 84
Property and casualty fund:
Comparative statements of net position 85
Comparative statements of revenues, expenses, and changes in fund net position 86
Comparative statements of cash flows 87
Capital assets used in the operation of governmental funds:
Comparative schedules of capital assets by source 88
Schedule of capital assets by function and activity 89
Schedule of changes in capital assets by function and activity 90
Additional data:
Special local option sales tax funds:
Schedule of projects constructed with special sales tax proceeds 91

STATISTICAL SECTION (UNAUDITED)

Net position by component 92
Changes in net position 93
Fund balances of governmental funds 95
Changes in fund balances of governmental funds 96
General governmental tax revenues by source 97
Utility department - Operating and financial ratio analysis 98
Principal water customers 100

CITY OF LAGRANGE, GEORGIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended June 30, 2015

TABLE OF CONTENTS

	Page
Principal natural gas customers	101
Principal electric customers	102
Ratios of outstanding debt by type	103
Direct and overlapping governmental activities debt	104
Legal debt margin information	105
Pledged-revenue coverage	106
Demographic and economic statistics	107
Principal employers by number of employees	108
Full-time equivalent city government employees by function	109
Operating indicators by function	110
Capital asset statistics by function	111

LAGRANGE
GEORGIA

December 21, 2015

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

The comprehensive annual report of the City of LaGrange, Georgia (the City), for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

This is the thirteenth year the City of LaGrange is subject to the requirements of the Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments (GASB 34). The new GASB pronouncement requires management discussion and analysis of the statements, government-wide financial statements, budgetary comparison schedules, added infrastructure reporting requirements and changes to the statement of cash flows, to name a few. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

The City of LaGrange, incorporated in 1828, operates under the Council-Manager form of government. The City is organized under seven (7) departments: Community Development, Economic Development, Finance/Human Resources, Information and Technology, Public Safety, Public Services and Public Utilities. These departments operate under the direct supervision of the City Manager, who is appointed by the Mayor and Council, and provide a full range of services to an estimated 30,000 citizens. Included among these services are traditional city functions, such as police and fire protection, sanitation services (garbage and trash collection, landfill, and recycling center), street construction and maintenance, landscaping, cemeteries, building inspection, zoning enforcement and economic development, as well as electric, gas, water and sewer utilities and telecommunications services.

The Troup County Airport Authority, Housing Authority of the City of LaGrange, and the LaGrange Industrial Development Authority have not met the established criteria for inclusion in the reporting entity and, accordingly, are excluded from this report. The Solid Waste Management Authority of the City of LaGrange is reported on a blended basis.

The Downtown LaGrange Development Authority, a legally separate entity for which the City is financially accountable, is included as a component unit. The Downtown LaGrange Development Authority is presented as a discretely presented component unit under GASB-14, as amended by GASB-61, because the Authority is legally separate, the municipality appoints a voting majority of the Authority and is able to impose its will on the Authority, and the Authority provides services and benefits which are not limited to the City.

ECONOMIC CONDITION AND OUTLOOK

The City of LaGrange is located in the west central part of Georgia, approximately 70 miles southwest of the city of Atlanta with Interstate 85 and Interstate 185 adjacent on the east side of the city and West Point Lake adjacent on the west side. Hartsfield Atlanta International Airport is 45 minutes away via I-85 and Columbus is less than an hour away via I-185 south. CSX provides full-service rail facilities with east/west and north/south lines. Truck lines include interstate and intrastate carriers and local terminals. United Parcel Service, Federal Express, and several other national and local firms provide delivery services.

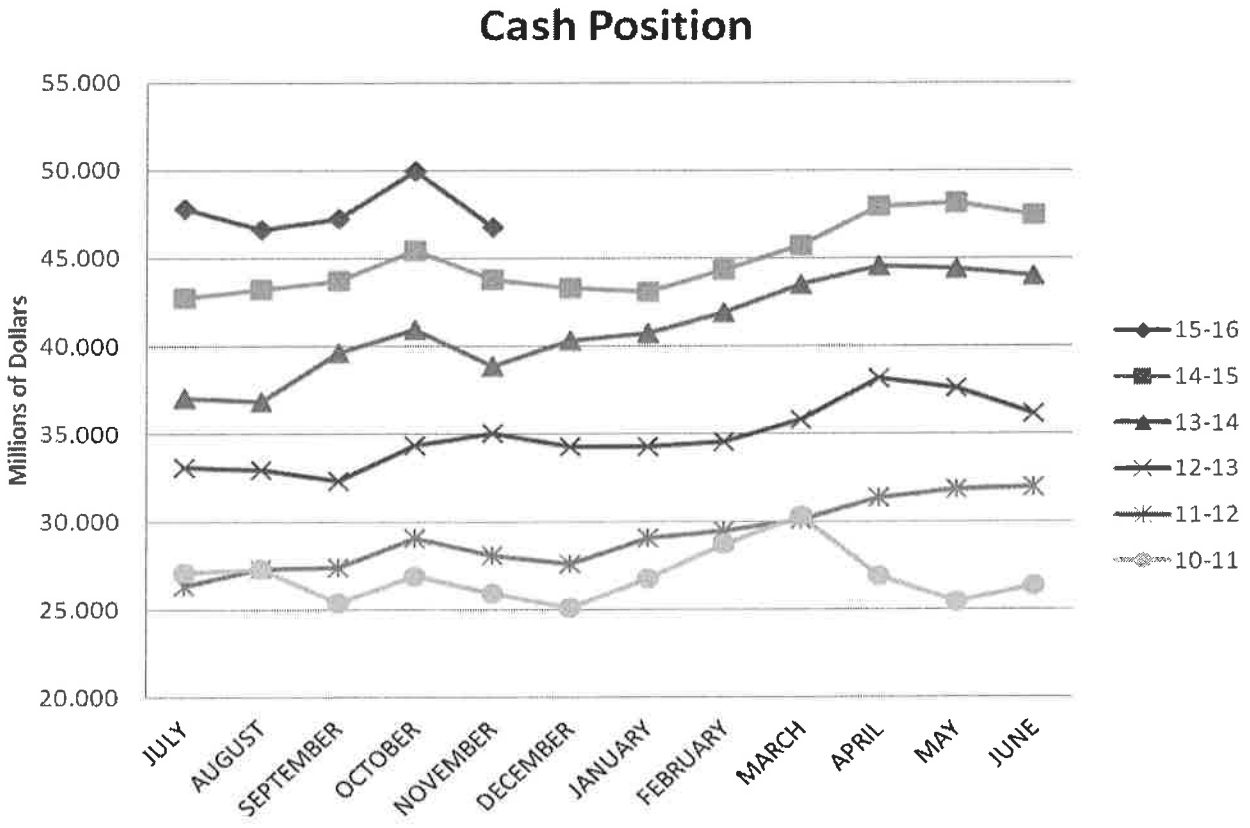
LaGrange is home to over 39 industries in three industrial parks. The 1,600 acre LaGrange Industrial Park and Jim Hamilton Industrial Park, 640 acre park, are home to a dozen Fortune 500 companies. A newer park, Callaway South Industrial Park, is currently developing, and is home to one major Kia supplier.

While economic conditions at both the national and local level have improved slightly, there has not been significant growth in the economy. Despite the creation of several thousand jobs over the last few years, the local housing market has not recovered and several of the projects which we were anticipating a few years ago have simply failed to materialize. The total number of single family building permits issued in 2015 is 33, which is significantly below what we were experiencing before the recession. There were 19 homes taken down over the same time period. However, the City has made significant strides in the commercial and industrial development markets. Several major projects were announced in 2015 and hopefully, will have a positive impact in the years to come.

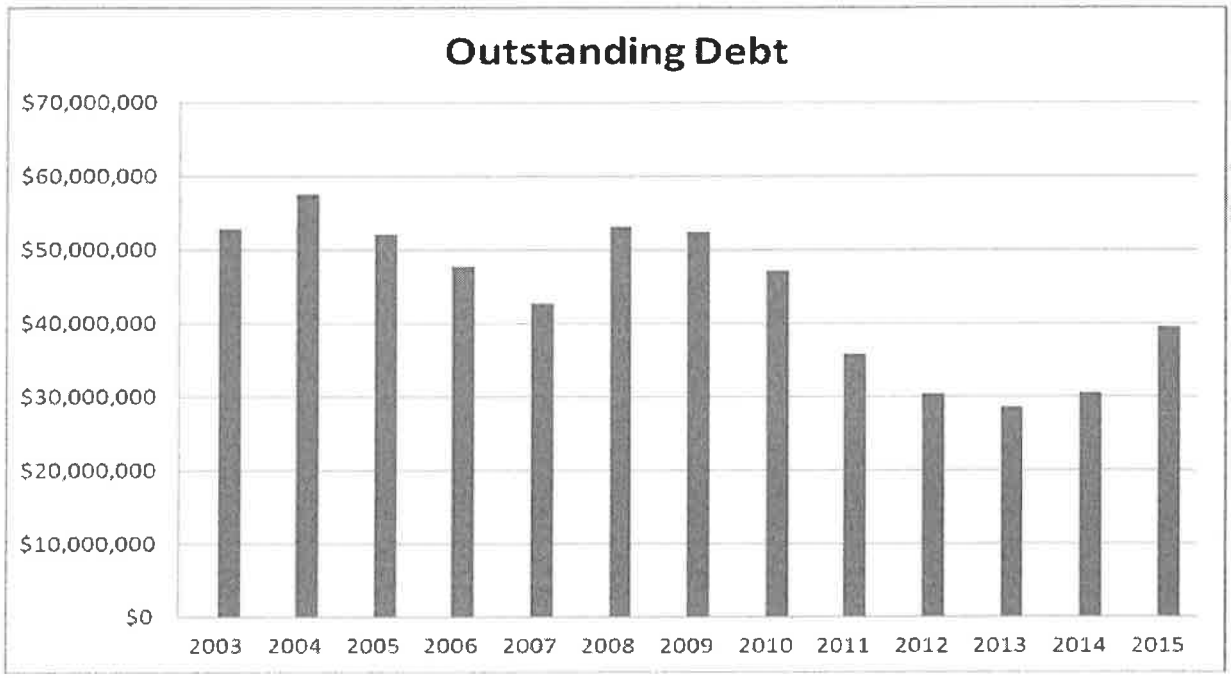
FINANCIAL INFORMATION

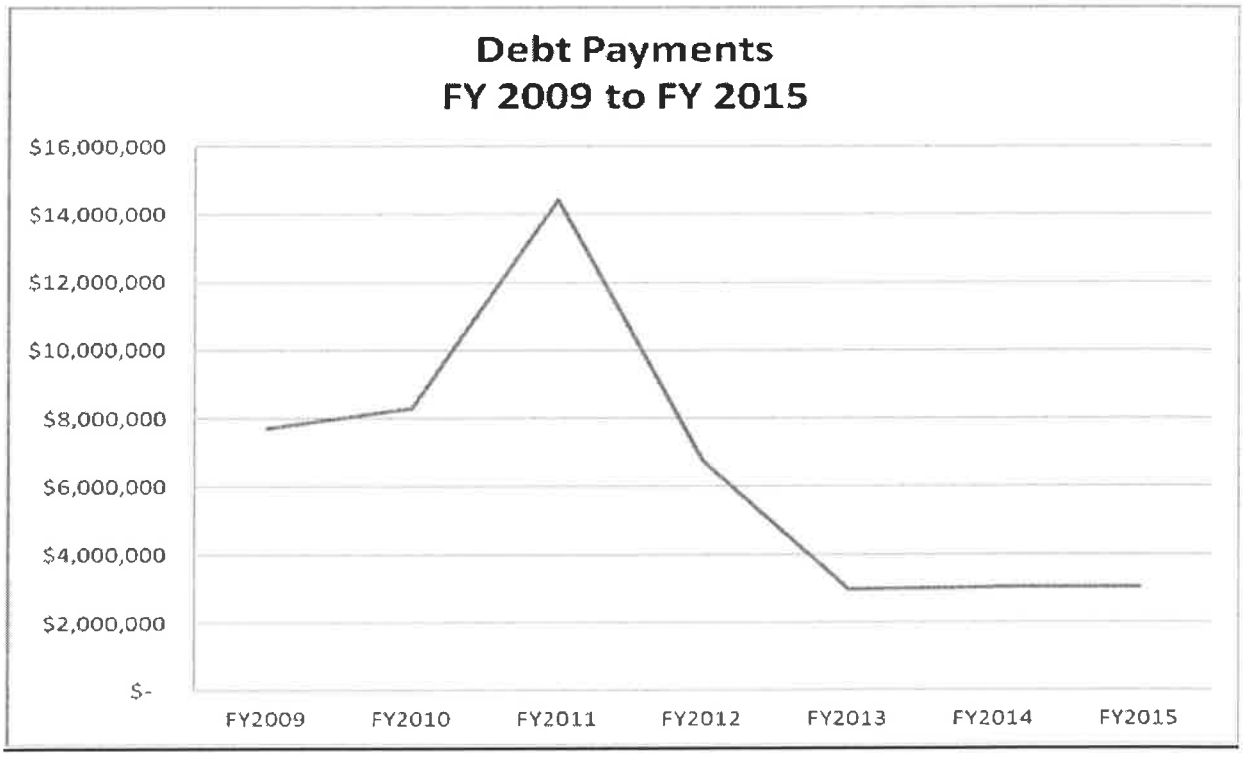
Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from losses, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and, 2) the valuation of costs and benefits requires estimates and judgments by management.

The City's operational and financial performance is very strong. Several steps to improve the City's cash balance have been taken, which is presented in the graph below. The City continues to receive cash distributions from the MEAG Trust Fund, however, those distributions will stop in 2017. Deliberate decisions have been made not to spend the MEAG Trust dollars that have been distributed to the City's General Funds over the years and to manage the City with sustainable revenues and expenses on an annual basis. As such, the cash balance has improved as these funds have changed from restricted investment assets to available cash. With continued economic uncertainty as well as the upcoming costs associated with the new Vogtle Nuclear units coming online, it is prudent to position the City with a strong cash balance, which has been done and will continue in the coming years.



In addition to the distributions from the MEAG Competitive Trust, the City has taken steps to control expenses and to position the City for financial soundness going forward. Much of the City's debt has been restructured and significant amounts of Water and Sewer debt have been paid off. By refunding certain debt obligations, the City was able to take advantage of lower interest rates, and by paying off other debt issues, the City was able to use some cash to avoid interest costs which were significantly higher than what it was receiving in interest on bank deposits. As a result of these activities, we have been able to increase net cash flow to the City by several million dollars a year. It is important to note that in 2016, approximately $13 million of additional debt will be added as a result of the Long Cane Wastewater Treatment Plant improvements and the Yellow Jacket Creek pump station expansion. Debt service will begin in 2016.





Budgeting Controls

In addition, the City maintains budgetary controls, the purpose of which is to assure compliance with the legal provisions embodied in the annual appropriated budget approved by the City Council of LaGrange. Activities of the general fund and special revenue funds are included in the annual appropriated budget. Project length financial plans are adopted for the capital projects fund. The level of budgetary control (that is the level at which expenditures cannot legally exceed the appropriated amount) is established at the departmental level.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management. The following schedule presents a summary of the total governmental funds revenues for the fiscal year ended June 30, 2015 and the amount and percentage of increases and decreases in relation to the prior year's revenue. Total Revenues and Total Expenses showed increases in both revenues and expenses from 2014 to 2015. (A .6% increase in revenue for General Government Funding and a 15.3% increase in expense.) The governmental fund held relatively stable from 2014 to 2015.

Revenues	Amount	% of Total	Increase (Decrease) from 2014	Percent of Increase (Decrease)
Taxes, Licenses and Permits	10,746,345	63.2%	472,492	4.6%
Intergovernmental	3,258,124	19%	(105,949)	(3.1%)
Charges for services	250,170	1.5%	(7,736)	(.29%)
Fines	1,376,112	8.1%	(237,637)	(14.7%)
Investment Income	43,704	.3%	4,259	10.8%
Grants and Subsidies	0	0%	0	0
Lease Income	1,140,108	6.7%	48,477	4.4%
Miscellaneous	197,361	1.2%	(71,959)	(26.7)
TOTAL	17,011,924	100%	101,947	.6%

Expenditures	Amount	% of Total	Increase (Decrease) From 2014	Percent of Increase (Decrease)
General Government	2,734,075	9%	(54,207)	(1.9%)
Public Safety	15,552,037	49%	(202,483)	(1.3%)
Public Services	2,507,788	8%	(33,118)	(1.3%)
Culture and Recreation	959,879	3%	(46,339)	(4.6%)
Community Development	1,987,811	6%	218,156	12.3%
Debt Service	3,777,780	12%	2,210,482	141%
Capital Outlay	4,189,642	13%	2,119,701	102.4%
TOTAL	31,709,012	100%	4,212,192	15.3%

OTHER INFORMATION

Independent Audit

Georgia Law requires cities to be audited every two years by independent certified public accountants. The City chooses to have an annual audit and this year the Council selected the firm of AJK, LLC to perform the audit. The auditor's report on financial statements is included in the financial section of this report.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of LaGrange for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the twenty eighth year that the City has received this award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The timely preparation of this report was possible because of the hard work and dedication of the Finance Department, the cooperation of all City employees in following City policy in purchasing and accounting for revenues and expenditures and the invaluable assistance of AJK, LLC, the City's auditors. All of these individuals and organizations have our sincere appreciation for their contributions in the preparation of this report. We also wish to acknowledge the leadership and support of the Mayor and Council of the City of LaGrange.

Respectfully submitted,

Thomas H. Hall
City Manager

Meg B. Kelsey
Deputy City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of LaGrange

Georgia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

City of LaGrange, Georgia

LIST OF PRINCIPAL OFFICIALS

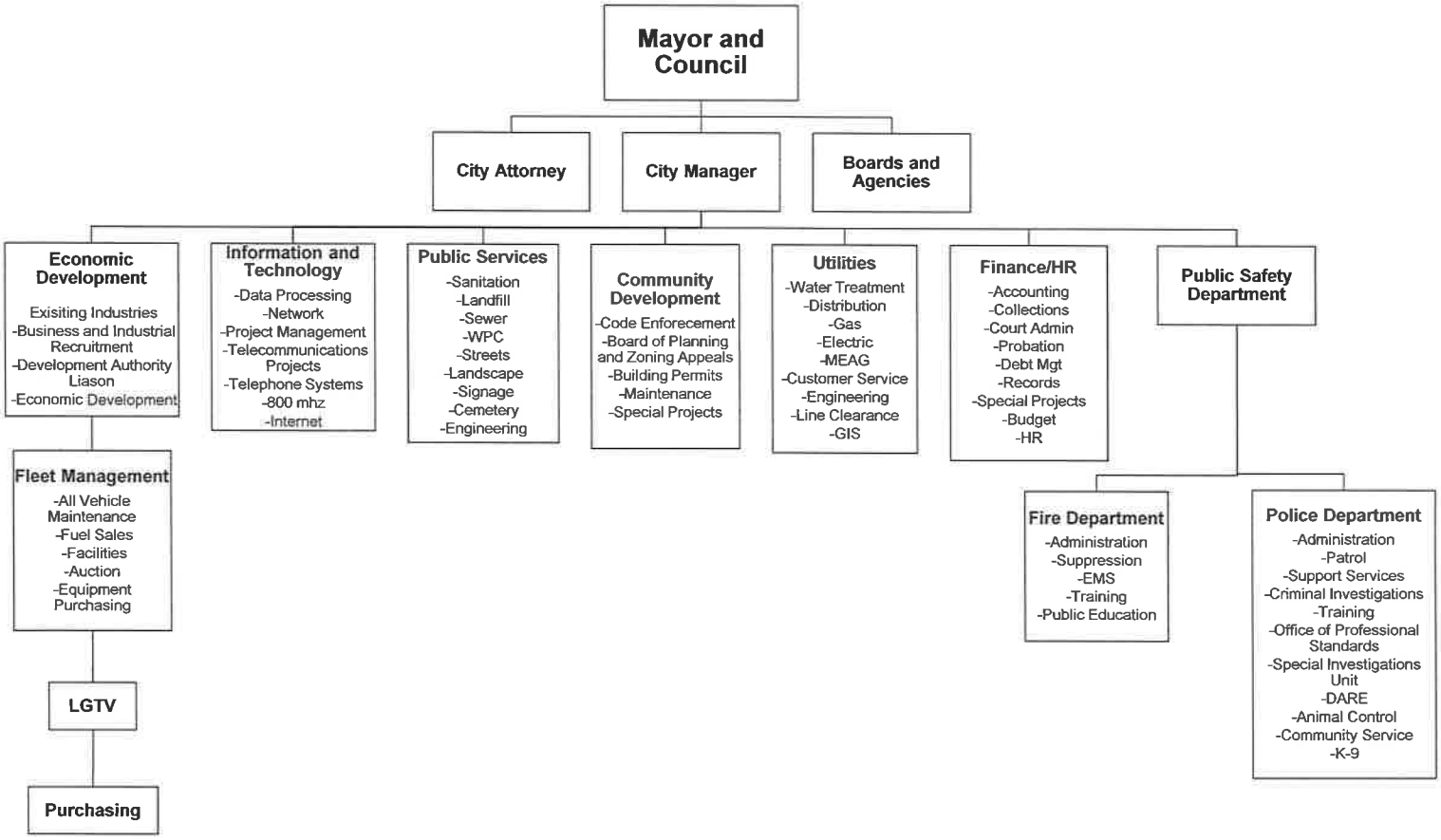
June 30, 2015

ELECTED OFFICIALS

Jim Thornton	Mayor
Norma Tucker	Council Member
Willie T. Edmondson	Council Member
Tom Gore	Council Member
LeGree McCamey	Council Member
Bobby A. Traylor	Council Member
Nick Woodson	Council Member

OTHER OFFICIALS

Thomas H. Hall	City Manager
Meg Kelsey	Deputy City Manager - Administration & Finance
Jeffrey M. Todd	City Attorney
Alton West	Director of Community Development
David E. Brown	Director of Public Services
Patrick C. Bowie, Jr.	Director of Public Utilities
Louis M. Dekmar	Director of Public Safety
Alan Slaughenhaupt	Director of Information and Technology


Mayor and Council
City Attorney
City Manager
Boards and Agencies
Economic Development
Exisiting Industries
-Business and Industrial Recruitment
-Development Authority Liason
-Economic Development
Information and Technology
-Data Processing
-Network
-Project Management
-Telecommunications Projects
-Telephone Systems
-800 mhz
-Internet
Public Services
-Sanitation
-Landfill
-Sewer
-WPC
-Streets
-Landscape
-Signage
-Cemetery
-Engineering
Community Development
-Code Enforecement
-Board of Planning and Zoning Appeals
-Building Permits
-Maintenance
-Special Projects
Utilities
-Water Treatment
-Distribution
-Gas
-Electric
-MEAG
-Customer Service
-Engineering
-Line Clearance
-GIS
Finance/HR
-Accounting
-Collections
-Court Admin
-Probation
-Debt Mgt
-Records
-Special Projects
-Budget
-HR
Public Safety Department
Fleet Management
-All Vehicle Maintenance
-Fuel Sales
-Facilities
-Auction
-Equipment Purchasing
LGTV
Purchasing
Fire Department
-Administration
-Suppression
-EMS
-Training
-Public Education
Police Department
-Administration
-Patrol
-Support Services
-Criminal Investigations
-Training
-Office of Professional Standards
-Special Investigations Unit
-DARE
-Animal Control
-Community Service
-K-9

AJK

AJK, LLC
CERTIFIED PUBLIC ACCOUNTANTS

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

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of City Council
City of LaGrange, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of City of LaGrange, Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of LaGrange, Georgia, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 1R to the financial statements, in 2015 the City adopted new accounting guidance, *GASB Statement No. 68, Accounting and Financial Reporting for Pensions* and *GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress information on pages 47 through 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements. The introductory section, combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining, comparative, budgetary comparative schedules and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City of LaGrange, Georgia's basic financial statements for the year ended June 30, 2014, which are not presented with the accompanying financial statements and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. That audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of LaGrange, Georgia's basic financial statements as a whole. The individual fund financial statements related to the 2014 financial statements, for the year ended June 30, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2014 individual fund financial statements are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015, on our consideration of the City of LaGrange, Georgia's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of LaGrange, Georgia's internal control over financial reporting and compliance.

