

**CITY OF WAYCROSS, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2007**

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**FINANCIAL SECTION**

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**Independent Auditor's Report**

**December 6, 2007**

**To the Honorable Mayor and  
Members of the City Commission  
City of Waycross, Georgia**

**We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Waycross, Georgia as of and for the year ended June 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Waycross, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.**

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

**The financial statements of Downtown Waycross Development Authority(DWDA) have not been audited, and we were not engaged to audit the DWDA financial statements as part of our audit of the City's basic financial statements. DWDA's financial activities are included in the City's basic financial statements as a discretely presented component unit and represent 100% of the assets, net assets, and revenues of the City's aggregate discretely presented component units.**

**In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had DWDA's financial statements been audited, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate discretely presented component units for the City of Waycross, Georgia as of June 30, 2007, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.**

**In addition, 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, each major fund, and the aggregate remaining fund information of the City of Waycross**

To the Honorable Mayor and  
Members of the City Commission  
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Georgia as of June 30, 2007, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 6, 2007, on our consideration of the City of Waycross' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 4 through 11 and page 48 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waycross, Georgia, basic financial statements. The combining and individual non-major fund financial statements, internal service funds, fiduciary funds, the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Projects Constructed with Special Sales Tax Proceeds is reported upon on pages 60 through 64 along with our opinion on page 59. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

Our discussion and analysis of the City of Waycross' financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the City's financial statements, which begin on page 13.

### Financial Highlights

During the year the City completed the implementation of GASB Statement No. 34 and recorded an estimate of the cost of all infrastructure owned or maintained by the City. These additions are being depreciated over periods ranging from 25 to 30 years. This adjustment was recorded as a prior period adjustment and resulted in an increase in Net Assets of \$12,139,687- \$11,605,240 for Governmental activities and \$534,447 for Business-Type Activities.

The City continues to operate in a manner that cash balances are adequate to finance day-to-day operations without short term borrowings such as tax anticipation notes. Long term financing is used for equipment and other major projects.

General revenues were sufficient to cover the net expenses of governmental activities other than depreciation on infrastructure assets. This clearly indicates the need for the City to locate additional funds to address infrastructure needs such as the condition of our roads and streets. The public utilities business-type activities (water and sewer services) generated revenues sufficient to cover expenses and to provide funds for planned future infrastructure improvements. Although the waste management business-type activity did not generate sufficient revenues to cover expenses, steps have been taken to improve the efficiency of operations reducing the operating loss from \$57,245 in 2006 to \$30,840 in 2007.

### How These Statements Were Prepared

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

### Government-wide Financial Statements

The government-wide financial statements beginning on page 13 are designed to provide readers with a broad, long-term view of the City's finances, in a manner similar to private sector business. They include all assets and liabilities using the accrual basis of accounting. All of the current revenues and expenses are taken into account regardless of when the cash is received or paid.

The Statement of Net Assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. It serves as one measure of the City's financial health or financial position. Over time, increases or decreases in net assets may serve as a useful indicator whether the financial health of the City is improving or deteriorating. Other non-financial factors also impact the health of the City, such as changes in the property tax base and the condition of the City's roads.

The Statement of Activities presents information showing how the City's net assets changed during the fiscal year. All changes in net assets are reported when 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 the future fiscal periods.

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government and



administration (mayor and council, city manager, finance, purchasing, human resources, and engineering), public safety (police and fire), public works, cemetery and community development (grants, codes, planning, zoning and inspections). The business-type activities of the City include water and sewer services and waste management which includes yard trash and garbage pick-up.

### **Fund Financial Statements**

The fund financial statements beginning on page 15 provide detailed information about the most significant funds - not the City as a whole. 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. For governmental activities, these statements tell how these services were financed in the short-term as well as what remains for future spending. Some funds are required to be established by State law and bond covenants. The City has established other funds to help control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants or other money. The City's two kinds of funds - governmental and proprietary - use different accounting approaches and are described more fully below.

**Governmental Funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental fund financial statements focus on current sources and uses of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements.

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

The City maintains 21 governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, the SPLOST Fund and the Capital Reserve Fund, which are considered to be major funds. Data for the other 18 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 basic governmental funds financial statements can be found on pages 15 - 18.

**Proprietary Funds** - The City maintains two 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 water and sewer, and sanitation operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal funds to account for its fleet services, risk management, data processing, building maintenance, and employee benefit programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Public Utilities and Waste Management Funds since both are considered to be major funds of the City. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 19-21 of this report.

## Notes to 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. The notes to the financial statements can be found on pages 23-46.

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The required supplementary information can be found on page 48 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented following the required supplementary information. Combining and individual statements and schedules can be found on pages 49-55 of this report.

### The City as Trustee

The City is the trustee, or fiduciary of certain assets. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets on page 22. We excluded these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purpose.

### Governmental-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of the government's financial position. In the case of the City of Waycross, assets exceeded liabilities by \$46,370,978 as of June 30, 2007. The tables below should be read in conjunction with the financial statements on pages 13-14.

#### Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
Current and other assets	\$ 5,830,403	\$ 5,595,603	\$ 1,780,495	\$ 1,583,341	\$ 7,610,898	\$ 7,178,944
Capital assets	18,767,498	8,100,269	35,397,753	36,080,222	54,165,251	44,180,491
Total assets	24,597,901	13,695,872	37,178,248	37,663,563	61,776,149	51,359,435
Long-term debt outstanding	443,385	128,129	14,016,344	15,534,730	14,459,729	15,662,859
Other liabilities	691,728	814,878	252,904	357,525	944,632	1,172,403
Total liabilities	1,135,113	943,007	14,269,248	15,892,255	15,404,361	16,835,262
Net assets:						
Invested in capital assets,						
Net of debt	18,324,113	7,972,140	21,381,409	20,545,492	39,705,522	28,517,632
Restricted	2,145,852	2,133,313	726,676	629,160	2,872,528	2,762,473
Unrestricted	2,992,013	2,647,412	800,915	596,656	3,792,928	3,244,068
Total net assets	\$ 23,461,978	\$ 12,752,865	\$ 22,909,000	\$ 21,771,308	\$ 46,370,978	\$ 34,524,173

The largest portion of the City's net assets (88%) reflects its investment in capital assets (e.g. land, building, equipment, improvements, construction in progress, and infrastructure), less any

debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment 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.

Net assets of the City's governmental activities increased \$10,709,113 to \$23,461,978. This increase includes a prior period adjustment of \$11,605,240 related to recording the remaining depreciable cost of infrastructure assets not previously recorded. A portion of the City's net assets (\$2,145,852) represents resources that are subject to external restriction on how they may be used. The unrestricted portion of net assets (\$2,992,013) may be used to meet the government's ongoing obligation to citizens and creditors.

The net assets of our business-type activities increased \$1,137,692 to \$22,909,000. This increase includes a prior period adjustment of \$534,447 related to recording the remaining depreciable cost of infrastructure assets not previously recorded. The City can only use these net assets to finance the continuing operations of the public utilities (water and sewer) and waste management (garbage and yard trash pickup/disposal).

#### Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2007	2006	2007	2006	2007	2006
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,565,676	\$ 1,536,147	\$ 7,297,804	\$ 7,311,477	\$ 8,863,480	\$ 8,847,624
Operating Grants	415,928