AJK, LLC

Manchester, Georgia
December 14, 2015

Management's Discussion and Analysis

As management of the City of LaGrange (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i –v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of 2015 by $188,672,677. Of this amount, $16,342,172 may be used to meet the City's ongoing obligations.
- The City's total net position increased by $15,381,566.
- As of the close of 2015, the City's governmental funds reported combined ending fund balances of $9,212,149, an increase of $942,345 from the prior year.
- At the end of 2015, the fund balance for the general fund was $3,429,168 or 14.3 percent of general fund expenditures.

Overview of the Financial Statements

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

Government-wide financial statements

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

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

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

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and fines and forfeiture revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The government activities of the City include general government, public safety, public works, community services, and development services. The business-type activities of the City include water and sewer, solid waste, telecommunications, electric, and natural gas services.

The government-wide financial statements include not only the City of LaGrange itself (known as the primary government), but also a legally separate Downtown LaGrange Development Authority (DLDA) for which the City of LaGrange is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Fund financial statements

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

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The City maintains three individual governmental fund types. Information is presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and which is the City's only major governmental fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this fund. Budgetary comparison statements have been provided for the Special Revenue Funds in the supplementary financial information elsewhere in this report. Since the Capital Project Fund budget is adopted on a project basis, a supplementary budgetary comparison statement has not been provided.

Proprietary funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Utility operation, Water and Sewerage Fund, and Solid Waste operation. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Group Insurance, and Property and Casualty activities. These two services primarily benefit the City's general governmental operations and have been allocated to the governmental activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund statements provide separate information for the Utility, Water and Sewerage, and Solid Waste operations. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the basic financial statements

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $188,672,677 at the close of 2015.

A substantial portion of the City's net position (88 percent) reflects its investments in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these are not available for future spending. Although the City's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A summary of the statement of net position as of June 30, 2015 and June 30, 2014, are as follows:

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets:						
Current and other assets	$14,083,754	$ 12,974,743	$ 60,449,207	$ 61,720,335	$ 74,532,961	$ 74,695,078
Capital assets	55,008,113	46,046,726	141,913,643	131,527,440	196,921,756	177,574,166
Total assets	69,091,867	59,021,469	202,362,850	193,247,775	271,454,717	252,269,244
Deferred Outflows of Resources:						
Pensions:						
Differences between expected and actual experience	463,594		252,382		715,976	-
Contributions after measurement date	936,940		510,072		1,447,012	-
Total deferred outflows of resources	1,400,534	-	762,454	-	2,162,988	-
Liabilities:						
Long-term liabilities	6,101,103	6,701,983	37,397,571	28,065,562	43,498,674	34,767,545
Other liabilities	13,861,828	5,847,837	26,627,050	26,425,894	40,488,878	32,273,731
Total liabilities	19,962,931	12,549,820	64,024,621	54,491,456	83,987,552	67,041,276
Deferred Inflows of Resources:						
Pension:						
Difference between projected and actual earnings on investments	521,515		283,913		805,428	-
Changes of assumptions	98,450		53,598		152,048	-
Total deferred inflows of resources	619,965	-	337,511	-	957,476	-
Net Position:						
Net invested in capital assets	53,207,058	43,561,422	112,527,782	112,233,680	165,734,840	155,795,102
Restricted	6,595,665	6,479,502			6,595,665	6,479,502
Unrestricted	(9,893,218)	(3,569,275)	26,235,390	26,522,639	16,342,172	22,953,364
Total net position	$49,909,505	$ 46,471,649	$138,763,172	$138,756,319	$188,672,677	$ 185,227,968

A portion of the City's net position (3.49%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of the unrestricted net position ($16,342,172) may be used to meet the City's ongoing obligations to citizens and creditors. At the end of 2015, the City is able to report positive balances in net position or fund balances, both for the government as a whole, as well as for its separate governmental and business-type activities.

Governmental activities

Governmental activities increased the City's net position by $11,166,969. The increase in cash position for governmental activities is attributed to increases in grants and contributions and small increases in taxes and interest earnings. Governmental activity expenses were down from 2014 to 2015 by $1,343,671. During the year the City implemented GASB No. 68 and GASB No. 71. Net position for 2015 has been restated to reflect the cumulative change related to the implementation of these new standards. Footnote 18 provides detailed information related to the restatement. Below is a breakdown of revenues and expenses by governmental and business type activities for 2015 and 2014.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues						
Charges for services	$ 3,125,734	$ 3,370,314	$ 98,607,092	$ 97,720,951	$ 101,732,826	$ 101,091,265
Capital grants & contributions	10,357,243	3,036,190			10,357,243	3,036,190
Operating grants & contributions	74,335	338,610			74,335	338,610
General revenues						
Other taxes	10,620,836	10,135,574			10,620,836	10,135,574
Other	35,789	29,289	72,298	43,952	108,087	73,241
Total revenues	24,213,937	16,909,977	98,679,390	97,764,903	122,893,327	114,674,880
Expenses:						
General government	3,272,009	3,453,023			3,272,009	3,453,023
Public safety	15,435,028	16,512,002			15,435,028	16,512,002
Public service	2,762,723	2,855,304			2,762,723	2,855,304
Culture and recreation	993,631	1,156,457			993,631	1,156,457
Community development	3,330,554	3,160,331			3,330,554	3,160,331
Interest on long-term debt	326,751	327,250			326,751	327,250
Utilities			73,297,740	75,971,873	73,297,740	75,971,873
Solid waste			8,093,325	8,239,045	8,093,325	8,239,045
Total expenses	26,120,696	27,464,367	81,391,065	84,210,918	107,511,761	111,675,285
Increase in net position before transfers	(1,906,759)	(10,554,390)	17,288,325	13,553,985	15,381,566	2,999,595
Transfers	13,073,728	11,879,641	(13,073,728)	(11,879,641)	-	-
Increase (decrease) in net position	11,166,969	1,325,251	4,214,597	1,674,344	15,381,566	2,999,595
Net position-beginning of year (restated for 2015)	38,742,536	45,146,398	134,548,575	137,081,975	173,291,111	182,228,373
Net position-end of year	$ 49,909,505	$ 46,471,649	$138,763,172	$138,756,319	$ 188,672,677	$ 185,227,968

Business-type activities

Business-type activities increased the City's net position by $4,214,597. Operating revenues increased only marginally by $914,487. Expenses were down 3.3 below 2014. This decrease in expenses is reflective of lower electric and gas purchases during the fiscal year. The City's net income remains strong and stable. During the year the City implemented GASB No. 68 and GASB No. 71. Net position for 2015 has been restated to reflect the cumulative change related to the implementation of these new standards. Footnote 18 provides detailed information related to the restatement.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

The General Fund is the chief operating fund of the City. At the end of 2015, unassigned fund balance of the General Fund was $2,416,230 while total fund balances reached $3,429,168. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 10.1 percent of the total General Fund expenditures, while total fund balance represents 14.3 percent of that same amount. Transfers in from other funds to supplement the General Fund were $893,174 from non-major governmental funds; $15,754 from internal service funds, and $12,400,000 from proprietary funds, for a total of $13,308,928, representing 55.7 percent of total fund expenditures. The City of LaGrange does not levy a property tax and uses the enterprise funds to help fund general governmental services.

The fund balance of the General Fund remained healthy at the end of June, 2015. An increase of $833,480 in fund balance occurred over the course of Fiscal Year 2015. Small decreases in revenue and decreases in expenses and a higher contribution from enterprise funds, contributes to a positive increase in fund balance for 2015.

Other non-major governmental funds have a total fund balance of $5,782,981. The City showed a net increase of $108,865 in the fund balance during the current year for non-major governmental funds. Negligible increases in revenue and an increase in debt service retirements are a result of this increase.

Proprietary funds

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

Unrestricted net position of the Utility Fund at the end of 2015 amounted to $22,275,428, Water and Sewerage Fund $10,855,643 and those for the Solid Waste Fund amounted to ($6,895,681). The total change in net position for each fund was $3,610,446, ($219,107) and $823,258 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget. During the year, however, revenues were more than budgetary estimates and expenditures were more than budgetary estimates. The increase in transfers out increased the need to draw upon the fund balance to the extent shown in the budget statement.

Capital Asset and Debt Administration

Capital assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to $165,734,840 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings, improvements, vehicles and equipment, park facilities, storm sewers, bridges, streets, gas lines, electric lines, and water and sewer lines.

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	$ 9,651,471	$ 9,205,906	$ 3,510,561	$ 3,510,561	$ 13,162,032	$ 12,716,467
Buildings	19,623,536	13,030,763	26,833,595	26,833,595	46,457,131	39,864,358
Machinery & equipment	9,587,705	8,404,379	21,811,725	21,609,044	31,399,430	30,013,423
Vehicles	3,669,977	3,552,643	1,642,870	1,720,161	5,312,847	5,272,804
Transmission & distribution			170,900,948	169,420,771	170,900,948	169,420,771
Other	42,472,122	39,883,263			42,472,122	39,883,263
Construction in progress			19,263,361	5,015,683	19,263,361	5,015,683
Total	85,004,811	74,076,954	243,963,060	228,109,815	328,967,871	302,186,769
Less, accumulated depreciation	(29,996,698)	(28,030,228)	(102,049,417)	(96,582,375)	(132,046,115)	(124,612,603)
Total net of accumulated depreciation	$ 55,008,113	$ 46,046,726	$ 141,913,643	$ 131,527,440	$ 196,921,756	$ 177,574,166

More detailed information can be found in the Notes to the Financial Statements, Note 4.

Long-term debt

At the end of 2015, the City had total bonded debt outstanding of $8,215,000. Of this amount, none is debt backed by the full faith and credit of the City. All of the City's debt represents bonds secured solely by specific revenue sources (i.e., revenue bonds).

The City maintains an "A -" rating from Standard & Poor's for its general obligation bonds. The rating for the Water and Sewerage Utility revenue bonds is an "A -" rating from Standard & Poor's and an "A 3" rating from Moody's.

State statutes limit the amount of general obligation debt a government entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City is $111,425,799, which is significantly in excess of the City's outstanding general obligation bonds, which is zero.

More detailed information can be found in the Notes to the Financial Statements, Note 6.

Requests for information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to Meg B. Kelsey, Deputy City Manager, 200 Ridley Avenue, LaGrange, Georgia 30240.

NOTICE

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

LAGRANGE
GEORGIA

BASIC FINANCIAL STATEMENTS

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority
ASSETS				
Cash and cash equivalents	$ 10,641,682	$ 12,569,182	$ 23,210,864	$ 555,397
Investments	53,324	27,583,232	27,636,556	
Receivables (net of allowance):				
Taxes	1,154,917		1,154,917	
Accounts		10,989,079	10,989,079	15,425
Loans				324,842
Other	611,558		611,558	
Grant receivable				1,010,555
Internal balances	595,095	(595,095)	-	
Inventory	200,254	1,845,121	2,045,375	5,638
Prepaid assets	14,240	75,192	89,432	1,788
Restricted cash	41,662		41,662	401,659
Restricted investments	771,022	7,982,496	8,753,518	
Capital assets:				
Land and construction in progress	9,651,471	22,773,922	32,425,393	1,987,704
Other capital assets, net of accumulated depreciation	45,356,642	119,139,721	164,496,363	11,237,758
Other assets				480,200
Total assets	69,091,867	202,362,850	271,454,717	16,020,966
DEFERRED OUTFLOWS OF RESOURCES				
Pension:				
Differences between expected and actual experience	463,594	252,382	715,976	
Contributions after measurement date	936,940	510,072	1,447,012	
Total deferred outflows of resources	1,400,534	762,454	2,162,988	-

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
June 30, 2015
(Continued)

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown LaGrange Development Authority
LIABILITIES				
Accounts and claims payable	2,059,573	5,044,961	7,104,534	22,562
Accrued liabilities	390,717	156,467	547,184	7,286
Accrued interest	71,607	78,011	149,618	
Customer deposits		2,161,615	2,161,615	
Unearned revenue	255,778	10,559,349	10,815,127	1,279,269
Noncurrent liabilities:				
Due within one year	1,209,183	3,250,697	4,459,880	
Due in more than one year	6,101,103	37,397,571	43,498,674	
Net OPEB obligation	1,788,543	973,686	2,762,229	
Net pension liability	8,086,427	4,402,264	12,488,691	
Total liabilities	19,962,931	64,024,621	83,987,552	1,309,117
DEFERRED INFLOWS OF RESOURCES				
Pension:				
Difference between projected and actual earnings on investments	521,515	283,913	805,428	
Changes of assumptions	98,450	53,598	152,048	
Total deferred inflows of resources	619,965	337,511	957,476	-
NET POSITION				
Net investment in capital assets	53,207,058	112,527,782	165,734,840	13,225,462
Restricted for:				
Perpetual care	775,389		775,389	
Public safety	37,295		37,295	
Community development	1,661,268		1,661,268	
Capital projects	4,121,713		4,121,713	
124 Main Street				400,000
Unrestricted	(9,893,218)	26,235,390	16,342,172	1,086,387
Total net position	$ 49,909,505	$ 138,763,172	$ 188,672,677	$ 14,711,849

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

FUNCTIONS/PROGRAMS	Expenses	Program Revenues: Charges for Services, Fees, Fines, and Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Downtown LaGrange Development Authority
Primary government:								
Governmental activities:								
General government	$ 2,640,850	$ 196,652	$ 8,367		$ (2,435,831)		$ (2,435,831)	
Public safety	15,435,028	1,629,624	20,000		(13,785,404)		(13,785,404)	
Public service	2,762,723			$ 3,155,230	392,507		392,507	
Culture and recreation	993,631	61,110			(932,521)		(932,521)	
Community development	3,330,554	1,238,348	40,969	7,202,013	5,150,776		5,150,776	
Redevelopment and housing	228,000				(228,000)		(228,000)	
Telecommunications	403,159		4,999		(398,160)		(398,160)	
Interest on long-term debt	326,751				(326,751)		(326,751)	
Total governmental activities	26,120,696	3,125,734	74,335	10,357,243	(12,563,384)	$ -	(12,563,384)	
Business-type activities:								
Water and sewer	12,275,364	15,634,665				3,359,301	3,359,301	
Gas system	13,030,969	16,825,600				3,794,631	3,794,631	
Electric system	46,100,926	54,659,256				8,558,330	8,558,330	
Sanitation	8,093,325	8,731,986				638,661	638,661	
Telecommunications	1,890,481	2,755,585				865,104	865,104	
Total business-type activities	81,391,065	98,607,092	-	-	-	17,216,027	17,216,027	
Total primary government	$ 107,511,761	$ 101,732,826	$ 74,335	$ 10,357,243	(12,563,384)	17,216,027	4,652,643	
Component units:								
Downtown LaGrange Development Authority	$ 980,834	$ 589,424	$ 7,000	$ 330,000				$ (54,410)
Total component units	$ 980,834	$ 589,424	$ 7,000	$ 330,000				(54,410)
General revenues:								
Taxes:								
Franchise tax					1,204,116		1,204,116	
Insurance premium tax					1,587,516		1,587,516	
Alcoholic beverage tax					713,873		713,873	
Sales tax					5,021,093		5,021,093	
Ad valorem					492,611		492,611	
Other					1,601,627		1,601,627	
Investment earnings					35,789	72,298	108,087	14,047
Grant income								257,994
Transfers					13,073,728	(13,073,728)	-	
Total general revenues and transfers					23,730,353	(13,001,430)	10,728,923	272,041
Change in net position					11,166,969	4,214,597	15,381,566	217,631
Net position at beginning of year, restated					38,742,536	134,548,575	173,291,111	14,494,218
Net position at end of year					$ 49,909,505	$ 138,763,172	$ 188,672,677	$ 14,711,849

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General	Non-Major Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	$ 3,060,700	$ 5,231,802	$ 8,292,502
Investments	53,324		53,324
Receivables (net of allowance):			
Taxes	1,154,917		1,154,917
Intergovernmental		593,007	593,007
Other	9,364		9,364
Due from other funds		24,403	24,403
Inventory	200,254		200,254
Restricted cash and cash equivalents	41,662		41,662
Restricted investments	771,022		771,022
Total assets	$ 5,291,243	$ 5,849,212	$ 11,140,455
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 691,177	$ 66,231	$ 757,408
Accrued liabilities	390,717		390,717
Due to other funds	524,403		524,403
Unearned revenue	255,778		255,778
Total liabilities	1,862,075	66,231	1,928,306
Fund Balances:			
Non-spendable:			
Inventory	200,254		200,254
Restricted for:			
Perpetual care	775,389		775,389
Public safety	37,295		37,295
Capital projects		4,121,713	4,121,713
Community development		1,661,268	1,661,268
Unassigned	2,416,230		2,416,230
Total fund balances	3,429,168	5,782,981	9,212,149
Total liabilities and fund balances	$ 5,291,243	$ 5,849,212	$ 11,140,455

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF FUND BALANCES ON THE BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO NET POSITION OF GOVERNMENTAL ACTIVITIES ON THE STATEMENT OF NET POSITION
June 30, 2015

Total fund balance - all governmental funds		$ 9,212,149
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		55,008,113
The deferred outflows below are not current assets or financial resources and the deferred inflows are not due and payable in the current period and therefore are not reported in the governmental funds. Balances at June 30, 2015 are:		
Deferred outflows		1,400,534
Deferred inflows		(619,965)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances at June 30, 2015 are:		
Accrued interest payable	$ (71,607)	
Compensated absences	(576,731)	
Notes payable	(1,225,000)	
Capital leases	(576,055)	
Intergovernmental agreements	(4,932,500)	
Net OPEB obligation	(1,788,543)	
Net pension liability	(8,086,427)	(17,256,863)
Internal service funds are used by management to charge costs of certain activities, such as insurance, to certain funds. The assets and liabilities of certain internal service funds are included in governmental activities in the statement of net position.		2,165,537
Net position of governmental activities		$ 49,909,505

See the accompanying notes to the financial statments.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	General	Non-Major Governmental Funds	Total Governmental Funds
Revenues:			
Taxes:			
Sales	$ 5,021,093		$ 5,021,093
Franchise	1,204,116		1,204,116
Insurance premium	1,587,516		1,587,516
Alcoholic beverage	713,873		713,873
Ad valorem	492,611		492,611
Other	708,453	$ 893,174	1,601,627
Licenses and permits	125,509		125,509
Intergovernmental	74,335	3,183,789	3,258,124
Charges for services	250,170		250,170
Fines and forfeitures	1,376,112		1,376,112
Investment income	26,713	16,991	43,704
Rental income		1,140,108	1,140,108
Miscellaneous	135,595	61,766	197,361
Total revenues	11,716,096	5,295,828	17,011,924
Expenditures:			
Current:			
General government	2,100,858		2,100,858
Public safety	15,552,037		15,552,037
Public service	2,507,788		2,507,788
Culture and recreation	959,879		959,879
Community development	1,396,025	591,786	1,987,811
Redevelopment and housing		228,000	228,000
Telecommunications and technology	405,217		405,217
Debt service:			
Principal retirements	217,136	3,203,585	3,420,721
Interest	2,284	354,775	357,059
Captial outlay:			
General government	31,032	73,412	104,444
Public safety	419,801	878,205	1,298,006
Public service	247,084	1,944,403	2,191,487
Telecommunications	11,729		11,729
Culture and recreation	42,746		42,746
Community development	14,587	526,643	541,230
Total expenditures	23,908,203	7,800,809	31,709,012
Excess of revenues over (under) expenditures	(12,192,107)	(2,504,981)	(14,697,088)
Other financing sources (uses):			
Refunding bonds issued		2,290,000	2,290,000
Sale of capital assets	36,733		36,733
Capital lease	238,972		238,972
Transfers in	13,308,928	1,418,292	14,727,220
Transfers out	(559,046)	(1,094,446)	(1,653,492)
Total other financing sources (uses)	13,025,587	2,613,846	15,639,433
Net change in fund balances	833,480	108,865	942,345
Fund balance, beginning of year	2,595,688	5,674,116	8,269,804
Fund balance, end of year	$ 3,429,168	$ 5,782,981	$ 9,212,149

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2015

Net change in fund balances - All governmental funds	$	942,345
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		4,026,866
Depreciation		(2,265,947)
The net effect of various transactions involving capital assets (i.e. sales, trade-ins, donations) is to decrease net position.		7,200,468
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This amount consists of the change in the following balances:		
Compensated absences		(47,731)
Accrued interest payable		30,308
Net OPEB obligation		(182,262)
Pension expense		423,255
Capital lease proceeds provide current financial resource to governmental funds, but issuing debt increase long-term liabilities in the statement of net position. Repayment of capital lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
Principal retirements		3,420,721
Proceeds from captial leases		(238,972)
Refunding bonds issued		(2,290,000)
Internal service funds are used by management to charge costs of certain activities, such as insurance to certain funds. The net revenue (expenses) of certain internal service funds is reported with governmental activities.		147,918
Change in net position of governmental activities	$	11,166,969

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2015

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Revenues:			
Taxes:			
Sales	$ 4,850,000	$ 5,021,093	$ 171,093
Franchise	1,081,400	1,204,116	122,716
Insurance premium	1,540,000	1,587,516	47,516
Alcoholic beverage	728,000	713,873	(14,127)
Ad valorem	500,600	492,611	(7,989)
Other	723,000	708,453	(14,547)
Licenses and permits	129,000	125,509	(3,491)
Intergovernmental	326,200	74,335	(251,865)
Fines and forfeitures	1,664,300	1,376,112	(288,188)
Charges for services	210,000	250,170	40,170
Investment income	300	26,713	26,413
Miscellaneous	157,000	135,595	(21,405)
Total revenues	11,909,800	11,716,096	(193,704)
Expenditures:			
Current:			
General government:			
Administrative	1,189,977	1,234,164	(44,187)
Finance	655,156	661,771	(6,615)
Garage	(65,107)	(7,524)	(57,583)
General government	38,000	47,560	(9,560)
City hall	165,210	164,887	323
Total general government	1,983,236	2,100,858	(117,622)
Public safety:			
Court administration	432,452	391,669	40,783
Probation	294,303	313,216	(18,913)
Police	9,043,942	9,116,664	(72,722)
Community service	110,958	87,986	22,972
Traffic control	808,029	889,289	(81,260)
Fire services	4,562,021	4,483,455	78,566
Animal control	282,407	269,758	12,649
Total public safety	15,534,112	15,552,037	(17,925)
Public service:			
Engineering and supervision	315,257	317,630	(2,373)
Streets	1,338,834	1,273,459	65,375
Street cleaning	85,878	133,179	(47,301)
Trash and refuse	782,276	783,520	(1,244)
Total public service	2,522,245	2,507,788	14,457

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
Year Ended June 30, 2015
(continued)

	Original and Final Budgeted Amounts	Actual Amount	Variance with Final Budget Positive (Negative)
Culture and recreation:			
Landscaping and cemetery maintenance	987,880	959,879	28,001
Community development:			
Community development	693,138	692,867	271
DAL marketing	112,366	101,079	11,287
Other community support	568,913	602,079	(33,166)
Total community development	1,374,417	1,396,025	(21,608)
Telecommunications:			
Administration	228,597	225,042	3,555
LGTV	172,785	180,175	(7,390)
Total telecommunications	401,382	405,217	(3,835)
Debt service:			
Principal retirement	261,938	217,136	44,802
Interest and fees	3,580	2,284	1,296
Total debt service	265,518	219,420	46,098
Capital Outlay:			
General government	37,000	31,032	5,968
Public safety	63,000	419,801	(356,801)
Public service	279,000	247,084	31,916
Telecommunications	22,500	11,729	10,771
Culture and recreation	49,000	42,746	6,254
Community development	13,500	14,587	(1,087)
Total capital outlay	464,000	766,979	(302,979)
Total expenditures	23,532,790	23,908,203	(375,413)
Excess (deficiency) of revenues over (under) expenditures	(11,622,990)	(12,192,107)	(569,117)
Other financing sources (uses):			
Transfers in	13,085,000	13,308,928	223,928
Transfers out	(428,100)	(559,046)	(130,946)
Sale of capital assets	2,000	36,733	34,733
Capital leases		238,972	238,972
Total other financing sources (uses)	12,658,900	13,025,587	366,687
Net change in fund balances	1,035,910	833,480	(202,430)
Fund balance, beginning of year	2,595,688	2,595,688	-
Fund balance, end of year	$ 3,631,598	$ 3,429,168	$ (202,430)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
ASSETS					
Current assets:					
Cash and cash equivalents	$ 3,529,809	$ 7,540,441	$ 1,498,932	$ 12,569,182	$ 2,349,180
Investments	24,088,296	3,494,936		27,583,232	
Receivables:					
Accounts	8,386,607	1,868,910	733,562	10,989,079	
Other					9,187
Due from other funds	500,000			500,000	1,000,000
Prepaids	75,192			75,192	14,240
Inventory	1,081,356	763,765		1,845,121	
Restricted assets:					
Restricted investments	7,982,496			7,982,496	
Total current assets	45,643,756	13,668,052	2,232,494	61,544,302	3,372,607
Noncurrent assets:					
Capital assets, not being depreciated	1,574,303	13,086,687	8,112,932	22,773,922	
Capital assets, being depreciated	37,853,425	63,444,582	17,841,714	119,139,721	
Advances to other funds					1,095,095
Total noncurrent assets	39,427,728	76,531,269	25,954,646	141,913,643	1,095,095
Total assets	85,071,484	90,199,321	28,187,140	203,457,945	4,467,702
DEFERRED OUTFLOWS OF RESOURCES					
Pensions:					
Differences between expected and actual experience	109,616	99,163	43,603	252,382	
Contributions after measurement date	221,538	200,411	88,123	510,072	
Total deferred outflows of resources	331,154	299,574	131,726	762,454	-

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2015
(Continued)

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
LIABILITIES					
Current liabilities:					
Accounts payable	4,034,990	302,874	707,097	5,044,961	2,165
Customer deposits	1,746,213	413,872	1,530	2,161,615	
Accrued liabilities	76,044	54,333	26,090	156,467	
Accrued compensated absences	77,309	38,416	27,297	143,022	
Due to other funds					1,000,000
Unearned revenue	10,559,349			10,559,349	
Claims reserve					1,300,000
Notes payable, current		815,510	170,027	985,537	
Capital leases, current	392,978		649,677	1,042,655	
Intergovernmental agreement payable, current	240,000			240,000	
Landfill postclosure liability, current			39,483	39,483	
Liabilities payable from restricted assets:					
Accrued interest	78,011			78,011	
Revenue bonds, current	800,000			800,000	
Total current liabilities	18,004,894	1,625,005	1,621,201	21,251,100	2,302,165
Noncurrent liabilities:					
Compensated absences	115,965	57,624	40,945	214,534	
Revenue bonds, long-term	7,415,000			7,415,000	
Notes payable, long-term		14,493,348	2,817,247	17,310,595	
Capital leases, long-term	809,656		1,022,418	1,832,074	
Intergovernmental agreement payable, long-term	3,195,000			3,195,000	
Landfill postclosure liability			7,430,368	7,430,368	
Advances from other funds	1,095,095			1,095,095	
Net OPEB obligation	422,897	382,569	168,220	973,686	
Net pension liability	1,912,019	1,729,684	760,561	4,402,264	
Total noncurrent liabilities	14,965,632	16,663,225	12,239,759	43,868,616	-
Total liabilities	32,970,526	18,288,230	13,860,960	65,119,716	2,302,165
DEFERRED INFLOWS OF RESOURCES					
Pensions:					
Differences between projected and actual earnings on investments	123,311	111,552	49,050	283,913	
Changes of assumptions	23,279	21,059	9,260	53,598	
Total deferred inflows of resources	146,590	132,611	58,310	337,511	-
NET POSITION					
Net investment in capital assets	30,010,094	61,222,411	21,295,277	112,527,782	
Unrestricted	22,275,428	10,855,643	(6,895,681)	26,235,390	2,165,537
Total net position	$52,285,522	$ 72,078,054	$14,399,596	$ 138,763,172	$ 2,165,537

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Operating revenues:					
Water and sewerage system		$ 15,588,697		$ 15,588,697	
Gas system	$ 16,394,374			16,394,374	
Electric system	54,510,867			54,510,867	
Sanitation			$ 8,439,684	8,439,684	
Premiums					$ 7,758,077
Telecommunications	2,755,585			2,755,585	
Other sales	569,031	40,166	292,302	901,499	
Total operating revenue	74,229,857	15,628,863	8,731,986	98,590,706	7,758,077
Operating expenses:					
Water and sewerage system		8,986,345		8,986,345	
Gas system	11,468,264			11,468,264	
Electric system	44,807,838			44,807,838	
Sanitation			6,696,524	6,696,524	
Telecommunications	2,226,969			2,226,969	
Administrative services				-	575,392
Depreciation	2,061,131	3,020,153	1,310,832	6,392,116	
Risk management					7,103,900
Total operating expenses	60,564,202	12,006,498	8,007,356	80,578,056	7,679,292
Operating income (loss)	13,665,655	3,622,365	724,630	18,012,650	78,785
Nonoperating revenues (expenses):					
Investment income	71,072		1,226	72,298	69,133
Gain (loss) on sale of assets	10,584	5,802	(31,722)	(15,336)	
Interest expense	(458,174)	(268,866)	(54,247)	(781,287)	
Total nonoperating revenues (expenses)	(376,518)	(263,064)	(84,743)	(724,325)	69,133
Net income (loss) before contribution and transfers	13,289,137	3,359,301	639,887	17,288,325	147,918
Transfers in	1,733,670	345,262	183,371	2,262,303	15,754
Transfers out	(11,412,361)	(3,923,670)		(15,336,031)	(15,754)
Change in net position	3,610,446	(219,107)	823,258	4,214,597	147,918
Net position, beginning of year, restated	48,675,076	72,297,161	13,576,338	134,548,575	2,017,619
Net position, end of year	$ 52,285,522	$ 72,078,054	$ 14,399,596	$ 138,763,172	$ 2,165,537

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Cash flows from operating activities:					
Cash received from customers and users	$ 70,198,986	$ 15,572,720	$ 8,647,282	$ 94,418,988	$ 7,820,736
Cash paid to employees	(2,919,641)	(4,009,828)	(2,197,266)	(9,126,735)	
Cash paid to suppliers	(56,097,076)	(6,133,743)	(3,666,345)	(65,897,164)	(7,699,533)
Net cash provided (used) by operating activities	11,182,269	5,429,149	2,783,671	19,395,089	121,203
Cash flows from noncapital financing activities:					
Repayment of advance to (from) other funds				-	81,761
Advances to other funds	(81,761)			(81,761)	
Transfers in	1,733,670	328,990	183,371	2,246,031	15,754
Transfers out	(11,412,361)	(3,923,670)		(15,336,031)	(15,754)
Net cash provided (used) by noncapital financing activities	(9,760,452)	(3,594,680)	183,371	(13,171,761)	81,761
Cash flows from capital and related financing activities:					
Transfer in		16,272		16,272	
Proceeds from debt		8,448,080	2,489,339	10,937,419	
Principal payments on revenue bonds	(770,000)			(770,000)	
Proceeds from sale of assets	11,829	5,802	105,665	123,296	
Acquisition of capital assets	(955,555)	(8,210,161)	(6,717,174)	(15,882,890)	
Capital lease payments	(309,811)		(604,459)	(914,270)	
Payments on notes payable		(144,381)	(50,731)	(195,112)	
Payments on intergovernmental agreement	(225,000)			(225,000)	
Interest paid	(467,125)	(268,867)	(54,246)	(790,238)	
Net cash provided (used) by capital financing activities	(2,715,662)	(153,255)	(4,831,606)	(7,700,523)	-
Cash flows from investing activities:					
Sale (purchase) of investments	(2,149,649)	(10,557)		(2,160,206)	
Investment income	71,072		1,226	72,298	69,133
Net cash provided (used) by investing activities	(2,078,577)	(10,557)	1,226	(2,087,908)	69,133
Net increase (decrease) in cash	(3,372,422)	1,670,657	(1,863,338)	(3,565,103)	272,097
Cash, beginning of year	6,902,231	5,869,784	3,362,270	16,134,285	2,077,083
Cash, end of year	$ 3,529,809	$ 7,540,441	$ 1,498,932	$ 12,569,182	$ 2,349,180

(Continued...)

See the accompanying notes to the financial statements.

CITY OF LAGRANGE, GEORGIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2015
(Continued)

	Business-Type Activities Major Enterprise Funds				Internal Service Funds
	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Total	Governmental Activities
Cash flows from operating activities:					
Operating income (loss)	$ 13,665,655	$ 3,622,365	$ 724,630	$ 18,012,650	$ 78,785
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	2,061,131	3,020,153	1,310,832	6,392,116	
Changes in operating assests and liabilities:					
Accounts receivable	41,709	(53,560)	(75,687)	(87,538)	62,659
Inventory	(27,226)	113,612		86,386	
Prepaid expense	2,429			2,429	
Accounts payable	(451,888)	(1,218,290)	578,880	(1,091,298)	(20,241)
Claims reserve					
Accrued vacation	3,294	(12,562)	(7,496)	(16,764)	
Due from other funds				-	
Due to other funds	(23,016)	(21,252)	(9,017)	(53,285)	
Unearned revenue	(4,166,380)			(4,166,380)	
Other accrued expenses	16,586	4,780	5,723	27,089	
Customer deposits	116,816	18,669		135,485	
Closure/postclosure			274,900	274,900	
Net OPEB obligation	43,237	45,768	20,715	109,720	
Net pension liability	(100,078)	(90,534)	(39,809)	(230,421)	
Net cash provided (used) by operating activities	$ 11,182,269	$ 5,429,149	$ 2,783,671	$ 19,395,089	$ 121,203

Supplemental disclosure of non-cash investing and financing activities:
In 2015, the City incurred debt of $1,034,063 in the form of capital leases in connection with the acquisition of new equipment

See the accompanying notes to the financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of LaGrange, Georgia (the City) was incorporated in 1828, under the provisions of the State of Georgia. The City operates under a Council-Manager form of government and provides the following services: public safety (police and fire), highway and street, sanitation, health and social services, culture and recreation, community development, planning and zoning and general administrative services.

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

A. The Reporting Entity - The City of LaGrange, Georgia is a municipal corporation governed by a Mayor and six member Council. The City has considered all potential component units for inclusion in these financial statements and determined that the Solid Waste Management Authority of the City of LaGrange should be included on a blended basis and that the Downtown LaGrange Development Authority should be included as a discretely presented component unit.

The Solid Waste Management Authority of the City of LaGrange (the "Authority"), consists of an eight member board appointed by the governing authority of the City. The Authority provides a means to issue revenue bonds. Although it is legally separate from the City, the Authority is reported as if it were part of the City's Solid Waste Fund because the board and management of the Authority are substantially the same as the City. Additionally, the City is wholly responsible for the debt of the Authority whose sole purpose is to finance, construct, equip, expand and maintain the City's solid waste facilities. Separate financial statements are not prepared by the Solid Waste Management Authority.

The component unit column in the financial statements includes the financial data of the Downtown LaGrange Development Authority, the City's only discretely presented component unit. The purpose of the Authority is to revitalize and redevelop central business districts and to promote the public good and the general welfare of the State. It is reported in a separate column to emphasize that it is legally separate from the City. The Downtown LaGrange Development Authority is presented as a discretely presented component unit under GASB-14, as amended by GASB-61, because the Authority is legally separate, the municipality appoints a voting majority of the Authority and is able to impose its will on the Authority, and the Authority provides services and benefits which are not limited to the City. The Downtown LaGrange Development Authority is presented as an enterprise fund type. It is not considered necessary to present condensed financial statements for the Downtown LaGrange Development Authority here since it is the only component unit for the City and has been discretely presented in a separate column in these financial statements. Complete financial statements can be obtained from the Downtown LaGrange Development Authority, 200 Main Street, Suite 1-B, LaGrange, Georgia 30240.

The Downtown Development Authority of the City of LaGrange also meets the above criteria for inclusion as a component unit of the City but is not included in these financial statements due to immaterial financial activity.

B. Government-wide and Fund Financial Statements - The government-wide statements (the statement of net position and the statement of activities) report information on all of the activities of the primary government and the component unit of the City. As a general rule, 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The government-wide 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 such as internally dedicated resources, not properly included among program revenues are reported instead as general revenues.

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 funds and proprietary funds. 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.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation - The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The City reports the following major governmental funds:

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

Additionally, the City reports the following major proprietary funds:

Enterprise Funds - These funds account for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include sanitation, water and sewer, electricity, telecommunication and natural gas services.

- Utility Fund - The Utility Fund accounts for operations of the City which are to be financed and operated in a manner similar to a private business enterprise in which the costs (including depreciation) incurred in providing services are being recovered primarily through user charges. These operations include electricity, telecommunication and natural gas services.

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

- Sanitation Fund - The Sanitation Fund accounts for the provision of solid waste collection and disposal services to the residents and businesses of the City.

Additionally, the government reports the following fund types:

Internal Service Fund - The Group Insurance Fund and the Property & Casualty Insurance Fund account for the City's partial self-insurance of employee medical claims, worker's compensation claims and general liability claims provided to other departments of the government on a cost reimbursement basis.

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

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

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

D. Budgets and Budgetary Accounting - On or about May 1 of each year, the City Manager presents a proposed operating budget to the City Council for the fiscal year commencing the following July 1. After revisions, if any, by the council, the budget is legally enacted through passage of an ordinance. The City Manager is authorized to transfer budgeted amounts within departments within any fund; however, any revisions that alter the total expenditures of any department or fund must be approved by the City Council. Any supplemental appropriations are approved by the City Council. No supplemental appropriations were made during the year ended June 30, 2015.

The budgets for the General Fund and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Capital Projects Fund and SPLOST Fund are budgeted on a project basis, which may be one or more years in length. Proprietary fund type budgets are adopted for management control purposes only.

E. Cash and Cash Equivalents - Cash and cash equivalents shown on the balance sheet represent demand deposits and non-negotiable certificates of deposit. All highly liquid investments with an original maturity of three months or less when purchased are considered to be cash equivalents.

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

Investments are stated at fair value based upon quoted market prices.

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

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

H. Inventory and Prepaid Items - Inventory is valued at cost determined principally using the first-in, first-out (FIFO) method. Inventory is recorded on the consumption method which means that inventory acquisitions are recorded in inventory accounts initially and charged as expenditures or expenses when used. Prepaid items are also recorded on the consumption method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. streets, traffic signals, sewers and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of $5,000 or greater and an estimated useful life in excess of one year. Some assets are capitalized when the aggregated amount of a group of an asset is material. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at their estimated fair market value on the date donated. Construction period interest is capitalized with the cost of the asset. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment, and infrastructure of the primary government, as well as any reported component units, are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40-50 years
Distribution systems	33-50 years
Furniture and fixtures	5-10 years
Equipment and vehicles	5-25 years
Infrastructure	10-50 years

J. Long-Term Obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

K. Accrued Vacation - A liability for accrued vacation pay is recorded by the City. A liability for unused sick leave pay is not recorded since these amounts do not vest.

L. Fund Equity - The City has implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions.* This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications

describe the relative strength to the spending constraints placed on the purposes for which resources can be used:

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

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

M. Deferred Outflows/Inflows of Resources - In addition to assets, the financial statements of the City will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources in the form of expenditures until that time. The differences between expected and actual experience related to pensions and the contributions made to the pension plan after the measurement date are the only items that the City has that qualify for reporting in this category.

In addition to liabilities, the financial statements of the City will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows in resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources in the form of revenue until that time. The changes in assumptions and the net difference between projected and actual earnings on investments related to pensions are the only items that the City has that qualify for reporting in this category.

N. Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of LaGrange Georgia's Municipal Employees Benefit System (GMEBS) plans and additions to/deductions from the Plans' fiduciary net pension have been determined on the same basis as they are reported by GMEBS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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

Q. Subsequent Events - Subsequent events have been evaluated by management through December 14, 2015, which is the date the financial statements were available to be issued.

R. Recently Issued Accounting Principles – The "Government Accounting Standards Board" (GASB) has approved the following GASB Statements that have been adopted by the City for the year ended June 30, 2015, and have a direct and material impact on the City's financial statements.

GASB Statement No. 68 "Accounting and Financial Reporting for Pensions-An Amendment to GASB Statement No. 27" establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pension plans. For defined benefit pension plans this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to period of employee service.

GASB Statement No. 71 "Pension Transition for Contributions Made Subsequent to the Measurement Date-An Amendment of GASB Statement No. 68" amends paragraph 137 of Statement 68 that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning of the net pension liability.

2. DEPOSITS AND INVESTMENTS

At year end, the carrying amount of the City's deposits was $23,252,526, which includes $7,450 petty cash and the bank balance was $23,628,968. Of the bank balance, $515,115 was covered by federal deposit insurance and, $23,113,853 was covered by collateral held in the pledging bank's trust department or by its agent in the City's name. The City does not have a deposit policy for custodial credit risk.

As of June 30, 2015, the City had the following investments:

Investment	Maturity	Fair Value
Municipal Competitive Trust	January 2014 - September 2015	$ 35,565,728
Coca Cola Stock		771,022
Total investments		36,336,750
Georgia fund 1 (State Investment Pool)	56 day WAM	53,324
Total pooled cash and investments		$ 36,390,074

Interest Rate Risk - The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2015, the City's investment in the state investment pool was rated AAAf by Standard & Poor's.

Concentration of Credit Risk - The City places no limit on the amount the City may invest in one issuer. The investment in the Municipal Competitive Trust is 97.7% total investments.

The City's investment of $53,324 in the Georgia Fund 1 local government investment pool has not been categorized as to risk level because it is a pool managed by another government. Georgia Fund 1, which was created by the Official Code of Georgia Annotated (OCGA) 36-83-8, is a stable net asset value investment pool which follows Standard & Poor's criteria for AAA rated market funds. Georgia Fund 1 is not considered to be a 2a-7 like pool. The pool is not registered with the Securities and Exchange Commission as an investment company. The Office of State Treasurer is the regulatory oversight agency of Georgia Fund 1. The pool's primary objectives are safety of capital, investment income liquidity and diversification while maintaining principal ($1.00) per share value. Net asset value is calculated weekly to ensure stability. The pool distributes earnings (net of management fees) on a monthly basis and determines participant's shares sold and redeemed based on $1.00 per share.

3. NOTES AND ACCOUNTS RECEIVABLE

Primary Government

At June 30, 2015, there were no outstanding notes receivables.
Accounts receivable in the Utility Fund, the Water and Sewerage Fund, and the Sanitation Fund is reported net of an allowance for doubtful accounts of $8,386,607, $1,868,910 and $733,562, respectively.

Component Unit

Note receivable from an individual, 3.25% per annum, to be paid in monthly installments of principal and interest in the amount of $1,307 from October 1, 2012 through September 1, 2028.	$ 168,805
Due within one year	$ 10,357
Note receivable from C'Sons, LLC, 3.25% per annum, to be paid in monthly installments of principal and interest in the amount of $491 from March 15, 2015 through February 15, 2018 with the last payment being a balloon payment of $16,809.	$ 15,082
Due within one year	$ 9,601
Note receivable from an individual, 4.00% per annum, to be paid in monthly installments of principal and interest in the amount of $760 from September 1, 2014 through August 1, 2039.	$ 140,955
Due within one year	$ 3,552

4. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2015, was as follows:

	June 30, 2014	Additions	Retirements	June 30, 2015
Primary Government				
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 9,205,906	$ 445,565		$ 9,651,471
Total capital assets not being depreciated	9,205,906	445,565	$ -	9,651,471
Capital assets being depreciated:				
Buildings	13,030,763	6,592,773		19,623,536
Machinery and equipment	8,404,379	1,203,626	(20,300)	9,587,705
Vehicles	3,552,643	398,056	(280,722)	3,669,977
Infrastructure	39,883,263	2,588,859		42,472,122
Total capital assets being depreciated	64,871,048	10,783,314	(301,022)	75,353,340
Less, accumulated depreciation for:				
Buildings	(3,870,404)	(349,677)		(4,220,081)
Machinery and equipment	(6,074,263)	(452,364)	19,292	(6,507,335)
Vehicles	(2,917,266)	(244,424)	280,185	(2,881,505)
Infrastructure	(15,168,295)	(1,219,482)		(16,387,777)
Total accumulated depreciation	(28,030,228)	(2,265,947)	299,477	(29,996,698)
Total capital assets being depreciated, net	36,840,820	8,517,367	(1,545)	45,356,642
Governmental activities capital assets, net	$ 46,046,726	$ 8,962,932	$ (1,545)	$ 55,008,113

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

Governmental activities:	
General government	$ 451,625
Public safety	222,533
Public service	285,740
Culture and recreation	40,706
Community development	1,265,343
Total depreciation expense for governmental activities	$ 2,265,947

A summary of business-type activities for property, plant and equipment at June 30, 2015 is presented below:

Business-Type Activities	June 30, 2014	Additions	Retirements	June 30, 2015
Capital assets, not being depreciated:				
Land	$ 3,510,561			$ 3,510,561
Construction in progress	5,015,683	$ 14,247,678		19,263,361
Total capital assets, not being depreciated	8,526,244	14,247,678	$ -	22,773,922
Capital assets being depreciated:				
Buildings	26,833,595			26,833,595
Machinery and equipment	21,609,044	1,099,839	(897,158)	21,811,725
Vehicles	1,720,161	89,258	(166,549)	1,642,870
Infrastructure	169,420,771	1,480,177		170,900,948
Total capital assets being depreciated	219,583,571	2,669,274	(1,063,707)	221,189,138
Less, accumulated depreciation for:				
Buildings	(14,262,280)	(502,854)		(14,765,134)
Machinery and equipment	(12,902,833)	(1,451,771)	759,771	(13,594,833)
Vehicles	(1,472,976)	(84,083)	165,304	(1,391,755)
Infrastructure	(67,944,286)	(4,353,409)		(72,297,695)
Total accumulated depreciation	(96,582,375)	(6,392,117)	925,075	(102,049,417)
Total capital assets being depreciated, net	123,001,196	(3,722,843)	(138,632)	119,139,721
Business-type activities capital assets, net	$ 131,527,440	$ 10,524,835	$ (138,632)	$ 141,913,643

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

Business-type activities:	
Water and sewerage	$ 3,106,433
Electric system	402,136
Gas system	1,104,532
Telecommunications	468,184
Sanitation	1,310,832
Total depreciation expense for business-type activities	$ 6,392,117

Activity for the Downtown LaGrange Development Authority for the year ended June 30, 2015, was as follows:

Discretely Presented Component Unit	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated:				
Land - Property held for lease	$ 1,166,750	$ 330,000		$ 1,496,750
Land - Event center	34,960			34,960
Land - Promenades	198,000			198,000
Construction in progress		257,994		257,994
Total capital assets not being depreciated	1,399,710	587,994	$ -	1,987,704
Capital assets being depreciated:				
Buildings and improvements	13,347,503	16,495		13,363,998
Equipment	759,209	6,504		765,713
Total capital assets being depreciated	14,106,712	22,999	-	14,129,711
Less, accumulated depreciation for:				
Buildings and improvements	(2,224,384)	(335,415)		(2,559,799)
Equipment	(249,359)	(82,795)		(332,154)
Total accumulated depreciation	(2,473,743)	(418,210)	-	(2,891,953)
Total capital assets being depreciated, net	11,632,969	(395,211)		11,237,758
Total capital assets, net	$ 13,032,679	$ 192,783	$ -	$ 13,225,462

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

Community development	$ 418,210

5. CAPITAL LEASES

The City has entered into lease agreements for financing the acquisition of various pieces of equipment and vehicles for the governmental activities and business-type activities. Capital leases for governmental activities are being repaid through the General Fund. Capital leases for business-type activities are being repaid through the Utility and Sanitation Funds. These lease agreements qualify as capital leases for accounting purposes, and the expense resulting from amortization of assets recorded under capital leases is included in depreciation expense. Therefore, the lease agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities
Asset:		
Machinery and equipment	$ 6,297,090	$ 17,044,218
Less, accumulated depreciation	(5,133,416)	(11,437,994)
Total	$ 1,163,674	$ 5,606,224

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2015, were as follows:

	Governmental Activities	Business-type Activities
Year ending June 30:		
2016	$ 247,925	$ 1,052,848
2017	210,141	748,012
2018	121,119	535.456
2019		353,349
2020		207,261
Total lease payments	579,185	2,896,926
Less, amount representing interest	(3,130)	(22,197)
	$ 576,055	$ 2,874,729

6. LONG-TERM DEBT

A. Notes Payable

Governmental Activities

The City has entered into notes payable for the purpose of financing the City's Transition Center. The total amount of loans issued in prior years was $3,640,000.

Purpose	Interest Rate	Amount
Financing of the City's Transition Center - Debt Service Fund	4.85%	$ 1,225,000

Loans payable currently outstanding are as follows:

	Governmental Activities	
	Principal	Interest
Year ending June 30:		
2016	$ 370,000	$ 59,413
2017	410,000	41,468
2018	445,000	21,581
	$ 1,225,000	$ 122,462

Business-Type Activities

The City's Water and Sewerage Fund and Sanitation Fund borrowed funds for system improvements under notes payable agreements with Georgia Environmental Facilities Authority in the amounts of $18,654,707 and $4,006,058 respectively. As of June 30, 2015, the City had drawn $16,148,486 of Water and Sewerage Fund notes, and $3,495,396 had been drawn of the Sanitation Fund notes.

Notes payables currently outstanding are as follows:

Purpose	Interest Rate	Amount
Gas recirculation project at landfill – Sanitation Fund	2.33%	$ 497,935
Construction of Cell No. 5 at landfill – Sanitation Fund	3.03%	2,489,339
Construction of water line – Water and Sewerage Fund	4.10%	482,503
Improvements at water pollution control plant – Water and Sewerage Fund	3.00%	2,439,326
Long Cane pump station – Water and Sewerage Fund	1.40%	6,953,876
Yellow Jacket Creek pump station – Water and Sewerage Fund	1.40%	5,433,153
		$ 18,296,132

Notes payable service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2016	$ 985,537	$ 370,304
2017	979,307	376,535
2018	998,322	357,619
2019	1,017,800	338,041
2020	1,037,702	318,139
2021-2025	5,424,157	1,276,173
2026-2030	5,637,855	734,478
2031-2033	2,215,452	162,667
	$ 18,296,132	$ 3,933,956

B. Revenue Bonds

Business-Type Activities

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. The Utility Fund currently has revenue bonds outstanding to be paid from the gas system revenue. In prior years, the City issued $10,500,000 in revenue bonds to finance construction projects to expand existing facilities and construct additional facilities. Revenue bonds outstanding at year end are as follows:

Purpose	Interest Rates	Amount
Series 2009 Gas Authority Revenue Bonds	4.09%	$ 3,705,000
Series 2012 Gas Authority Revenue Refunding Bonds	2.035%	4,510,000
		$ 8,215,000

Revenue bond service requirements to maturity are as follows:

	Business-Type Activities	
	Principal	Interest
Year ending June 30:		
2016	$ 800,000	$ 243,313
2017	825,000	219,841
2018	850,000	195,551
2019	880,000	170,547
2020	910,000	144,522
2021-2024	3,950,000	298,949
	$ 8,215,000	$ 1,272,723

C. Compensated Absences - The City accrues compensated absences for their employees. Both governmental and business-type activities have accrued absences at June 30, 2015. Accrued compensated absences from governmental activities are repaid through the General Fund. Business-type activities accrued compensated absences are repaid through the Utility Fund, Water & Sewerage Fund, and Sanitation Fund.

D. Intergovernmental Agreements Payable

The City of LaGrange has entered into three separate intergovernmental contracts:

- The LaGrange Development Authority (LDA), the Troup County Development Authority, the City of LaGrange, and Troup County entered into an intergovernmental contract under which the LDA is to acquire, construct and equip a new industrial park (Callaway South Industrial Park) on approximately 1,100 acres located within

LaGrange. The LDA issued two series of revenue bonds, Series 2007A in the aggregate amount of $1,565,000 and Series 2007B in the aggregate amount of $5,285,000. In the year ended June 30, 2014, the LDA refunded the 2007B in full. The revenue bonds, 2012 Revenue Refunding Bonds are secured by the intergovernmental contract under which the City of LaGrange and Troup County have agreed to each pay one-half of the debt service on the bonds when due, commencing in February, 2013. LDA is obligated for up to 50 years to reimburse the City of LaGrange and Troup County for payments made under the intergovernmental contract from net proceeds received from the sale or lease of parcels.

- The City entered into a contract dated April 1, 2005, with the Downtown LaGrange Development Authority obligating the City to service the principal and interest on the Authority's Series 2005 Revenue Bonds. The bond proceeds were used to construct a movie theater in the downtown area of LaGrange. In the year ended June 30, 2015 the Downtown LaGrange Development Authority refunded the Series 2005 Revenue Bonds with Series 2014 Revenue Bonds, which the City is obligated to service.

- The City also entered into a contract dated December 1, 2005 with the LaGrange Development Authority obligating the City to service the debt of the Authority's Series 2005A and 2005B Revenue Bonds. The proceeds of the bonds were used to acquire, construct and equip a new office park (Ridley Office Park). The Authority is obligated to reimburse the City for payments made under the contract from net proceeds received from the sale of parcels.

Intergovernmental agreements outstanding at year end are as follows:

Business-Type Activities

Purpose	Interest Rates	Balance
Ridley Office Park - LaGrange Development Authority Series 2005A and 2005B Revenue Bonds	4.41% to 5.50%	$ 3,435,000

Business-type activities intergovernmental agreements service requirements to maturity are as follows:

	Principal	Interest
Year ending June 30:		
2016	$ 240,000	$ 140,689
2017	255,000	134,185
2018	270,000	127,274
2019	285,000	117,747
2020	295,000	105,179
2021-2025	1,700,000	317,520
2026	390,000	17,198
	$ 3,435,000	$ 959,792

Governmental Activities

Purpose	Interest Rates	Balance
Callaway South Industrial Park - LaGrange Development Authority 2012 Series Revenue Bond Refunding	2.60%	$ 2,652,500
Carmike Cinema - Downtown LaGrange Development Authority Series 2012 Revenue Bonds	3.45%	2,280,000
		$ 4,932,500

Governmental activities intergovernmental agreements service requirements to maturity are as follows:

Year ending June 30:	Principal	Interest
2016	$ 362,500	$ 163,823
2017	370,000	152,698
2018	382,500	141,335
2019	397,500	129,605
2020	407,500	117,400
2021-2025	2,230,000	391,804
2026-2028	782,500	74,136
	$ 4,932,500	$ 1,170,801

E. Changes in Long-Term Liabilities - Long-term liability activity for the year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Intergovernmental agreements	$ 5,140,000	$ 2,290,000	$ (2,497,500)	$ 4,932,500	$ 362,500
Capital leases	920,304	238,972	(583,221)	576,055	245,991
Notes payable	1,565,000		(340,000)	1,225,000	370,000
Compensated absences	529,000	611,913	(564,182)	576,731	230,692
Governmental activities long-term liabilities	$ 8,154,304	$ 3,140,885	$ (3,984,903)	$ 7,310,286	$ 1,209,183
Business-type activities:					
Revenue bonds	$ 8,985,000		$ (770,000)	$ 8,215,000	$ 800,000
Total bonds	8,985,000	$ -	(770,000)	8,215,000	800,000
Intergovernmental agreements	3,660,000		(225,000)	3,435,000	240,000
Capital leases	2,754,936	1,034,063	(914,270)	2,874,729	1,042,655
Notes payable	7,553,825	10,937,419	(195,112)	18,296,132	985,537
Compensated absences	374,320	483,967	(500,731)	357,556	143,022
Landfill closure/postclosure	7,194,951	309,744	(34,844)	7,469,851	39,483
Business-type activities long-term liabilities	$ 30,523,032	$ 12,765,193	$ (2,639,957)	$ 40,648,268	$ 3,250,697

7. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The composition of interfund balances as of June 30, 2015 is as follows:

Due to/from other funds:

Payable Fund	Receivable Fund	Amount
General Fund	Utility Fund	$ 500,000
General Fund	Nonmajor Governmental Fund	24,403
Internal Service Fund (Group Insurance)	Internal Service Fund (Property and Casualty)	1,000,000
		$ 1,524,403

Outstanding balances between funds reported as "due to/from other funds" include outstanding charges by one fund to another for services or goods, subsidy commitments to supplement operations outstanding at year end and other miscellaneous receivables/payables between funds. All due to/from balances are expected to be repaid within one year.

Advances to/from other funds at June 30, 2015 consisted of the following:

Payable Fund	Receivable Fund	Amount
Utility Fund	Internal Service Fund	$ 1,095,095

The advance represents a long-term interfund loan between the Property and Casualty Fund and the Utility Fund. The original advance was for $1.7 million made during the fiscal year ended June 30, 2007, for the purpose of expanding the gas system infrastructure. The advance is being repaid in annual installments through June 2023.

This amount represents the noncurrent portion of interfund loans and is therefore classified as a noncurrent asset/liability on the Proprietary Funds Statement of Net Position. A reconciliation to the government-wide Statement of Net Position is as follows:

Total Enterprise Fund non-current liabilities per fund level Statement of Net Position	$ 43,868,616
Advances from other funds	(1,095,095)
Net OPEB obligation	(973,686)
Net pension liability	(4,402,264)
Non-current liabilities - Due in more than one year per government-wide Statement of Net Position	$ 37,397,571

Transfers are primarily used to move funds between the proprietary funds and the governmental funds for expenses paid through the accounts payable system. The City does not levy property taxes to its citizens and therefore relies upon the enterprise funds to supplement the general fund operating expenditures. Other transfers represent flows of cash or goods from one fund to another without a requirement for repayment. These transfers were as follows:

	Transfers In						
	General Fund	Nonmajor Governmental	Utility Fund	Water & Sewerage Fund	Sanitation Fund	Internal Service	Total
Transfers out:							
General Fund		$ 543,292				$ 15,754	$ 559,046
Nonmajor governmental	$ 893,174		$ 185,000	$ 16,272			1,094,446
Utility Fund	10,900,000			328,990	$ 183,371		11,412,361
Water & Sewerage Fund	1,500,000	875,000	1,548,670				3,923,670
Internal service	15,754						15,754
	$13,308,928	$ 1,418,292	$ 1,733,670	$ 345,262	$ 183,371	$ 15,754	$17,005,277

The nonmajor governmental transfers out of $1,094,446 includes $16,272 transferred from the SPLOST (nonmajor governmental) to the Water and Sewerage Fund for SPLOST approved projects.

8. RISK MANAGEMENT AND SELF-INSURANCE

The City is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage and provide for these risks, the City has established a Group Insurance Fund and a Property and Casualty Insurance Fund which are reported as internal service funds. These funds account for the risk financing activities of the City and do not constitute a transfer of risk from the City.

Charges to other funds for these benefits are based upon an estimate of actual claims, administrative costs and stop-loss insurance premiums. Such charges are reported as revenue in the internal service funds and

expenditures/expenses in the paying fund. An estimate of unpaid claims has been accrued as of June 30, 2015.

The City records an estimated liability for employee medical claims, workers' compensation, torts and other claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

A. Group Insurance Fund - The purpose of this Fund is to pay the medical claims of City employees and their covered dependents and to minimize the total cost of medical insurance to the City. Under this plan, the City is self-insured for claims aggregating up to $5,951,909 for the year ended June 30, 2015. Claims exceeding this amount are covered by a private insurance carrier.

B. Property and Casualty Insurance Fund - The purpose of this Fund is to pay worker's compensation, general, automobile and personal liability claims. This program is administered by a third party, which provides claims review and processing. Under this plan, the City is self-insured for claims per occurrence up to $100,000 for general insurance liability and $600,000 for workers compensation liability for the plan year ended June 30, 2015. Claims exceeding this amount are covered by a private insurance carrier.

The following represents changes in these liabilities for the last two fiscal years:

	Group Insurance	Property and Casualty
Liability balance, June 30, 2013	$ 525,000	$ 600,000
Claims and changes in estimate	7,290,242	198,901
Claims payments	(7,115,242)	(198,901)
Liability balance, June 30, 2014	700,000	600,000
Claims and changes in estimate	5,865,537	325,380
Claims payments	(5,865,537)	(325,380)
Liability balance, June 30, 2015	$ 700,000	$ 600,000

The liability is an estimate of claims at June 30, 2015 to be paid within the next fiscal year, therefore this is current liability.

C. Changes in Coverage and Claims Paid - Neither the Group Insurance Fund nor the Property and Casualty Fund had significant decreases in coverage from the prior year. Also, neither fund paid claims that exceeded its insurance coverage for the past three years.

9. DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description – All full-time City employees and all City officials are eligible to participate in the Georgia Municipal Employees Benefit System (GMEBS) which is an agent multiple employer defined benefit pension plan administered by the Georgia Municipal Association which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the plan are established by state statute and city ordinance. The Georgia Municipal Association issues a publicly available annual report that includes financial statements and required supplementary information for the Georgia Municipal Employees Benefit System Retirement Trust. That report may be obtained by writing to Georgia Municipal Association, 201 Pryor Street, SW, Atlanta, Georgia 30303 or by calling 404/688-0472.

Benefits Provided – GMEBS provides service retirement, disability benefits and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with ten years of total service are eligible to retire at age 55 with enhanced early retirement reduced benefits. Members with five years of total service are eligible to retire at age 65 and with ten years of total service are eligible to retire at age 55 with full retirement benefits.

Employees Covered – At June 30, 2015 the following employees were covered by the benefit terms for the plan:

Inactive employees or beneficiaries currently receiving benefits	201
Inactive employees entitled to but not yet receiving benefits	71
Active employees	374
Total	646

Contributions – The City's employee's participation is noncontributory. The City is subject to the minimum funding standards of the Public Retirement Systems Standards Law (Georgia Code Section 47-20-10). Policy set by the City for contributing the annual pension expense exceeds the minimum requirements. Employer contribution rates are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

The annual minimum contribution is the sum of 1) the normal cost (including administrative expenses), 2) the closed level dollar amortization of the unfunded actuarial accrued liability over a period that ranges from 10 to 30 years based on the funding policy adopted by the GMEBS Board of Trustees, and 3) interest on these amounts from the valuation date to the date contributions are paid (assumed monthly).

B. Net Pension Liability – The City's net pension liability for the plan is measured as the total pension liability (TPL), less the pension plan's fiduciary net position (FNP). The net pension liability of the plan is measured as of September 30, 2014, using an annual actuarial valuation as of January 1, 2015. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Valuation Date	January 1, 2015
Measurement Date	September 30, 2014
Actuarial Cost Method	Projected unit credit
Amortization Method	Closed level dollar for remaining unfunded liability.
Remaining Amortization Period	Remaining amortization period varies for the bases, with a net effective amortization period of ten years.
Asset Valuation Method	Sum of actuarial value at beginning of year and the cash flow during the year plus the assumed investment return, adjusted by 10% of the amount that the value exceeds or is less than the market value at end of year. The actuarial value is adjusted, if necessary, to be within 20% of market value.
Discount Rate	7.75%
Inflation Rate	3.25%
Net investment rate of return	7.75%
Projected salary increase	3.25% plus service based merit increases
Cost of living adjustments	Not applicable
Postretirement benefit increase	Not applicable

The underlying mortality assumptions and all other actuarial assumptions used in the January 1, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through June 30, 2014. Further details of the experience study can be obtained by contacting The Georgia Municipal Association.

Discount Rate – The discount rate used to measure the total pension liability was 7.75%. The discount rate did not change since the prior measurement date. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2014 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Long-Term Nominal Real Rate of Return
Domestic equity	50%	5.95%	9.20%
International equity	15%	6.45%	9.70%
Fixed income	25%	1.55%	4.80%
Real estate	10%	3.75%	7.00%
Cash	0%		
Total	**100%**		

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the plan are as follows:

	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/Asset
Balances at September 30, 2013	$ 40,601,877	$ 27,519,884	$ 13,081,993
Changes for the year:			
Service cost	576,632		576,632
Interest	3,069,127		3,069,127
Differences between expected and actual experience	894,970		894,970
Contributions - employer		1,850,496	(1,850,496)
Contributions - employee			-
Net investment income		3,132,262	(3,132,262)
Benefit payments, including refunds of employee contributions	(2,000,469)	(2,000,469)	-
Administrative expense		(38,786)	38,786
Other	(190,059)		(190,059)
Net changes	2,350,201	2,943,503	593,302
Balances at September 30, 2014	$ 42,952,078	$ 30,463,387	$ 12,488,691

Sensitivity of the Net Pension Liability to changes in the discount rate is as follows:

1% Decrease	Current Discount Rate	1% Increase
(6.75%)	(7.75%)	(8.75%)
$ 17,841,316	$ 12,488,691	$ 8,022,489

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the City recognized pension expense of $1,275,673. At June 30, 2015 the City reported deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 715,976	
Pension contributions subsequent to measurement date	1,447,012	
Changes of assumption		$ (152,048)
Net difference between projected and actual earnings on pension plan investments		(805,428)
Total	$ 2,162,988	$ (957,476)

$1,447,012 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2016	$ (60,375)
2017	(60,375)
2018	(60,375)
2019	(60,375)
	$ (241,500)

10. DEFINED CONTRIBUTION PLAN

The City has a defined contribution plan which is administered by Nationwide Retirement Services. The plan is a combined 457 plan and 401A plan. The City matches employee contributions on a 1:2 ratio up to a maximum of $667 per year. During the year ended June 30, 2015, the City contributed $113,244 and employees contributed $347,213. Plan provisions and contribution requirements are established and amended by a resolution of the City Council. Employees are vested in the 401A plan upon two years of employment. For year ended June 30, 2015 175 employees participated in the plan.

11. COMMITMENT AND CONTINGENCIES

Agreements with Municipal Electric Authority of Georgia - During 1976, the City, along with 45 other cities and one county, all political subdivisions of the State of Georgia, entered into a Power Sales Contract with the Municipal Electric Authority of Georgia, a public corporation and instrumentality of the State of Georgia.

Under the terms of the agreement, the Authority agrees to provide, and the cities are obligated to purchase, all of the cities' bulk power supply requirements for a period not to exceed 50 years. The cities have agreed to purchase all their future power and energy requirements in excess of that received by the cities through the Southeastern Power Administration at prices intended to cover the operating costs of the systems and to retire any debt incurred by the Authority. In the event that revenues are insufficient to cover all costs and retire the outstanding debt, each city has guaranteed a portion of the unpaid debt based on their individual entitlement shares of the output and services of generating units acquired or constructed by the Authority. In addition, in the event of discontinued service to a participant in default, the City would be obligated to purchase additional power subject to contractual limitations.

At June 30, 2015, the outstanding debt of the Authority was approximately $6.5 billion. The City's guarantee varies by individual projects undertaken by the Authority and totals approximately $354 million at June 30, 2015.

On April 1, 1999, the City approved a resolution adopting the provisions of the Municipal Competitive Trust (the "Trust"), which was created by MEAG for the mutual benefit of MEAG and its wholesale customers which have elected to become beneficiaries. The Trust was established to provide MEAG and the Trust's beneficiaries a means to mitigate the expected differential between market rates for power and the costs of power generated by MEAG facilities, after deregulation of the electric industry.

The Trust created two types of funds, which are held by MEAG in the name of the City. The first type represents amounts that are available to the City for withdrawal without restriction. The second type represents amounts that are available to the City in the form of a loan or as an off-set to billings from MEAG for power usage if certain criteria related to the difference between the cost of power generated by MEAG facilities and the market rates for power are met.

At June 30, 2015, $35,565,728 has been placed into the Trust for the benefit of the City, of which $27,583,232 is available without restriction and $7,982,496 is subject to restrictions. Due to the restricted nature of the $7,982,496, the amount is reported as unearned revenue at June 30, 2015.

Litigation - The City has incurred two wrongful death claims, resulting from an accident at the local airport. The amount of the claims exceed the City's insurance coverage. The City plans to vigorously defend against the claim and believes it will prevail.

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

12. JOINT VENTURES

Under Georgia Law, the City, in conjunction with other cities and counties in the five county west Georgia area, is a member of the Three Rivers Regional Commission (the "Commission") and is required to pay annual dues thereto. During the year ended June 30, 2015, the City paid $30,452 in dues.

Membership in a regional commission is required by the Official Code of Georgia Annotated (OCGA) Section 50-8-34 which provides for the organizational structure of the Commission in Georgia. The RC Board membership includes the chief elected official of each county and municipality in the area. OCGA 50-8-39.1 provides that the member governments are liable for any debts or obligations of the Commission. Separate financial statements may be obtained from: Three Rivers Regional Commission, P.O. Box 1600, Franklin, Georgia 30217.

13. HOTEL / MOTEL LODGING TAX

During the year ended June 30, 2015, the City levied a 5% lodging tax and received $893,174 for this tax. The Official Code of Georgia Annotated 48-13-50 requires that all lodging taxes levied in excess of 3% be expended or obligated contractually for the promotion of tourism, conventions or trade shows. The LaGrange-Troup County Chamber of Commerce has certified that the $543,292 of lodging tax received from the City during the year ended June 30, 2015 was used for the promotion of tourism.

14. RELATED ORGANIZATION

The City's council is responsible for appointing a majority of the board members of the City of LaGrange Housing Authority. However, the City has no further accountability for the Authority.

15. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City's Sanitation Fund to place a cover on landfill sites when it stops accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post-closure care costs will not be paid until after the date a landfill stops accepting waste, the Sanitation Fund is required to accrue these closure and post-closure care costs over the landfill's operational period. The $7,469,851 reported as the landfill closure and post-closure care liability at June 30, 2015 includes $1,642,850, which represents the cumulative amount accrued to date, less amounts already paid, based on the use of one hundred percent of the estimated capacity of the landfill which was closed during the fiscal year ended June 30, 1998. The liability is based on the current costs of closure and post-closure care. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The remaining amount reported as landfill closure and post-closure cost of $5,827,001 relates to an additional landfill site, which began accepting waste during the year ended June 30, 1999. This landfill site has an estimated closure and post-closure cost of $9,845,785, which is based on the current cost necessary to perform all closure and post-closure care. The City expects to close the landfill in 2026. As of June 30, 2015, approximately 59% of this landfill's capacity had been utilized and accordingly, a liability of $5,827,001 has been recognized. The City will recognize the remaining estimated closure and post-closure care of $4,018,784 as the remaining capacity is used. See Note 6(E) for changes in the liability for landfill closure and postclosure costs.

16. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The General Fund reported material budget violations when expenditures of the primary government exceeded budgeted appropriations in some of the functions, as shown on page 17 and 18 of these financial statements. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

The following nonmajor governmental funds reported a material budget violation when expenditures of the City exceeded budgeted appropriations in some of the functions, as shown below. These over-expenditures were funded by available fund balances or advances from other funds. In future years, the City will analyze the budget periodically for deficiencies. All deficiencies will be investigated and budget amendments will be adopted when appropriate.

Fund	Department	Final Budget Amount	Actual Amount	Variance with Final Budget
Community Development Fund	Community Development	$ 2,500	$ 48,494	$ (45,994)
Hotel/Motel Tax Fund	Community Development	$ 428,100	$ 543,292	$ (115,192)

17. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

The City maintains a single-employer defined benefit OPEB plan (the City of LaGrange OPEB Plan) to provide medical and prescription drugs benefits to eligible retirees, their spouses and dependents until age 19 or full-time student status until age 25.

A. Summary of Significant Accounting Policies

Basis of Accounting

Effective with fiscal year ending June 30, 2009, the City has implemented the requirement of GASB Statement 45 for the basic financial statements; no net OPEB liability existed at the transition date. Financial statements for the Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due. Benefits and claims are recognized when due and payable in accordance with the terms of the Plan.

B. Plan Description

Plan Description - The City of LaGrange OPEB Plan is a single-employer defined benefit plan that provides health and prescription drugs benefits to eligible retirees, their spouses and dependents until age 19 or full-time students until age 25. Retirees may choose which benefits administered by Commerce Benefits Group are desired. Retirees and spouses are eligible to participate in the Plan until age 65 or Medicare eligibility, whichever comes first. Participation in the Plan is voluntary. Benefit levels, contribution rates and eligibility provisions of the Plan are determined by the City of LaGrange City Council in accordance with council resolution adopted as in Personnel Policy 6.15 Retirement System.

For the plan year, eligibility for benefits coverage was available upon being retired and at least 55 years old, and vested in the City Retirement System. Retirees must be receiving a pension from GMA.

The City Council has the authority for establishing and amending benefits for the Plan. The Plan does not issue a stand-alone financial report. Benefit provisions and all other related Plan requirements are established annually by the City Council.

The City administers the Plan, and its responsibility includes claims and general administration. The City's General Fund bears most of the administrative cost of the Plan. The Plan is actuarially evaluated every other year.

Membership of the Plan consisted of the following as of January 1, 2015, the last valuation date:

Retirees, beneficiaries, and dependents currently receiving benefits	36
Active plan participants	371
Total	407

Funding Policy - The City Council has the authority for establishing and amending the funding policy. Funding for the Plan is derived from two sources:

Member contributions
Employer contributions

Member contributions are set by the City Council. Monthly contributions of plan members for the current fiscal year were as follows:

	15-20 Years of Service and Over Age 60	20-25 Years of Service	More Than 25 Years of Service
Healthcare:			
Single	$ 301	$ 241	$ 151
Family	$ 1,585	$ 468	$ 292

If less than 15 years of service and under age 60, then the employee would pay the entire COBRA rate.

Contributions paid by retirees in the current fiscal year totaled $86,476.

The City contributes annually an amount equal to the pay-as-you-go cost of retiree benefits. The City hasn't contributed any amounts for advance funding of future liabilities. The Annual OPEB cost is actuarially determined. For year ending June 30, 2015 the City contributed $718,449 or 4.1% of the covered payroll for employees of $17,665,259 under the plan.

The required schedule of funding process immediately following these notes presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

C. Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost and net OPEB obligation for the plan year ended June 30, 2015 is shown below:

	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
Plan year ended:			
June 30, 2015	$ 1,010,431	71.10%	$ 2,762,229
June 30, 2014	$ 1,270,773	65.37%	$ 2,470,247
June 30, 2013	$ 781,527	43.68%	$ 2,030,121

The net OPEB obligation for the fiscal year ended June 30, 2015 was developed as follows, based on an actuarial valuation date of January 1, 2015:

Annual required contribution	$ 1,092,468
Interest on the net OPEB obligation	98,810
Adjustment of ARC	(180,847)
Annual OPEB cost	1,010,431
Actual contribution	(718,449)
Increase in OPEB obligation	291,982
Net OPEB obligation at beginning of year	2,470,247
Net OPEB obligation at year end	$ 2,762,229

D. Funded Status and Funding Progress

Schedule of Funding Progress

Actuarial valuation date	January 1, 2015	January 1, 2013	January 1, 2011
Actuarial value of assets	$ 0	$ 0	$ 0
Actuarial accrued liability	$ 8,735,319	$ 6,879,030	$ 6,212,999
Total unfunded actuarial liability	$ 8,735,319	$ 6,879,030	$ 6,212,999
Funded ratio	0%	0%	0%
Annual covered payroll	$ 17,665,259	$ 15,915,617	$ 15,689,991
Ratio of the unfunded actuarial liability to annual covered payroll	49.45%	43.22%	39.60%

E. Actuarial Assumptions and Methods

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. As such, actuarial calculations reflect a long-term perspective. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant actuarial assumptions and other information used to compute the actuarial accrued liability and the annual required contribution of the plan are as follows:

Actuarial Cost Method	Projected unit credit
Amortization Method	Closed level dollar for 25 years
Remaining Amortization Period	19 years as of July 1, 2014
Asset Valuation Method	Market value
Actuarial assumptions:	
Investment rate of return	4.00%
Inflation rate	3.25%
Salary growth	3.25%
Medical and drug cost trend rate	8.75% graded to 5.00% over 9 years

Of the employees eligible to retire and receive subsidized post-retirement welfare coverage, 75% were assumed to participate in the plan. Calculations are based on the types of benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing costs between the employer and plan members. The projection of benefits does not incorporate the potential effect of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The City has not entered into any long-term contracts for contributions to the Plan with any party, and accordingly, there were not amounts of contractually required contributions outstanding at the report date.

18. RESTATEMENT OF NET POSITION AND FUND BALANCES

For the fiscal year ending June 30, 2015, the City implemented the provisions of GASB No. 68 and 71 – Accounting and Financial Reporting for Pensions. Accordingly, beginning net positions of the Utility Fund were reduced by $1,827,534; the Water and Sewerage Fund was reduced by $1,653,256; and the Sanitation Fund was reduced by $726,954. The governmental activities net position on the Statement of Activities was reduced by $7,729,113. These reductions reflect the recording of net pension liability, deferred inflows of resources, and deferred outflows of resources as required under the new GASBs.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2015

	2015
Total pension liability	
Service cost	$ 576,632
Interest	3,069,127
Changes of benefit terms	-
Difference between expected and actual experience	894,970
Change in assumptions	(190,059)
Benefit payments, including refunds	(2,000,469)
Net change in total pension liability	2,350,201
Total pension liability - beginning	40,601,877
Total pension liability - ending	42,952,078
Plan fiduciary net position	
Contributions:	
Employer	1,850,496
Employee	-
Net investment income	3,132,262
Benefit payments, including refunds	(2,000,469)
Administrative expense	(38,786)
Other	-
Net change in plan fiduciary net position	2,943,503
Plan fiduciary net position - beginning	27,519,884
Plan fiduciary net position - ending	30,463,387
Net pension liability - ending	$ 12,488,691
Plan fiduciary net positon as a % of total pension liability	70.92%
Covered employee payroll	$ 18,116,297
Net pension liability as a % of covered-employee payroll	68.94%

Changes in assumptions

In 2015, amounts reported as changes in assumptions resulted primarily from adjustments made based on actuarial experience study covering the period January 1, 2010 to June 30, 2014. The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF CONTRIBUTIONS
DEFINED BENEFIT PENSION PLAN
Year Ended June 30, 2015

Actuarially determined contribution	*
Contributions in relation to actuarially determined contribution	*
Contribution deficiency (excess)	*
Covered-employee payroll	*
Contributions as a percentage of covered-employee payroll	*

* The actuarially determined contribution rate was determined as of January 1, 2015, with an interest adjustment to the fiscal year. Contributions in relation to this actuarially determined contribution rate will be reported for the fiscal year ending June 30, 2016.

The City implemented GASB 68 for the fiscal year ended June 30, 2015. In time this schedule will present the required ten years of data.

CITY OF LAGRANGE, GEORGIA
SCHEDULE OF FUNDING PROGRESS
OTHER POST-EMPLOYMENT BENEFITS PLAN
Year Ended June 30, 2015

	Actuarial Valuation Date		
	January 1, 2015	January 1, 2013	January 1, 2011
Actuarial value of plan assets	$ -	$ -	$ -
Actuarial accrued liability	$ 8,735,319	$ 6,879,030	$ 6,212,999
Total unfunded actuarial liability (or funding excess)	$ 8,735,319	$ 6,879,030	$ 6,212,999
Actuarial value of plan assets as a percentage of the actuarial accrued liability (funded ratio)	0%	0%	0%
Annual covered payroll	$ 17,665,259	$ 15,915,617	$ 15,689,991
Ratio of the unfunded actuarial liability (or funding excess) to covered payroll	49.45%	43.22%	39.60%
Employer contributions	$ 830,647	$ 341,401	$ 300,293

SUPPLEMENTARY INFORMATION

LAGRANGE
GEORGIA

NONMAJOR GOVERNMENTAL FUNDS

Capital Projects Funds - Capital projects funds account for the accumulation of resources and the subsequent disbursements of such resources in obtaining or renovating major fixed assets (other than those financed by the Enterprise Funds).

- **Capital Projects Fund**: This fund accounts for the accumulation of resources and the subsequent disbursement of such resources in obtaining or renovating major fixed assets (other than those financed by the Enterprise Funds).

- **Special Purpose Local Option Sales Tax "SPLOST" Fund**: The purpose of this fund is to account for the City's portion of a countywide 1% local options sales tax for construction projects and capital improvements.

Special Revenue Funds - Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for a particular purposes. They are as follows:

- **Community Development Fund**: This fund is used to account for the financial activity related to loans and notes advanced to private third parties for community development projects.

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

CITY OF LAGRANGE, GEORGIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2015

	Capital Projects		Special Revenue		
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Hotel/Motel Tax Fund	Total Nonmajor Govermental Funds
ASSETS					
Cash and cash equivalents	$ 418,584	$ 3,151,950	$ 1,661,268		$ 5,231,802
Receivables:					
Intergovernmental		593,007			593,007
Due from other funds	24,403				24,403
Total assets	$ 442,987	$ 3,744,957	$ 1,661,268	$ -	$ 5,849,212
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	$ 3,015	$ 63,216			$ 66,231
Total liabilities	3,015	63,216	$ -	$ -	66,231
Fund balance:					
Restricted for:					
Capital projects	439,972	3,681,741			4,121,713
Community development			1,661,268		1,661,268
Total fund balance	439,972	3,681,741	1,661,268	-	5,782,981
Total liabilities and fund balance	$ 442,987	$ 3,744,957	$ 1,661,268	$ -	$ 5,849,212

CITY OF LAGRANGE, GEORGIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2015

	Capital Projects		Special Revenue		
	Capital Projects Fund	SPLOST Fund	Community Development Fund	Hotel/Motel Tax Fund	Total Nonmajor Govermental Funds
Revenues:					
Hotel/Motel tax				$ 893,174	$ 893,174
Rental income	$ 1,108,258		$ 31,850		1,140,108
Intergovernmental	36,474	$ 3,147,315			3,183,789
Investment income	5,492	7,915	3,584		16,991
Miscellaneous	55,785		5,981		61,766
Total revenues	1,206,009	3,155,230	41,415	893,174	5,295,828
Expenditures:					
Current:					
Community development			48,494	543,292	591,786
Redevelopment and housing			228,000		228,000
Debt service:					
Principal retirement	3,203,585				3,203,585
Interest and fees	354,775				354,775
Capital outlay:					
General government	73,412				73,412
Public safety		878,205			878,205
Public service	148	1,944,255			1,944,403
Community development	174,591	352,052			526,643
Total expenditures	3,806,511	3,174,512	276,494	543,292	7,800,809
Excess of revenues over (under) expenditures	(2,600,502)	(19,282)	(235,079)	349,882	(2,504,981)
Other financing sources (uses):					
Refunding bonds issued	2,290,000				2,290,000
Transfers in	875,000			543,292	1,418,292
Transfers out	(185,000)	(16,272)		(893,174)	(1,094,446)
Total other financing sources	2,980,000	(16,272)	-	(349,882)	2,613,846
Net change in fund balance	379,498	(35,554)	(235,079)	-	108,865
Fund balance, beginning of year	60,474	3,717,295	1,896,347		5,674,116
Fund balance, end of year	$ 439,972	$ 3,681,741	$ 1,661,268	$ -	$ 5,782,981

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash	$ 418,584	$ 57,152
Receivables:		
Other		6,773
Due from other funds	24,403	
Total assets	$ 442,987	$ 63,925
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 3,015	$ 3,451
Total liabilities	3,015	3,451
Fund balance:		
Restricted for:		
Capital projects	439,972	60,474
Total fund balance	439,972	60,474
Total liabilities and fund balance	$ 442,987	$ 63,925

CITY OF LAGRANGE, GEORGIA
CAPITAL PROJECTS FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Rental income	$ 1,108,258	$ 1,091,631
Interest	5,492	1,226
Intergovernmental	36,474	
Miscellaneous	55,785	125,255
Total revenues	1,206,009	1,218,112
Expenditures:		
Debt service:		
Principal retirement	3,203,585	959,697
Interest and fees	354,775	368,421
Capital outlay:		
General government	73,412	69,160
Public service	148	109
Community development	174,591	140,826
Total expenditures	3,806,511	1,538,213
Excess of revenues over expenditures	(2,600,502)	(320,101)
Other financing sources (uses):		
Refunding bonds issued	2,290,000	
Transfers in	875,000	600,000
Transfers out	(185,000)	(185,000)
Total other financing sources (uses)	2,980,000	415,000
Net change in fund balance	379,498	94,899
Fund balance, beginning of year	60,474	(34,425)
Fund balance, end of year	$ 439,972	$ 60,474

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 3,151,950	$ 3,065,691
Receivables:		
Intergovernmental	593,007	1,198,158
Total assets	$ 3,744,957	$ 4,263,849
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 63,216	$ 546,554
Total liabilities	63,216	546,554
Fund balance:		
Restricted for capital project	3,681,741	3,717,295
Total fund balance	3,681,741	3,717,295
Total liabilities and fund balance	$ 3,744,957	$ 4,263,849

CITY OF LAGRANGE, GEORGIA
SPLOST FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Intergovernmental	$ 3,147,315	$ 3,020,767
Investment income (loss)	7,915	10,156
Total revenues	3,155,230	3,030,923
Expenditures:		
Capital outlay:		
Public safety	878,205	58,229
Public service	1,944,255	500,727
Community development	352,052	488,690
Total expenditures	3,174,512	1,047,646
Excess of revenues over (under) expenditures	(19,282)	1,983,277
Other financing sources (uses):		
Transfer out	(16,272)	(68,230)
Total other financing sources (uses)	(16,272)	(68,230)
Net change in fund balance	(35,554)	1,915,047
Fund balance, beginning of year	3,717,295	1,802,248
Fund balance, end of year	$ 3,681,741	$ 3,717,295

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 1,661,268	$ 1,896,653
Total assets	$ 1,661,268	$ 1,896,653
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	$ -	$ 306
Total liabilities	-	306
Fund balance:		
Restricted for:		
Community development	1,661,268	1,896,347
Total fund balance	1,661,268	1,896,347
Total liabilities and fund balance	$ 1,661,268	$ 1,896,653

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Rental income	$ 31,850	$ 5,267
Investment income	3,584	4,915
Miscellaneous	5,981	15,700
Total revenues	41,415	25,882
Expenditures:		
Current:		
Community development	48,494	
Redevelopment and housing	228,000	335,399
Total expenditures	276,494	335,399
Excess of revenues over (under) expenditures	(235,079)	(309,517)
Other financing sources (uses):		
Transfer in		3,658
Total other financing sources (uses)	-	3,658
Net change in fund balance	(235,079)	(305,859)
Fund balance, beginning of year	1,896,347	2,202,206
Fund balance, end of year	$ 1,661,268	$ 1,896,347

CITY OF LAGRANGE, GEORGIA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Rental income	$ 9,000	$ 31,850	$ 22,850
Investment income	5,000	3,584	(1,416)
Miscellaneous	5,000	5,981	981
Total revenues	19,000	41,415	22,415
Expenditures:			
Current:			
Community development	2,500	48,494	(45,994)
Redevelopment and housing	228,000	228,000	-
Total expenditures	230,500	276,494	(45,994)
Excess of revenue over (under) expenditures	(211,500)	(235,079)	(23,579)
Other financing sources (uses):			
Transfer in			-
Total other financing sources (uses)	-	-	-
Net change in fund balances	(211,500)	(235,079)	(23,579)
Fund balance, beginning of year	1,896,347	1,896,347	-
Fund balance, end of year	$ 1,684,847	$ 1,661,268	$ (23,579)

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Hotel/Motel tax	$ 893,174	$ 733,326
Total revenues	893,174	733,326
Expenditures:		
Current:		
Community development	543,292	452,977
Total expenditures	543,292	452,977
Excess of revenues over (under) expenditures	349,882	280,349
Other financing sources (uses):		
Transfers in	543,292	452,977
Transfers out	(893,174)	(733,326)
Total other financing sources (uses)	(349,882)	(280,349)
Net change in fund balance	-	-
Fund balance, beginning of year		
Fund balance, end of year	$ -	$ -

CITY OF LAGRANGE, GEORGIA
HOTEL/MOTEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
Year Ended June 30, 2015

	Original and Final Budgeted Amount	Actual	Variance with Final Budget Positive (Negative)
Revenues:			
Hotel/Motel tax	$ 685,000	$ 893,174	$ 208,174
Total revenues	685,000	893,174	208,174
Expenditures:			
Current:			
Community development	428,100	543,292	(115,192)
Total expenditures	428,100	543,292	(115,192)
Excess of revenue over (under) expenditures	256,900	349,882	92,982
Other financing sources (uses):			
Transfers in	428,100	543,292	115,192
Transfers out	(685,000)	(893,174)	(208,174)
Total other financing sources (uses)	(256,900)	(349,882)	(92,982)
Net change in fund balance	-	-	-
Fund balance, beginning of year			-
Fund balance, end of year	$ -	$ -	$ -

MAJOR GOVERNMENTAL FUNDS

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

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
June 30, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 3,060,700	$ 1,652,879
Investments	53,324	39,225
Receivables:		
Taxes	1,154,917	1,092,227
Other	9,364	9,219
Due from other funds		53,591
Inventory	200,254	197,596
Restricted cash and cash equivalents	41,662	40,199
Restricted investments	771,022	825,661
Total assets	$ 5,291,243	$ 3,910,597
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	$ 691,177	$ 482,708
Due to other funds	524,403	500,000
Other accrued liabilities	390,717	332,201
Unearned revenue	255,778	
Total liabilities	1,862,075	1,314,909
Fund balance:		
Nonspendable:		
Inventory	200,254	197,596
Restricted for:		
Perpetual care	775,389	830,028
Public safety	37,295	35,832
Unassigned	2,416,230	1,532,232
Total fund balance	3,429,168	2,595,688
Total liabilities and fund balance	$ 5,291,243	$ 3,910,597

CITY OF LAGRANGE, GEORGIA
GENERAL FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
Years Ended June 30, 2015 and 2014

	2015	2014
Revenues:		
Taxes:		
Sales	$ 5,021,093	$ 4,795,388
Franchise	1,204,116	1,090,820
Insurance premium	1,587,516	1,526,267
Alcoholic beverage	713,873	732,169
Ad valorem	492,611	528,074
Other	708,453	729,530
Licenses and permits	125,509	138,279
Intergovernmental	74,335	338,039
Fines and forfeitures	1,376,112	1,541,583
Charges for services	250,170	257,906
Investment income (loss)	26,713	23,063
Miscellaneous	135,595	200,531
Total revenues	11,716,096	11,901,649
Expenditures:		
Current:		
General government	2,100,858	2,059,938
Public safety	15,552,037	15,754,520
Public service	2,507,788	2,540,906
Culture and recreation	959,879	1,006,218
Community development	1,396,025	1,316,678
Telecommunications	405,217	392,945
Debt service:		
Principal retirement	217,136	236,554
Interest and fees	2,284	2,626
Capital outlay:		
General government	31,032	15,577
Public safety	419,801	285,991
Public service	247,084	439,120
Telecommunications	11,729	15,271
Culture and recreation	42,746	36,641
Community development	14,587	19,600
Total expenditures	23,908,203	24,122,585
Excess of expenditures over (under) revenues	(12,192,107)	(12,220,936)
Other financing sources (uses):		
Sales of capital assets	36,733	347
Capital lease	238,972	474,797
Transfers in	13,308,928	12,297,047
Transfers out	(559,046)	(487,509)
Total other financing sources (uses)	13,025,587	12,284,682
Net change in fund balance	833,480	63,746
Fund balance, beginning of year	2,595,688	2,531,942
Fund balance, end of year	$ 3,429,168	$ 2,595,688

LAGRANGE
GEORGIA

SUPPLEMENTAL INFORMATION
ENTERPRISE FUNDS

Utility Fund - This fund accounts for the provision of utility services to the residents of the City and some residents of the County. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, financing and related debt service, and billing and collection.

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

Sanitation Fund - This fund accounts for the operation of the City's solid waste disposal activities.

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,529,809	$ 6,902,231
Investments	24,088,296	18,080,384
Receivables:		
Accounts	8,386,607	8,428,316
Due from other funds	500,000	500,000
Prepaids	75,192	77,621
Inventory	1,081,356	1,054,130
Restricted assets:		
Restricted investments	7,982,496	11,840,759
Total current assets	45,643,756	46,883,441
Noncurrent assets:		
Capital assets, not being depreciated	1,574,303	1,574,303
Capital assets, being depreciated	37,853,425	38,362,667
Total noncurrent assets	39,427,728	39,936,970
Total assets	85,071,484	86,820,411
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Difference between expected and actual experience	109,616	
Contributions after measurement date	221,538	
Total deferred outflows of resources	331,154	-

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014
(Continued)

	2015	2014
LIABILITIES		
Current liabilities:		
Accounts payable	4,034,990	4,486,878
Customer deposits	1,746,213	1,629,397
Accrued liabilities	76,044	59,458
Accrued compensated absences	77,309	75,992
Due to other funds		23,016
Unearned revenue	10,559,349	14,725,729
Capital leases, current	392,978	309,811
Intergovernmental agreement payable, current	240,000	225,000
Liabilities payable from restricted assets:		
Accrued interest payable	78,011	86,962
Revenue bonds, current	800,000	770,000
Total current liabilities	18,004,894	22,392,243
Noncurrent liabilities:		
Compensated absences	115,965	113,988
Revenue bonds, long-term	7,415,000	8,215,000
Capital leases, long-term	809,656	605,054
Intergovernmental agreement payable, long-term	3,195,000	3,435,000
Advances from other funds	1,095,095	1,176,856
Net OPEB obligation	422,897	379,660
Net pension liability	1,912,019	-
Total noncurrent liabilities	14,965,632	13,925,558
Total liabilities	32,970,526	36,317,801
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Difference between projected and actual earnings on investments	123,311	
Changes of assumptions	23,279	
Total deferred outflows of resources	146,590	-
NET POSITION		
Net investment in capital assets	30,010,094	30,037,105
Unrestricted	22,275,428	20,465,505
Total net position	$ 52,285,522	$ 50,502,610

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Gas system	$ 16,394,374	$ 17,155,524
Electric system	54,510,867	53,074,347
Telecommunications	2,755,585	3,049,735
Other sales	569,031	590,347
Total operating revenues	74,229,857	73,869,953
Operating expenses:		
Gas system	11,468,264	13,264,923
Electric system	44,807,838	44,782,003
Telecommunications	2,226,969	2,415,797
Depreciation	2,061,131	2,007,980
Total operating expenses	60,564,202	62,470,703
Operating income	13,665,655	11,399,250
Nonoperating revenues (expenses):		
Gain (loss) on sale of assets	10,584	275
Investment income	71,072	43,149
Interest expense	(458,174)	(478,085)
Total nonoperating revenues (expenses)	(376,518)	(434,661)
Net income before transfers	13,289,137	10,964,589
Transfers in	1,733,670	1,695,000
Transfers out	(11,412,361)	(12,463,570)
Change in net position	3,610,446	196,019
Net position, beginning of year, restated	48,675,076	50,306,591
Net position, end of year	$ 52,285,522	$ 50,502,610

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received from customers and users	$ 70,198,986	$ 73,501,690
Cash paid to employees	(2,919,641)	(2,465,442)
Cash paid to suppliers	(56,097,076)	(57,715,561)
Net cash provided (used) by operating activities	11,182,269	13,320,687
Cash flow from noncapital financing activities:		
Advances to other funds	(81,761)	(77,684)
Transfers in	1,733,670	1,695,000
Transfers out	(11,412,361)	(12,463,570)
Net cash provided (used) by noncapital financing activities	(9,760,452)	(10,846,254)
Cash flows from capital and related financial activities:		
Payments on intergovernmental agreement	(225,000)	(215,000)
Principal payments on revenue bonds	(770,000)	(750,000)
Proceeds from sale of assets	11,829	3,276
Acquisition of capital assets	(955,555)	(532,166)
Capital lease payments	(309,811)	(318,648)
Interest paid	(467,125)	(563,263)
Net cash provided (used) by capital and related financing activities	(2,715,662)	(2,375,801)
Cash flows from investing activities:		
Sale (purchase) of investments	(2,149,649)	(6,459,124)
Investment income	71,072	43,149
Net cash provided (used) by investing activities	(2,078,577)	(6,415,975)
Net increase (decrease) in cash	(3,372,422)	(6,317,343)
Cash, beginning of year	6,902,231	13,219,574
Cash, end of year	$ 3,529,809	$ 6,902,231

(Continued...)

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014
(Continued)

	2015	2014
Cash flows from operating activities:		
Operating income	$ 13,665,655	$ 11,399,250
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,061,131	2,007,980
Changes in operating assets and liabilities:		
Accounts receivable	41,709	597,506
Inventory	(27,226)	(106,160)
Due from other funds		80,500
Prepaids	2,429	5,667
Accounts payable	(451,888)	287,047
Accrued vacation	3,294	9,353
Due to other funds	(23,016)	23,016
Unearned revenue	(4,166,380)	(1,014,488)
Customer deposits	116,816	(54,797)
Other accrued expenses	16,586	14,325
Net OPEB obligation	43,237	71,488
Net pension liability	(100,078)	
Net cash provided by operating activities	$ 11,182,269	$ 13,320,687

Supplemental disclosure of non-cash investing and financing activities:
In 2015 and 2014, the City incurred debt of $597,580 and $144,473, respectively, in the form of capital leases in connection with the acquisition of new equipment.

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF OPERATING INCOME
Year Ended June 30, 2015

	Electric System	Gas System	Telecom-municatons	Total
Operating revenues	$ 54,657,332	$ 16,816,940	$ 2,755,585	$ 74,229,857
Operating expenses:				
Electricity and natural gas purchase	40,734,041	9,865,380		50,599,421
Depreciation	585,358	1,104,531	371,242	2,061,131
Other operating	4,781,527	1,602,884	1,519,239	7,903,650
	46,100,926	12,572,795	1,890,481	60,564,202
Operating income	$ 8,556,406	$ 4,244,145	$ 865,104	$ 13,665,655

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
SCHEDULE OF CHANGES IN UTILITY PLANT IN SERVICE
Year Ended June 30, 2015

	Historical Cost				Allowance of Depreciation				
	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015	Balance June 30, 2014	Expenses	Deletions	Balance June 30, 2015	Net Asset Value
Gas system	$ 34,085,271	$ 184,346	$ (31,020)	$ 34,238,597	$ (11,700,020)	$ (1,104,532)	$ 31,020	$ (12,773,532)	$ 21,465,065
Electric system	22,601,842	401,228	(49,989)	22,953,081	(10,938,977)	(585,357)	48,743	$ (11,475,591)	$ 11,477,490
Telecommunications	9,150,644	967,561		10,118,205	(3,261,790)	(371,242)		$ (3,633,032)	$ 6,485,173
	$ 65,837,757	$ 1,553,135	$ (81,009)	$ 67,309,883	$ (25,900,787)	$ (2,061,131)	$ 79,763	$ (27,882,155)	$ 39,427,728

CITY OF LAGRANGE, GEORGIA
UTILITY FUND
COMPARATIVE SCHEDULES OF REVENUES
Years Ended June 30, 2015 and 2014

	2015	2014
Gas system:		
Gas sales	$ 16,394,374	$ 17,155,524
Miscellaneous	422,566	389,820
	16,816,940	17,545,344
Electric system:		
Electricity sales	53,373,938	51,957,169
Street and security lights	1,136,929	1,117,178
Miscellaneous	146,465	200,527
	54,657,332	53,274,874
Telecommunications:		
Internet services	1,332,759	1,599,209
Other telecommunications services	1,422,826	1,450,526
	2,755,585	3,049,735
Total operating revenues	$ 74,229,857	$ 73,869,953

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 7,540,441	$ 5,869,784
Investments	3,494,936	3,484,379
Receivables:		
Accounts	1,868,910	1,815,350
Inventory	763,765	877,377
Total current assets	13,668,052	12,046,890
Noncurrent assets:		
Capital assets, not being depreciated	13,086,687	5,465,878
Capital assets, being depreciated	63,444,582	65,875,383
Total noncurrent assets	76,531,269	71,341,261
Total assets	90,199,321	83,388,151
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Difference between expected and actual experience	99,163	
Contributions after measurement date	200,411	
Total deferred outflows of resources	299,574	-

(Continued...)

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014
(Continued)

	2015	2014
LIABILITIES		
Current liabilities:		
Accounts payable	302,874	1,521,164
Customer deposits	413,872	395,203
Accrued liabilities	54,333	49,553
Accrued compensated absences	38,416	43,441
Due to other funds		21,252
Notes payable, current	815,510	347,741
Total current liabilities	1,625,005	2,378,354
Noncurrent liabilities:		
Compensated absences	57,624	65,161
Notes payable, long-term	14,493,348	6,657,418
Net OPEB obligation	382,569	336,801
Net pension liability	1,729,684	
Total noncurrent liabilities	16,663,225	7,059,380
Total liabilities	18,288,230	9,437,734
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Differences between projected and actual earnings on investments	111,552	
Changes of assumptions	21,059	
Total deferred inflows of resources	132,611	-
NET POSITION		
Net investment in capital assets	61,222,411	64,336,102
Unrestricted	10,855,643	9,614,315
Total net position	$ 72,078,054	$ 73,950,417

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Water and sewerage system	$ 15,588,697	$ 15,359,434
Other sales	40,166	70,738
Total operating revenues	15,628,863	15,430,172
Operating expenses:		
Water and sewerage system	8,986,345	9,813,601
Depreciation	3,020,153	3,013,750
Total operating expenses	12,006,498	12,827,351
Operating income	3,622,365	2,602,821
Nonoperating revenues (expenses):		
Gain (loss) on sale of assets	5,802	
Interest expense	(268,866)	(195,734)
Total nonoperating revenues (expenses)	(263,064)	(195,734)
Net income before contributions and transfers	3,359,301	2,407,087
Transfers in	345,262	1,020,670
Transfers out	(3,923,670)	(3,110,000)
Change in net position	(219,107)	317,757
Net position, beginning of year, restated	72,297,161	73,632,660
Net position, end of year	$ 72,078,054	$ 73,950,417

CITY OF LAGRANGE, GEORGIA
WATER AND SEWERAGE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received from customers and users	$ 15,572,720	$ 15,530,119
Cash paid to employees	(4,009,828)	(4,086,261)
Cash paid to suppliers	(6,133,743)	(4,367,711)
Net cash provided (used) by operating activities	5,429,149	7,076,147
Cash flow from noncapital financing activities:		
Transfers in	328,990	952,440
Transfers out	(3,923,670)	(3,110,000)
Net cash provided (used) by noncapital financing activities	(3,594,680)	(2,157,560)
Cash flows from capital and related financial activities:		
Transfer in	16,272	68,230
Proceeds from debt	8,448,080	3,938,949
Proceeds from sale of assets	5,802	
Acquisition of capital assets	(8,210,161)	(5,835,807)
Payments on notes payable	(144,381)	(139,830)
Interest paid	(268,867)	(195,734)
Net cash provided (used) by capital and related financing activities	(153,255)	(2,164,192)
Cash flows from investing activities:		
Purchase of investments	(10,557)	(8,660)
Net cash provided (used) by investing activities	(10,557)	(8,660)
Net increase (decrease) in cash	1,670,657	2,745,735
Cash, beginning of year	5,869,784	3,124,049
Cash, end of year	$ 7,540,441	$ 5,869,784
Cash flows from operating activities:		
Operating income	$ 3,622,365	$ 2,602,821
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	3,020,153	3,013,750
Changes in operating assets and liabilities:		
Accounts receivable	(53,560)	93,806
Inventory	113,612	(119,071)
Accounts payable	(1,218,290)	1,406,653
Accrued vacation	(12,562)	(3,050)
Due to other funds	(21,252)	21,252
Customer deposits	18,669	(15,111)
Other accrued expenses	4,780	15,204
Net OPEB obligation	45,768	59,893
Net pension liability	(90,534)	
Net cash provided by operating activities	$ 5,429,149	$ 7,076,147

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,498,932	$ 3,362,270
Receivables:		
Accounts receivable	733,562	657,875
Total current assets	2,232,494	4,020,145
Noncurrent assets:		
Capital assets, not being depreciated	8,112,932	1,486,063
Capital assets, being depreciated	17,841,714	18,763,146
Total noncurrent assets	25,954,646	20,249,209
Total assets	28,187,140	24,269,354
DEFERRED OUTFLOWS OF RESOURCES		
Pensions:		
Difference between expected and actual experience	43,603	
Contributions after measurement date	88,123	
Total deferred outflows of resources	131,726	-

(Continued...)

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014
(Continued)

	2015	2014
LIABILITIES		
Current liabilities:		
Accounts payable	707,097	128,217
Customer deposits	1,530	1,530
Accrued liabilities	26,090	20,367
Accrued compensated absences	27,297	30,295
Due to other funds		9,017
Notes payable, current	170,027	50,731
Capital leases, current	649,677	604,459
Landfill postclosure liability, current	39,483	
Total current liabilities	1,621,201	844,616
Noncurrent liabilities:		
Compensated absences	40,945	45,443
Notes payable, long-term	2,817,247	497,935
Capital leases, long-term	1,022,418	1,235,612
Landfill postclosure liability	7,430,368	7,194,951
Net OPEB obligation	168,220	147,505
Net pension liability	760,561	
Total noncurrent liabilities	12,239,759	9,121,446
Total liabilities	13,860,960	9,966,062
DEFERRED INFLOWS OF RESOURCES		
Pensions:		
Differences between projected and actual earnings on investments	49,050	
Changes of assumptions	9,260	
Total deferred inflows of resources	58,310	-
NET POSITION		
Net investment in capital assets	21,295,277	17,860,473
Unrestricted	(6,895,681)	(3,557,181)
Total net position	$ 14,399,596	$ 14,303,292

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Sanitation	$ 8,439,684	$ 8,142,200
Other sales	292,302	278,351
Total operating revenues	8,731,986	8,420,551
Operating expenses:		
Sanitation	6,696,524	7,013,476
Depreciation	1,310,832	1,212,061
Total operating expenses	8,007,356	8,225,537
Operating income	724,630	195,014
Nonoperating revenues (expenses):		
Investment income	1,226	803
Gain (loss) on sale of assets	(31,722)	
Interest expense	(54,247)	(13,508)
Total nonoperating revenues (expenses)	(84,743)	(12,705)
Net income (loss) before transfers	639,887	182,309
Transfers in	183,371	978,259
Change in net position	823,258	1,160,568
Net position, beginning of year, restated	13,576,338	13,142,724
Net position, end of year	$ 14,399,596	$ 14,303,292

CITY OF LAGRANGE, GEORGIA
SANITATION FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received from customers and users	$ 8,647,282	$ 8,298,371
Cash paid to employees	(2,197,266)	(2,192,797)
Cash paid to suppliers	(3,666,345)	(4,523,360)
Net cash provided (used) by operating activities	2,783,671	1,582,214
Cash flows from noncapital financing activities:		
Transfers in	183,371	978,259
Net cash provided (used) by noncapital financing activities	183,371	978,259
Cash flows from capital and related financing activities:		
Proceeds from debt	2,489,339	
Capital lease payments	(604,459)	(488,474)
Payments on notes payable	(50,731)	(49,566)
Proceeds from sale of assets	105,665	
Acquisition of capital assets	(6,717,174)	(433,068)
Interest paid	(54,246)	(13,508)
Net cash provided (used) by capital and related financing activities	(4,831,606)	(984,616)
Cash flows from investing activities:		
Investment income	1,226	803
Net cash provided (used) by investing activities	1,226	803
Net increase (decrease) in cash	(1,863,338)	1,576,660
Cash, beginning of year	3,362,270	1,785,610
Cash, end of year	$ 1,498,932	$ 3,362,270
Cash flows from operating activities:		
Operating income	$ 724,630	$ 195,014
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	1,310,832	1,212,061
Changes in operating assets and liabilities:		
Accounts receivable	(75,687)	(131,197)
Accounts payable	578,880	(21,558)
Accrued vacation	(7,496)	(1,099)
Due to other funds	(9,017)	9,017
Other accrued expenses	5,723	10,536
Closure/postclosure care	274,900	284,757
Net OPEB obligation	20,715	24,683
Net pension liability	(39,809)	
Net cash provided by operating activities	$ 2,783,671	$ 1,582,214

Supplemental disclosure of non-cash investing and financing activities:
In 2015 and 2014, the City incurred debt of $436,483 and $579,923, respectively, in the form of capital leases in connection with the acquisition of new equipment

LAGRANGE
GEORGIA

SUPPLEMENTAL INFORMATION
INTERNAL SERVICE FUNDS

Group Insurance Fund - To account for the City's partial self-insurance of employees' medical claims.

Property and Casualty Insurance Fund - To account for the City's partial self-insurance of workers' compensation and liability claims.

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
June 30, 2015

	Group Insurance Fund	Property and Casualty Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	$ 446,944	$ 1,902,236	$ 2,349,180
Receivables-other	9,187		9,187
Due from other funds		1,000,000	1,000,000
Prepaid expense	14,240		14,240
Advances to other funds		1,095,095	1,095,095
Total assets	470,371	3,997,331	4,467,702
LIABILITIES AND NET POSITION			
Current liabilities:			
Accounts payable	200	1,965	2,165
Claims reserve	700,000	600,000	1,300,000
Due to other funds	1,000,000		1,000,000
Total liabilities	1,700,200	601,965	2,302,165
Net position:			
Unrestricted	(1,229,829)	3,395,366	2,165,537
Total net position	$ (1,229,829)	$ 3,395,366	$ 2,165,537

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Year Ended June 30, 2015

	Group Insurance Fund	Property and Casualty Fund	Total
Operating revenues:			
Charges for services	$ 6,772,577	$ 985,500	$ 7,758,077
Operating expenses:			
Administrative services	495,979	79,413	575,392
Risk management	6,374,863	729,037	7,103,900
Total operating expenses	6,870,842	808,450	7,679,292
Operating income (loss)	(98,265)	177,050	78,785
Nonoperating revenues:			
Investment income	2,643	66,490	69,133
Total nonoperating revenues	2,643	66,490	69,133
Income (loss) before transfers	(95,622)	243,540	147,918
Transfers in	15,754		15,754
Transfers out	(15,754)		(15,754)
Change in net position	(95,622)	243,540	147,918
Net position, beginning of year	(1,134,206)	3,151,825	2,017,619
Net position, end of year	$ (1,229,828)	$ 3,395,365	$ 2,165,537

CITY OF LAGRANGE, GEORGIA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 2015

	Group Insurance Fund	Property and Casualty Fund	Total
Cash flows from operating activities:			
Cash received from customers and users	$ 6,783,246	$ 1,037,490	$ 7,820,736
Cash paid to suppliers	(6,870,642)	(828,891)	(7,699,533)
Cash payments to other funds			-
Net cash provided (used) by operating activities	(87,396)	208,599	121,203
Cash flows from noncapital financing activities:			
Repayments of advances to other funds		81,761	81,761
Transfers in	15,754		15,754
Transfers out	(15,754)		(15,754)
Net cash provided (used) by noncapital financing activities	-	81,761	81,761
Cash flows from investing activities:			
Investment income	2,643	66,490	69,133
Net cash provided (used) by investing activities	2,643	66,490	69,133
Net increase (decrease) in cash	(84,753)	356,850	272,097
Cash, beginning of year	531,698	1,545,385	2,077,083
Cash, end of year	$ 446,945	$ 1,902,235	$ 2,349,180
Cash flows form operating activities:			
Operating income (loss)	$ (98,265)	$ 177,050	$ 78,785
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:			
(Increase) decrease in accounts receivable	10,669	51,990	62,659
Increase (decrease) in accounts payable	200	(20,441)	(20,241)
Net cash provided (used) by operating activities	$ (87,396)	$ 208,599	$ 121,203

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 446,944	$ 531,698
Receivables-other	9,187	19,856
Prepaid expense	14,240	14,240
Total assets	470,371	565,794
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	200	
Claims reserve	700,000	700,000
Due to other funds	1,000,000	1,000,000
Total current liabilities	1,700,200	1,700,000
Net position:		
Unrestricted	$ (1,229,829)	$ (1,134,206)

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Charges for services	$ 6,772,577	$ 7,127,423
Operating expenses:		
Administrative services	495,979	201,318
Risk management	6,374,863	7,797,985
Total operating expenses	6,870,842	7,999,303
Operating income (loss)	(98,265)	(871,880)
Nonoperating revenues:		
Investment income	2,643	1,156
Total nonoperating revenues	2,643	1,156
Income (loss) before transfers	(95,622)	(870,724)
Transfers in	15,754	34,532
Transfers out	(15,754)	(34,508)
Change in net position	(95,622)	(870,700)
Net position, beginning of year	(1,134,206)	(263,506)
Net position, end of year	$ (1,229,828)	$ (1,134,206)

CITY OF LAGRANGE, GEORGIA
GROUP INSURANCE FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash received from customers and users	$ 6,783,246	$ 7,135,368
Cash paid to suppliers	(6,870,642)	(7,824,351)
Cash payments to other funds		1,000,000
Net cash provided (used) by operating activities	(87,396)	311,017
Cash flows from noncapital financing activities:		
Transfers in	15,754	34,532
Transfers out	(15,754)	(34,508)
Net cash provided (used) by noncapital financing activities	-	24
Cash flows from investing activities:		
Investment income	2,643	1,156
Net cash provided (used) by investing activities	2,643	1,156
Net increase (decrease) in cash	(84,753)	312,197
Cash, beginning of year	531,698	219,501
Cash, end of year	$ 446,945	$ 531,698
Cash flows from operating activities:		
Operating income (loss)	$ (98,265)	$ (871,880)
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in accounts receivable	10,669	7,945
(Increase) decrease in prepaid expense		(48)
Increase (decrease) in accounts payable	200	
Increase (decrease) in interfund payable		1,000,000
Increase (decrease) in claims reserve		175,000
Net cash provided (used) by operating activities	$ (87,396)	$ 311,017

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF NET POSITION
June 30, 2015 and 2014

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,902,236	$ 1,545,385
Due from other funds	1,000,000	1,000,000
Receivables-other		51,990
Advances to other funds	1,095,095	1,176,856
Total assets	3,997,331	3,774,231
LIABILITIES AND NET POSITION		
Current liabilities:		
Accounts payable	1,965	22,406
Claims reserve	600,000	600,000
Total liabilities	601,965	622,406
Net position:		
Unrestricted	$ 3,395,366	$ 3,151,825

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
Years Ended June 30, 2015 and 2014

	2015	2014
Operating revenues:		
Charges for services	$ 985,500	$ 994,492
Operating expenses:		
Administrative services	79,413	69,646
Risk management	729,037	633,774
Total operating expenses	808,450	703,420
Operating income (loss)	177,050	291,072
Nonoperating revenues:		
Investment income	66,490	71,311
Total nonoperating revenues	66,490	71,311
Change in net position	243,540	362,383
Net position, beginning of year	3,151,825	2,789,442
Net position, end of year	$ 3,395,365	$ 3,151,825

CITY OF LAGRANGE, GEORGIA
PROPERTY AND CASUALTY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS
Years Ended June 30, 2015 and 2014

	2015	2014
Cash flows from operating activities:		
Cash payments from other funds		$ (918,000)
Cash received from customers and users	$ 1,037,490	994,492
Cash paid to suppliers	(828,891)	(682,207)
Net cash provided (used) by operating activities	208,599	(605,715)
Cash flows from noncapital financing activities:		
Repayment of advances to other funds	81,761	77,684
Net cash provided (used) by noncapital financing activities	81,761	77,684
Cash flows from investing activities:		
Investment income	66,490	71,311
Net cash provided (used) by investing activities	66,490	71,311
Net increase (decrease) in cash	356,850	(456,720)
Cash, beginning of year	1,545,385	2,002,105
Cash, end of year	$ 1,902,235	$ 1,545,385
Cash flows from operating activities:		
Operating income (loss)	$ 177,050	$ 291,072
Adjustments to reconcile operating income (loss) to net cash (used in) provided by operating activities:		
(Increase) decrease in accounts receivable	51,990	
(Increase) decrease in interfund receivable		(918,000)
Increase (decrease) in accounts payable	(20,441)	21,213
Net cash provided (used) by operating activities	$ 208,599	$ (605,715)

SUPPLEMENTAL INFORMATION
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
COMPARATIVE SCHEDULE OF CAPITAL ASSETS BY SOURCE
June 30, 2015 and 2014

	2015	2014
Governmental fund capital assets:		
Land	$ 9,651,471	$ 9,205,906
Buildings	19,623,536	13,030,763
Machinery and equipment	9,587,705	8,404,379
Vehicles	3,669,977	3,552,643
Infrastructure	42,472,122	39,883,263
Total governmental fund capital assets	$ 85,004,811	$ 74,076,954
Investment in governmental fund capital assets by source:		
General fund revenues	$ 12,547,812	$ 12,081,853
General obligation bonds	3,000,000	3,000,000
Capital projects fund	54,322,665	51,062,780
Special revenues fund	4,429,256	4,429,256
Donations	10,705,078	3,503,065
Total governmental fund capital assets	$ 85,004,811	$ 74,076,954

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY
June 30, 2015

Function and Activity	Total	Land	Buildings and Improvements	Machinery and Equipment	Vehicles	Infrastructure
General government	$ 14,879,364	$ 5,313,501	$ 6,364,488	$ 2,803,047	$ 398,328	
Public safety	7,186,997	21,465	2,266,959	2,407,873	2,367,640	$ 123,060
Public service	11,961,138	636,261		1,946,162	494,105	8,884,610
Culture and recreation	5,014,634	1,737,735	206,943	427,428	301,199	2,341,329
Community development	45,962,678	1,942,509	10,785,146	2,003,195	108,705	31,123,123
Total governmental funds capital assets	$ 85,004,811	$ 9,651,471	$ 19,623,536	$ 9,587,705	$ 3,669,977	$ 42,472,122

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

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS*
SCHEDULE OF CHANGE IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY
Year Ended June 30, 2015

Function and Activity	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
General government	$ 14,853,950	$ 31,032	$ (5,618)	$ 14,879,364
Public safety	6,968,096	419,801	(200,900)	7,186,997
Public service	11,215,173	762,085	(16,120)	11,961,138
Culture and recreation	5,050,272	42,746	(78,384)	5,014,634
Community development	35,989,463	9,973,215		45,962,678
Total governmental funds capital assets	$ 74,076,954	$ 11,228,879	$ (301,022)	$ 85,004,811

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

ADDITIONAL DATA

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

Special Local Option Sales Tax Funds - Disclosure required by State of Georgia law.

CITY OF LAGRANGE, GEORGIA
SPECIAL LOCAL OPTION SALES TAX FUNDS
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS
Year Ended June 30, 2015

Project	Original Estimated Cost	Expenditures		
		Prior Years	Current Year	Total
Special Local Option Sales Tax - 2006:				
Roads, streets and bridges:				
Construction and resurfacing	$ 9,800,000	$ 14,854,460	$ 64,829	$ 14,919,289
Bridge repair	880,000	-	-	-
Bike and sidewalk facilities	880,000	14,649	-	14,649
Utility relocation and construction	4,880,000	1,962,864	614	1,963,478
Public safety facilities and equipment	2,880,000	3,080,217	13,210	3,093,427
Special Local Option Sales Tax - 2011:				
Road and bridge improvements	$ 10,550,000	$ 500,727	$ 1,878,812	$ 2,379,539
Utility relocation	3,000,000	58,098	16,272	74,370
Bicycle and sidewalk facilities and neighborhood parks	3,000,000	488,690	352,052	840,742
Public safety facilities and equipment	3,400,000	11,303	864,995	876,298

STATISTICAL SECTION

This part of the City of LaGrange's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

CONTENTS

	PAGE
Financial Trends - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	92
Revenue Capacity - These schedules present information to help the reader assess the City's most significant local revenue source, utility revenue.	98
Debt Capacity - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	103
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	107
Operating Information - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the government provides and the activities it performs.	109

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

LAGRANGE
GEORGIA

CITY OF LAGRANGE, GEORGIA
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
Net investment in capital assets	$ 22,872,801	$ 27,138,772	$ 29,417,747	$ 31,406,673	$ 33,802,402	$ 37,274,638	$ 40,409,288	$ 43,576,398	$ 43,561,422	$ 53,207,058
Restricted	5,628,363	3,191,045	6,943,819	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665
Unrestricted	4,177,433	4,659,797	(2,034,791)	(1,855,322)	(3,029,985)	(2,908,655)	(3,461,667)	(3,311,359)	(3,569,275)	(9,893,218)
Total governmental activities net position	$ 32,678,597	$ 34,989,614	$ 34,326,775	$ 37,644,866	$ 37,918,669	$ 41,871,410	$ 43,476,627	$ 45,146,398	$ 46,471,649	$ 49,909,505
Business-type activities:										
Net investment in capital assets	$ 78,006,264	$ 85,729,997	$ 87,979,264	$ 88,744,568	$ 103,765,331	$ 113,856,456	$ 114,889,792	$ 113,861,863	$ 112,233,680	$ 112,527,782
Unrestricted	14,868,506	11,136,268	11,166,623	19,395,224	15,548,813	16,249,506	21,208,735	23,220,112	26,522,639	26,235,390
Total business-type activities net position	$ 92,874,770	$ 96,866,265	$ 99,145,887	$ 108,139,792	$ 119,314,144	$ 130,105,962	$ 136,098,527	$ 137,081,975	$ 138,756,319	$ 138,763,172
Primary government:										
Net investment in capital assets	$ 100,879,065	$ 112,868,769	$ 117,397,011	$ 120,151,241	$ 137,567,733	$ 151,131,094	$ 155,299,080	$ 157,438,261	$ 155,795,102	$ 165,734,840
Restricted	5,628,363	3,191,045	6,943,819	8,093,515	7,146,252	7,505,427	6,529,006	4,881,359	6,479,502	6,595,665
Unrestricted	19,045,939	15,796,065	9,131,832	17,539,902	12,518,828	13,340,851	17,747,068	19,908,753	22,953,364	16,342,172
Total primary government net position	$ 125,553,367	$ 131,855,879	$ 133,472,662	$ 145,784,658	$ 157,232,813	$ 171,977,372	$ 179,575,154	$ 182,228,373	$ 185,227,968	$ 188,672,677

CITY OF LAGRANGE, GEORGIA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 1,861,149	$ 1,774,541	$ 2,071,915	$ 2,214,134	$ 2,202,176	$ 2,023,144	$ 2,447,844	$ 2,374,352	$ 2,702,167	$ 2,640,850
Public safety	11,435,498	12,451,424	12,927,862	13,152,404	14,074,285	13,941,126	14,477,949	15,583,597	16,512,002	15,435,028
Public service	3,250,325	2,811,952	2,822,341	2,708,868	2,746,773	2,829,962	3,129,297	2,925,579	2,855,304	2,762,723
Culture and recreation	1,015,887	1,033,239	1,201,017	1,097,198	1,092,616	990,442	1,103,386	1,090,148	1,156,457	993,631
Community development	1,849,841	2,216,201	5,320,867	2,151,152	2,480,853	2,317,269	2,590,079	2,885,126	3,160,331	3,330,554
Redevelopment and housing							503,278	577,942	335,399	228,000
Miscellaneous	640,300	1,068,017	818,825	890,116	748,224	817,226	377,065	398,890	415,457	403,159
Interest on long-term debt.	511,415	388,276	874,110	615,465	621,623	502,255	600,050	583,580	327,250	326,751
Total governmental activities expenses	20,564,415	21,743,650	26,036,937	22,829,337	23,966,550	23,421,424	25,228,948	26,419,214	27,464,367	26,120,696
Business-type activities:										
Water and sewerage	12,472,000	12,689,848	11,535,187	11,711,112	11,357,660	12,069,015	12,730,898	12,813,505	13,023,085	12,275,364
Gas	21,836,159	17,185,437	18,427,268	16,769,452	14,631,785	13,832,177	11,155,625	12,078,193	14,847,586	13,030,969
Electric system	32,588,379	32,919,187	33,811,521	33,071,620	35,065,463	37,470,631	40,414,968	42,433,294	45,996,684	46,100,926
Sanitation	5,850,259	5,888,158	6,192,524	6,937,117	6,844,824	7,507,351	8,672,057	9,325,713	8,239,045	8,093,325
Telecommunications	1,773,071	2,032,142	2,229,256	2,120,507	2,256,707	2,320,373	2,464,663	2,393,405	2,104,518	1,890,481
Total business-type activities expenses	74,519,868	70,714,772	72,195,756	70,609,808	70,156,439	73,199,547	75,438,211	79,044,110	84,210,918	81,391,065
Total primary government expenses	$ 95,084,283	$ 92,458,422	$ 98,232,693	$ 93,439,145	$ 94,122,989	$ 96,620,971	$ 100,667,159	$ 105,463,324	$ 111,675,285	$ 107,511,761
Program Revenues										
Governmental activities:										
Charges for services:										
General government	$ 588,084	$ 427,172	$ 404,484	$ 165,722	$ 100,601	$ 152,279	$ 270,308	$ 119,827	$ 202,638	$ 196,652
Public safety	1,733,392	1,770,610	2,193,003	2,224,272	2,119,124	2,001,184	2,056,481	2,089,613	1,871,655	1,629,624
Public service	263,671	332,979	301,184	252,565	170,271	279,526				
Culture and recreation			72,083	75,000	26,250		66,275	148,511	63,435	61,110
Community development	914,157	1,155,887	2,438,571	1,244,589	1,064,311	1,080,982	1,104,382	1,248,930	1,232,586	1,238,348
Redevelopment and housing			56,702	77,150	64,071					
Operating grants and contributions	104,999	103,647	120,626	8,000	259,664	459,031	660,012	812,440	338,610	74,335
Capital grants and contributions	1,773,021	500,000	530,796	151,634	3,427,141	3,571,714	3,560,013	3,174,313	3,036,190	10,357,243
Total government activities program revenues	5,377,324	4,290,295	6,117,449	4,198,932	7,231,433	7,544,716	7,717,471	7,593,634	6,745,114	13,557,312
Business-type activities:										
Charges for services:										
Water and sewerage	13,060,052	15,283,242	15,235,164	16,438,835	15,235,935	16,516,255	16,229,302	14,844,920	15,430,172	15,634,665
Gas system	23,792,947	19,614,023	21,265,823	18,472,311	16,205,246	17,013,290	13,459,998	14,643,762	17,545,344	16,825,600
Electric system	38,009,059	38,628,435	39,330,658	41,105,416	46,379,093	50,266,129	49,744,322	49,578,253	53,274,874	54,659,256
Santitation	7,249,559	7,052,969	6,894,842	7,277,443	7,030,912	7,645,580	8,368,771	8,533,923	8,420,551	8,731,986
Telecommunications	2,123,716	2,377,509	4,402,924	2,369,796	3,096,680	2,672,258	2,861,178	2,933,962	3,050,010	2,755,585
Operating grants and contributions			452,189				151,268			
Capital grants and contributions				2,750,000	1,171,307	248,729				
Total business-type activities program revenues	84,235,333	82,956,178	87,581,600	88,413,801	89,119,173	94,362,241	90,814,839	90,534,820	97,720,951	98,607,092
Total primary government program revenues	$ 89,612,657	$ 87,246,473	$ 93,699,049	$ 92,612,733	$ 96,350,606	$ 101,906,957	$ 98,532,310	$ 98,128,454	$ 104,466,065	$ 112,164,404

Net (expense) revenue										
Governmental activities	$ (15,187,091)	$ (17,453,355)	$ (19,919,488)	$ (18,630,405)	$ (16,735,117)	$ (15,876,708)	$ (17,511,477)	$ (18,825,580)	$ (20,719,253)	$ (12,563,384)
Business-type activities	9,715,465	12,241,406	15,385,844	17,803,993	18,962,734	21,162,694	15,376,628	11,490,710	13,510,033	17,216,027
Total primary government net expense	$ (5,471,626)	$ (5,211,949)	$ (4,533,644)	$ (826,412)	$ 2,227,617	$ 5,285,986	$ (2,134,849)	$ (7,334,870)	$ (7,209,220)	$ 4,652,643
General Revenues and Other Changes										
Net Position										
Governmental activities:										
Taxes:										
General purpose taxes	$ 2,763,775	$ 2,882,297	$ 2,981,632	$ 3,294,587	$ 3,203,491	$ 3,322,394	$ 3,460,477	$ 3,833,147	$ 4,249,366	$ 4,395,627
Sales tax	4,536,174	5,231,281	9,591,123	8,184,516	4,777,940	4,871,868	5,067,756	4,950,107	4,795,388	5,021,093
Franchise taxes	987,147	1,047,832	1,097,656	1,240,566	1,010,406	1,099,653	1,082,666	1,057,342	1,090,820	1,204,116
Unrestricted investment earnings	333,920	293,122	233,222	147,708	106,833	48,205	30,635	132,379	29,289	35,789
Gain on sale of capital assets	478,230	881,881	(24,291)							
Transfers	7,844,710	9,427,959	8,717,307	9,081,129	7,910,240	10,487,329	9,475,160	10,522,376	11,879,641	13,073,728
Total governmental activities	16,943,956	19,764,372	22,596,649	21,948,506	17,008,910	19,829,449	19,116,694	20,495,351	22,044,504	23,730,353
Business-type activities:										
Unrestricted investment earnings	917,203	1,111,623	646,735	271,041	121,858	116,453	91,097	15,114	43,952	72,298
Gain on sale of capital assets	5,961	66,425	(90,650)							
Transfers	(7,844,710)	(9,427,959)	(8,717,307)	(9,081,129)	(7,910,240)	(10,487,329)	(9,475,160)	(10,522,376)	(11,879,641)	(13,073,728)
Total business-type activities	(6,921,546)	(8,249,911)	(8,161,222)	(8,810,088)	(7,788,382)	(10,370,876)	(9,384,063)	(10,507,262)	(11,835,689)	(13,001,430)
Total primary government	$ 10,022,410	$ 11,514,461	$ 14,435,427	$ 13,138,418	$ 9,220,528	$ 9,458,573	$ 9,732,631	$ 9,988,089	$ 10,208,815	$ 10,728,923
Change in Net Position										
Governmental activities	1,756,865	2,311,017	2,677,161	3,318,101	273,793	3,952,741	1,605,217	1,669,771	1,325,251	11,166,969
Business-type activities	2,793,919	3,991,495	7,224,622	8,993,905	11,174,352	10,791,818	5,992,565	983,448	1,674,344	4,214,597
Total primary government	$ 4,550,784	$ 6,302,512	$ 9,901,783	$ 12,312,006	$ 11,448,145	$ 14,744,559	$ 7,597,782	$ 2,653,219	$ 2,999,595	$ 15,381,566

CITY OF LAGRANGE, GEORGIA
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund:										
Nonspendable	$ 194,759	$ 251,157	$ 223,642	$ 212,344	$ 223,439	$ 248,238	$ 185,692	$ 203,335	$ 197,596	$ 200,254
Restricted			619,478	580,738	628,958	776,590	861,865	876,905	865,860	812,684
Unassigned	1,990,109	1,988,670	1,967,494	2,475,461	1,621,469	1,674,201	1,045,441	1,451,702	1,532,232	2,416,230
Total general fund	$ 2,184,868	$ 2,239,827	$ 2,810,614	$ 3,268,543	$ 2,473,866	$ 2,699,029	$ 2,092,998	$ 2,531,942	$ 2,595,688	$ 3,429,168
All other governmental funds										
Nonspendable, reported in:										
Debt service	$ 46,028	$ 30,683	$ 36,482							
Capital projects	14,688									
Restricted, reported in:										
Special revenue	3,409,855	3,319,912	3,889,854	$ 3,448,272	$ 3,068,134	$ 2,736,199	$ 2,432,329	$ 2,202,206	$ 1,896,347	$ 1,661,268
Debt service	1,124,890	591,857	1,509,928	1,466,784	1,203,952	928,295	692,818			
Captial projects	1,032,902		888,077	2,597,721	2,245,208	3,070,853	2,563,696	1,802,248	3,717,295	4,121,713
Unassigned		(751,407)				(6,510)	(85)	(34,510)	60,474	
Total all other governmental funds	$ 5,628,363	$ 3,191,045	$ 6,324,341	$ 7,512,777	$ 6,517,294	$ 6,728,837	$ 5,688,758	$ 3,969,944	$ 5,674,116	$ 5,782,981

CITY OF LAGRANGE, GEORGIA
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes, licenses and permits	$ 8,550,767	$ 9,494,389	$ 13,971,595	$ 12,972,234	$ 9,162,108	$ 9,446,194	$ 9,768,301	$ 9,960,423	$ 10,273,853	$ 10,746,345
Intergovernmental	2,100,494	1,261,121	1,791,439	1,444,399	3,757,242	4,886,129	4,127,929	3,983,314	3,364,073	3,258,124
Charges for services	339,184	373,674	389,462	386,410	402,548	284,338	281,683	260,968	257,906	250,170
Fines and forfeitures	1,402,527	1,398,173	1,783,541	1,817,862	1,696,576	1,716,846	1,774,798	1,828,645	1,613,749	1,376,112
Investment income	333,920	293,122	233,222	147,708	106,833	52,899	36,484	135,818	39,445	43,704
Grants and subsidies						187,920	50,954			
Lease income			410,000				1,085,582	1,083,639	1,091,631	1,140,108
Miscellaneous	1,271,448	925,648	1,441,823	297,696	1,204,796	310,939	233,274	313,802	269,320	197,361
Total revenues	13,998,340	13,746,127	20,021,082	17,066,309	16,330,103	16,885,265	17,359,005	17,566,609	16,909,977	17,011,924
Expenditures										
General government	1,624,130	1,626,122	1,580,930	1,494,994	1,604,065	1,425,924	1,805,045	1,652,312	2,059,938	2,100,858
Public safety	11,410,643	12,359,237	12,611,373	12,432,950	13,393,140	13,498,540	14,244,396	15,176,234	15,754,520	15,552,037
Public service	2,798,923	2,318,629	2,308,335	2,156,083	2,207,494	2,306,871	2,759,983	2,493,475	2,540,906	2,507,788
Culture and recreation	852,432	857,379	1,003,840	884,840	885,939	818,368	946,692	942,167	1,006,218	959,879
Community development	1,757,338	1,969,599	1,424,745	1,549,630	1,568,676	1,525,229	1,674,357	1,815,776	1,769,655	1,987,811
Redevelopment and housing	387,302	807,255	519,307	599,055	436,144	480,592	503,278	577,942	335,399	228,000
Telecommunications and technology	258,735	262,935	294,671	276,701	296,011	326,362	367,318	386,117	392,945	405,217
Debt service:										
Principal	814,269	881,339	1,285,445	1,290,625	1,304,204	1,272,643	1,220,330	1,478,499	1,196,251	3,420,721
Interest	408,951	420,630	736,547	626,348	633,156	585,208	542,588	597,633	371,047	357,059
Capital outlay	2,909,976	5,761,421	4,619,200	3,477,743	3,910,773	4,917,057	4,612,883	4,486,441	2,069,941	4,189,642
Total expenditures	23,222,699	27,264,546	26,384,393	24,788,969	26,239,602	27,156,794	28,676,870	29,606,596	27,496,820	31,709,012
Excess of revenues over (under) expenditures	(9,224,359)	(13,518,419)	(6,363,311)	(7,722,660)	(9,909,499)	(10,271,529)	(11,317,865)	(12,039,987)	(10,586,843)	(14,697,088)
Other financing sources (uses)										
Refunding bonds issued										2,299,000
Capital lease	398,688	800,953	1,268,232	257,752	195,276	214,753	176,496	235,475	474,797	238,972
Proceeds from sale of assets	495,421	907,147	81,855	30,144	13,823	6,153	20,099	2,266	347	36,733
Transfers in	9,234,115	10,869,335	11,346,232	11,903,713	10,661,802	13,148,673	12,448,340	14,173,836	14,920,980	14,727,220
Transfers out	(1,354,745)	(1,441,376)	(2,628,925)	(2,822,584)	(2,751,562)	(2,661,344)	(2,973,180)	(3,651,460)	(3,041,363)	(1,653,492)
Total other financing sources (uses)	8,773,479	11,136,059	10,067,394	9,369,025	8,119,339	10,708,235	9,671,755	10,760,117	12,354,761	15,648,433
Net change in fund balances	$ (450,880)	$ (2,382,360)	$ 3,704,083	$ 1,646,365	$ (1,790,160)	$ 436,706	$ (1,646,110)	$ (1,279,870)	$ 1,767,918	$ 951,345
Debt service as a percentage of noncapital expenditures	6.02%	6.05%	9.29%	9.00%	8.68%	8.35%	7.33%	8.26%	6.16%	13.65%

CITY OF LAGRANGE, GEORGIA
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Property Tax	Local Option Sales Tax	Special Purpose Local Option Sales Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Hotel/Motel Tax	Total
2006	-	$ 4,536,174		$ 987,147	-	$ 646,261	$ 369,341	$ 6,538,923
2007	-	4,575,193	$ 656,088	1,047,832	-	650,917	383,507	7,313,537
2008	-	5,097,403	4,493,720	1,097,656	-	673,950	441,436	11,804,165
2009	-	4,807,415	3,377,101	1,240,566	-	703,676	422,387	10,551,145
2010	-	4,777,940	3,016,067	1,010,406	-	696,307	396,511	9,897,231
2011	-	4,871,868	2,985,768	1,099,653	-	725,737	517,277	10,200,303
2012	-	5,067,756	3,117,039	1,082,666	-	725,536	644,444	10,637,441
2013	-	4,950,107	3,074,143	1,057,342	-	723,504	785,900	10,590,996
2014	-	4,795,388	3,020,767	1,090,820	-	732,169	733,326	10,372,470
2015		5,021,093	3,147,315	1,204,116	-	713,873	893,124	10,979,521

LAGRANGE
GEORGIA

CITY OF LAGRANGE, GEORGIA
UTILITY DEPARTMENT - OPERATING AND FINANCIAL RATIO ANALYSIS
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
WATER & SEWER FUND:*										
FINANCIAL RATIOS:										
Water & sewer profit margin (%)	4.8	19.0	26.0	27.0	25.0	25.0	21.0	14.0	16.0	21.0
Return on total assets (%)					8.0	6.0	5.0	3.0	3.0	4.0
Return on equity (%)					9.0	6.0	5.0	3.0	3.0	5.0
Liabilities/Assets (%)					17.0	11.0	6.0	5.0	11.0	20.0
Current ratio (x)					1.3	1.2	9.6	12.5	5.1	8.4
Receivables avg. days outstanding					54.4	43.5	44.5	46.9	42.9	43.6
General fund transfer (% of Income)					22.0	9.0	19.0	67.0	87.0	107.0
General fund transfer (% of Revenue)					8.0	2.0	4.0	9.0	14.0	23.0
Cash and investments($)					3,590	2,133	4,446	6,600	9,354	11,035
Net Equity Transfers Out ($)					1,250	388	681	1,353	2,089	3,579
Capital investment versus depreciation (x)					1.4	1.0	0.2	0.5	1.9	2.7
Capitalization ($)					73,941	73,403	76,200	76,699	80,607	86,571
Working Capital ($)					1,732	1,097	6,435	8,523	9,669	12,040
OPERATING INFORMATION:										
Water MMGAL sales	2,198	2,406	2,261	2,087	2,102	2,187	2,076	1,913	1,891	1,924
Sewer MMGAL sales	1,434	1,524	1,462	1,288	1,179	1,144	1,088	1,073	1,104	1,106
Revenues $/MGAL sold	3.60	3.89	4.09	4.75	4.64	4.81	5.01	4.97	5.15	5.16
Water and Sewer Operating/MGAL	3.42	3.13	3.02	3.46	3.46	3.62	3.97	4.29	4.35	4.05
Divisional operating expenses $/Kgal sold	2.48	2.30	2.10	2.46	2.56	2.70	3.04	3.26	3.28	2.97
Installed Water meters	18,700	19,002	19,262	19,324	19,342	19,544	19,584	19,607	19,660	19,733
Water distribution employees	16	17	17	17	17	17	17	17	17	17
Water production employees	13	13	13	13	13	13	13	13	13	13
meters/distribution employee	1,169	1,118	1,133	1,137	1,138	1,150	1,152	1,153	1,156	1,161
meters/production employee	1,438	1,462	1,482	1,486	1,488	1,503	1,506	1,508	1,512	1,518
MMGAL/distribution employee	137	142	133	123	124	129	122	112	111	113
MMGAL/production employee	169	185	174	160	162	168	160	147	145	148
UTILITY FUND:										
FINANCIAL RATIOS:										
Gas profit margin (%)	8.2	12.0	13.0	9.0	9.0	15.0	15.0	16.0	13.0	23.0
Electric profit margin (%)	14.3	15.0	14.0	19.9	25.0	25.0	18.0	16.0	15.0	16.0
Telecom profit margin (%)	15.3	13.0	43.0	8.0	27.0	13.0	13.0	14.0	10.0	31.0
Return on total assets (%)	6.9	9.0	10.0	11.3	17.0	18.0	14.0	13.0	13.0	16.0
Return on equity (%)	10.5	14.0	16.0	17.7	34.0	32.0	24.0	20.0	22.0	25.0
Liabilities/Assets (%)	42.8	40.0	42.0	40.7	52.0	46.0	45.0	43.0	42.0	39.0
Current ratio (x)	2.1	2.2	2.4	1.9	3.4	4.2	3.8	3.6	4.0	4.4
Receivables avg. days outstanding	45.4	45.3	48.4	42.4	49.4	49.9	53.1	49.2	42.0	41.0

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General fund transfer (% of Income)	68.1	61.0	51.0	62.0	58.0	62.0	113.0	95.0	98.0	73.0
General fund transfer (% of Revenue)	7.9	10.0	9.0	13.0	11.0	12.0	17.0	12.0	12.0	11.0
Cash & Investments ($)	8,759	9,629	10,728	14,422	15,268	16,504	18,853	20,942	24,982	27,618
Net Equity Transfers Out ($)	6,141	7,668	7,600	10,927	8,984	10,136	13,688	9,780	10,769	9,678
Capital investment versus depreciation (x)	2.0	1.2	1.2	1.5	2.4	0.5	0.4	1.0	0.3	0.5
Capitalization ($)	115,637	118,204	122,009	127,250	60,618	66,172	63,749	63,722	62,757	63,706
Working Capital ($)	10,525	12,073	15,172	12,354	18,289	24,186	22,705	22,831	26,199	29,083
OPERATING INFORMATION:										
Electric MWH purchases ^	513,354	502,517	497,201	485,857	515,880	532,868	515,529	525,329	535,331	547,324
Electric MWH sales	492,641	482,332	477,031	462,132	494,628	511,050	492,216	505,156	514,629	532,395
Electric $/MWH sold	77.15	80.09	82.45	88.72	93.78	98.07	100.23	97.81	103.13	102.66
Electric operating $/MWH sold	66.15	68.25	70.84	71.55	70.70	73.51	81.75	82.60	88.11	86.59
Electric purchases expense $/MWH sold	61.450	62.190	64.310	64.66	63.83	67.68	74.46	74.16	79.54	76.51
Electric divisional operating expenses $/MWH sold	4.010	5.350	5.800	6.14	6.13	4.90	6.28	7.41	7.48	8.98
Installed electric meters	12,873	12,919	13,127	13,288	13,369	13,499	13,581	13,561	13,582	13,583
Electric distribution employees	12	12	12	12	12	12	12	12	12	12
Electric right-of-way employees				3	3	5	5	5	5	5
meters/employee	1,073	1,077	1,094	1,107	1,114	1,125	1,132	1,130	1,132	1,132
MWHs/employee	41,053	40,194	39,753	38,511	41,219	42,588	41,018	42,096	42,886	44,366
Gas Dth purchases ^	1,902,006	2,055,045	1,983,793	1,871,114	2,237,482	2,259,628	2,045,060	2,157,212	2,157,212	2,281,697
Gas Dth sales	1,813,697	1,997,983	1,968,043	1,813,037	2,164,172	2,211,191	1,957,928	2,145,567	2,145,567	2,215,146
Gas revenue $/Dth sold	13.12	9.82	10.81	10.17	7.49	7.45	6.81	6.81	8.00	7.59
Gas operating expense $/Dth sold	12.04	8.60	9.37	9.22	6.80	6.33	5.78	5.70	6.92	5.88
Gas purchases expense $/Dth sold	11.05	7.46	7.98	7.39	5.11	4.76	4.05	3.92	5.36	4.45
Gas divisional operating expenses $/Dth sold	0.71	0.77	0.80	1.18	0.89	0.76	0.83	0.77	0.82	0.72
Installed Gas meters	9,580	9,567	9,560	9,552	9,543	9,497	9,444	9,460	9,460	9,500
Gas employees	12	12	12	12	12	11	10	10	8	8
meters/employee	798	797	797	796	795	863	944	946	1,183	1,188
Dth/employee	151,141	166,499	164,004	151,086	180,348	201,017	195,793	214,557	268,196	276,893
Boring Crew									2	2
Customer Service Reps	6	6	6	6	6	6	6	6	6	6
Meters/CSR	6,859	6,915	6,992	7,027	7,042	7,090	7,102	7,105	7,117	7,136
Utility Service Workers	9	9	9	9	9	9	9	9	9	9
Service Orders Completed	28,008	27,801	25,841	26,730	25,188	25,473	26,759	26,188	22,337	20,816
Meters/Service Worker	4,573	4,610	4,661	4,685	4,695	4,727	4,734	4,736	4,745	4,757
Orders per USW	3,112	3,089	2,871	2,970	2,808	2,725	2,725	2,910	2,482	2,313

Data Source: City Utility Department

* Prior to fiscal year June 30, 2010 the Water and Sewer Fund was a part of the Utility Fund; therefore, some data is not available for the Water and Sewer Fund for prior years. In time this schedule will present the required 10 years of data.

^ Electric and gas energy purchases are reported on a cash rather than accrual basis.

CITY OF LAGRANGE, GEORGIA
PRINCIPAL WATER CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

Customer	2015 Customer Charges	2015 Rank	2015 Percentage of Total Customer Charges	2006 Customer Charges	2006 Rank	2006 Percentage of Total Customer Charges
Milliken & Co.	$ 604,967	1	2.50%	$ 891,827	1	5.70%
City of Greenville	221,978	2	0.90%	162,813	3	1.00%
City of Hogansville	209,681	3	0.90%			
Troup County Commissioners	185,951	4	0.80%	176,391	2	1.10%
West Ga Health	161,679	5	0.70%	160,559	4	1.00%
Kimberly Clark	138,102	6	0.60%	113,178	5	0.70%
Lee Crossing Rent Office	97,722	7	0.40%	61,620	8	0.40%
Troup Co. School System	96,771	8	0.40%	83,993	6	0.50%
Mountville Mills, Inc	82,405	9	0.30%			
Sun Ridge Apartments	80,777	10	0.30%			
Jindal Films America				52,744	10	0.30%
Duracell USA				56,710	9	0.40%
LaGrange College				67,985	7	0.40%
	$ 1,880,033		7.80%	$ 1,827,820		11.50%

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
PRINCIPAL NATURAL GAS CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

Customer	2015 Customer Charges	2015 Rank	2015 Percentage of Total Customer Charges	2006 Customer Charges	2006 Rank	2006 Percentage of Total Customer Charges
KIA Motor Corporation	$ 3,086,275	1	18.60%			
Milliken & Co.	2,694,786	2	16.20%	$ 6,357,584	1	26.50%
Mountville Mills	897,930	3	5.40%	498,983	6	2.10%
Kimberly Clark	610,018	4	3.70%	1,547,608	2	6.40%
Jindal Films America	530,463	5	3.20%	1,009,102	3	4.20%
Interface Flooring Systems	451,419	6	2.70%	465,567	7	1.90%
West Ga Health	327,343	7	2.00%	748,087	4	3.10%
Troup Co. School System	230,811	8	1.40%	463,021	8	1.90%
Wal-Mart	189,660	9	1.10%			
Caterpillar, Inc	151,465	10	0.90%			
LaGrange Moulding Co				635,552	5	2.60%
Kleen Tex #2				365,068	10	1.50%
Emerson Network				419,039	9	1.70%
	$ 9,170,170		55.20%	$ 12,509,611		51.90%

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
PRINCIPAL ELECTRIC CUSTOMERS
CURRENT YEAR AND NINE YEARS AGO

Customer	2015 Customer Charges	2015 Rank	2015 Percentage of Total Customer Charges	2006 Customer Charges	2006 Rank	2006 Percentage of Total Customer Charges
Jindal Films America	$ 3,765,417	1	6.90%	$ 2,745,001	1	7.20%
Duracell USA	2,515,403	2	4.60%	1,607,411	2	4.20%
Sewon America, Inc	1,694,367	3	3.10%			
West Ga Health	1,676,792	4	3.10%	1,268,534	3	3.30%
Wal-Mart	1,403,480	5	2.60%	1,183,197	4	3.10%
Interface Flooring Systems	1,337,963	6	2.50%	781,535	8	2.10%
Troup Co. School System	1,105,021	7	2.00%	934,060	5	2.50%
SAFA	1,085,877	8	2.00%			
Mountville Mills, Inc	920,034	9	1.70%			
LaGrange College	815,518	10	1.50%	720,664	10	1.90%
Freudenberg NOK				836,263	6	2.20%
Treadgear Films Division				827,957	7	2.20%
Federal Mogul				731,772	9	1.90%
	$ 16,319,872		30.00%	$ 11,636,394		30.60%

Data Source: City Utility Department

CITY OF LAGRANGE, GEORGIA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income**	Per Capita**
	Intergovernmental Agreements	Capital Leases	Notes Payable	Revenue Bonds	Intergovernmental Agreements	Capital Leases	Notes Payable			
2006		$ 3,845,904	$ 3,320,000	$ 35,562,337		$ 2,517,687	$ 2,437,364	$ 47,683,292	9.21%	1,725
2007		3,910,520	3,175,000	30,625,000		2,691,679	2,317,460	42,719,659	8.01%	1,532
2008	$ 6,550,000	4,268,307	3,015,000	26,135,000	$ 4,790,000	2,934,297	5,425,407	53,118,011	9.74%	1,899
2009	6,342,500	3,622,934	2,835,000	26,975,000	4,625,000	2,339,656	5,749,878	52,489,968	11.11%	1,848
2010	6,125,000	2,931,506	2,635,000	21,875,000	4,455,000	1,854,440	7,250,517	47,126,463	9.54%	1,593
2011	5,892,500	2,336,116	2,405,000	14,375,000	4,275,000	2,399,862	4,166,600	35,850,078	7.13%	1,186
2012	5,647,500	1,787,282	2,155,000	10,130,701	4,080,000	2,565,141	3,988,148	30,353,772	6.02%	1,012
2013	5,442,500	1,029,258	1,875,000	9,735,000	3,875,000	2,837,662	3,804,272	28,598,692	5.66%	953
2014	5,140,000	920,304	1,565,000	8,985,000	3,660,000	2,754,936	7,553,825	30,579,065	6.03%	1,019
2015	4,932,500	576,055	1,225,000	8,215,000	3,435,000	2,874,729	18,296,132	39,554,416	7.80%	1,318

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

** See Demographic and Economic Statistics on page 107 for personal income and population data.

CITY OF LAGRANGE, GEORGIA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable *	Estimated Share of Overlapping Debt
Overlapping debt:			
Troup County, Georgia	$ 12,105,357	45%	$ 5,447,411
Troup County Board of Public Education	2,257,000	45%	1,015,650
Subtotal, overlapping debt			6,463,061
Direct debt:			
City of LaGrange, Georgia governmental activities			-
LaGrange Development Authority			6,733,555
Subtotal, direct debt			6,733,555
Total direct and overlapping debt			$ 13,196,616

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

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

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

CITY OF LAGRANGE, GEORGIA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 87,295,349	$ 89,860,844	$ 90,770,301	$ 93,574,966	$107,048,174	$ 103,939,639	$ -	$ 104,653,160	$ -	$ 111,425,800
Total net debt applicable to limit										
Total net debt margin	$ 87,295,349	$ 89,860,844	$ 90,770,301	$ 93,574,966	$107,048,174	$ 103,939,639	$ -	$ 104,653,160	$ -	$ 111,425,800
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year	2015
Assessed value	$1,114,257,997
Add Back: Exempt real property	
Total assessed value	$1,114,257,997
Debt limit (10% of total assessed value)	$ 111,425,800
Debt applicable to limit:	
General obligation bonds	
Less: Amount set aside for repayment of general obligation debt	
Total net debt applicable to limit	-
Legal debt margin	$ 111,425,800

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

CITY OF LAGRANGE, GEORGIA
PLEDGED-REVENUE COVERAGE
WATER AND SEWER DEBT
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Net Revenue Available for Debt Service			Debt Service Requirements			Revenue Bond Coverage ***
	Total Revenue *	Operating Expenses **	Net Revenue Available for Debt Service	Principal	Interest	Total	
2006	$ 13,060,052	$ 7,519,460	$ 5,540,592	$ 3,335,000	$ 1,068,906	$ 4,403,906	1.26
2007	15,443,302	9,028,241	6,415,061	3,440,000	946,213	4,386,213	1.46
2008	15,339,308	8,015,028	7,324,280	3,575,000	746,152	4,321,152	1.69
2009	16,442,162	8,218,102	8,224,060	3,705,000	608,890	4,313,890	1.91
2010	15,240,285	8,294,471	6,945,814	3,850,000	449,507	4,299,507	1.62
2011	16,519,380	8,987,982	7,531,398	4,610,000	281,585	4,891,585	1.54
2012	16,383,600	9,613,720	6,769,880	3,595,000	89,875	3,684,875	1.84

* Operating and non operating revenue available for debt service.
** Operating expenses other than interest on debt, depreciation and amortization.
*** Revenue bond coverage is equal to net revenue available for debt service divided by total principal and interest required to be paid during that year.

Note: Details regarding the government's outstanding debt can be found in the Notes to the Financial Statements.
Note: The Water and Sewer Bonds were paid off in fiscal year ended June 30, 2012.

CITY OF LAGRANGE, GEORGIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Population *	Personal Income *	Per Capita Income *	Median Age *	Education Level in Years of Formal Schooling	City / County Consolidated School Enrollment **	Unemployment Rate ***
2006	27,635	$ 517,824,630	$ 18,738	32.8	N/A	12,400	7.3%
2007	27,911	533,359,369	19,109	32.8	N/A	12,359	6.1%
2008	27,977	545,411,615	19,495	32.8	N/A	12,395	9.2%
2009	28,401	472,592,640	16,640	32.8	N/A	12,646	9.5%
2010	29,588	494,119,600	16,700	33.0	N/A	12,572	13.5%
2011	30,232	502,500,000	16,621	33.0	N/A	12,730	12.8%
2012	30,000	504,520,000	16,817	33.0	N/A	12,727	12.2%
2013	30,000	504,900,000	16,830	33.0	N/A	12,755	10.0%
2014	30,000	506,900,000	16,897	33.0	N/A	12,667	9.5%
2015	30,000	506,900,000	16,897	33.0	N/A	12,506	6.3%

N/A = Not Available

Data Sources:
* 2010 U.S. Census: other years - LaGrange Planning Office.
** Board of Education
*** Troup County Department of Labor (latest completed calendar year, City of LaGrange)

CITY OF LAGRANGE, GEORGIA
PRINCIPAL EMPLOYERS BY NUMBER OF EMPLOYEES
CURRENT YEAR AND NINE YEARS AGO

		2015			2006		
Employer	Type of Business	Employees	Rank	Percentage	Employees	Rank	Percentage
Troup County School System	Education	1,772	1	18.80%	1,807	2	20.11%
Interface Flooring	Floor coverings	1,600	2	16.90%	300	10	3.34%
West Georgia Health Systems	Medical Services	1,523	3	16.10%	1,336	4	14.87%
Wal-Mart Distribution Center	Warehousing	910	4	9.60%	1,600	3	17.81%
Sewon America, Inc.	Car Manufacturing Supplier	880	5	9.30%			
Milliken & Co.	Textiles	750	6	7.90%	1,900	1	21.15%
Troup County Board of Commissioners	Government	632	7	6.70%	517	5	5.75%
Mountville Mills	Carpet	550	8	5.80%			
Duracell	Batteries	428	9	4.60%			
American Home Shield		400	10	4.30%			
City of LaGrange	Government				429	6	4.78%
Emerson Network Power	Energy				400	7	4.45%
Guardian Automotive	Automotive				385	8	4.29%
T-Mobile	Wireless Telecommunications				310	9	3.45%

Data Source: LaGrange - Troup Chamber of Commerce

CITY OF LAGRANGE, GEORGIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities:										
General government	29	19	19	18	16	16	16	16	16	16
Public safety:										
Police	108	97	97	94	94	96	95	95	95	99
Fire	59	60	60	58	58	58	58	57	57	57
Animal control	3	3	3	3	3	3	4	4	4	4
Court services	3	2	3	3	3	3	3	3	3	3
Probation services	4	4	4	4	4	5	5	5	5	5
Public service:										
Landscaping & cemeteries	13	15	15	12	9	8	8	8	8	8
Highways & streets	20	20	20	19	19	18	17	17	17	17
Traffic control	3	2	2	2	2	3	3	3	3	3
Trash and refuse	9	9	9	8	8	8	8	8	8	8
Recycling	*	*	*	*	*	*	*	*	*	3
Engineering	1	1	1	2	2	2	2	2	2	2
Community development:										
Life & building safety	7	0	0	0	0	0	0	0	0	0
Housing & inspections	2	2	2	2	1	1	1	1	0	0
Economic development	1	2	2	2	1	1	1	1	1	1
Community and economic development	3	9	9	9	8	7	7	7	8	8
Other governmental services:										
Vehicle maintenance	15	15	15	15	16	16	16	16	16	16
Local governmental television	2	2	2	2	2	2	2	2	2	2
Total governmental activities	282	262	263	253	246	247	246	245	245	252
Business-type activities:										
Water & sewerage	63	62	62	62	64	64	64	64	64	63
Electric	12	12	12	15	18	17	17	17	17	17
Gas	12	12	12	11	12	10	10	10	10	8
Telecommunications	5	4	4	6	6	6	6	5	6	8
Sanitation	32	33	33	33	32	32	32	32	32	31
Business-type activities support services	28	28	28	28	27	27	27	27	27	29
Total business-type activities	152	151	151	155	159	156	156	155	156	156
Grand total	434	413	414	408	405	403	402	400	401	408

Data Source: City Finance Office
* Information not available

CITY OF LAGRANGE, GEORGIA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30									
Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police:										
Physical arrests	4,489	5,042	5,417	5,826	5,795	4,769	5,451	6,111	5,780	5,431
Parking violations	1,158	1,205	571	564	639	215	185	424	298	255
Traffic violations	14,687	15,116	17,486	18,945	17,920	15,163	17,491	20,060	14,488	13,363
Fire:										
Number of calls answered	2,514	2,632	3,020	3,436	3,332	3,724	4,223	4,723	4,477	4,705
Inspections	2,197	2,763	3,201	2,842	2,427	3,242	2,925	2,715	2,715	2,289
Health and welfare:										
Animal control (captured animals-City)	908	600	1,329	1,464	1,616	1,370	1,448	1,446	1,331	1,209
Highways and streets:										
Street resurfacing (miles)	9	2	1	15	15	17	12	23	3	2
Potholes repaired	2,360	2,500	520	500	350	150	89	57	71	53
Water and sewerage:										
New water connections	198	383	114	93	116	166	57	7	36	105
New sewage connections	179	305	299	275	132	11	120	22	31	22
Average daily consumption (thousands of gallons)	6,022	6,590	6,195	5,719	5,760	5,992	5,688	5,242	5,179	5,271
Average daily sewage treatment (thousands of gallons)	5,150	5,320	5,280	5,465	5,870	4,710	4,550	4,370	4,940	4,270
Gas:										
Breaks on gas main	9	10	15	21	10	13	14	1	2	5
Solid waste:										
Refuse collected (tons/day)	386	441	480	485	392	392	412	412	419	442
Recyclables collected (tons/day)	7	7	8	7	9	9	11	11	13	15

Data Sources: Various City Departments
Note: Indicators not available for the general government function

CITY OF LAGRANGE, GEORGIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

Function	Fiscal Year Ended June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety:										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	81	77	83	86	86	83	86	82	77	89
Fire stations	3	3	4	5	5	5	5	5	5	5
Fire engines	9	8	10	10	10	10	10	10	10	10
Health and welfare:										
Animal control:										
Animal pounds	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
Cemeteries	6	6	6	6	6	6	6	6	6	6
Parks acreage	121	207	207	207	207	207	207	207	207	207
Parks	12	14	14	14	14	14	14	14	14	14
Swimming pools	2	2	2	2	2	2	2	2	2	2
Tennis courts	4	3	3	3	3	3	3	3	3	3
Community centers	1	2	2	2	2	2	2	2	2	2
Highways and streets:										
Streets (miles)	198	205	207	207	207	207	207	207	207	207
Streetlights (additions)	176	106	87	138	138	155	25	25	25	52
Traffic signals (City owned)	15	9	9	9	9	9	9	8	8	8
Water and sewerage:										
Water mains (miles)	195	200	210	215	430	432	434	435	442	446
Fire hydrants	1,729	1,800	1,850	1,900	2,000	2,030	2,040	2,060	1,919	1,919
Maximum daily water capacity (thousands of gallons)	12,400	11,500	13,000	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Sanitary sewers (miles)	198	210	215	215	215	215	215	215	215	215
Storm sewers (miles)	51	55	57	57	57	57	57	57	57	57
Maximum daily sewer treatment capacity (thousands of gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Gas:										
Gas lines (miles)	250	260	310	324	351	309	326	326	327	327
Number of distribution stations	13	12	11	11	13	13	13	14	17	18
Sanitation:										
Collection trucks	33	35	34	35	35	38	41	41	42	44

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

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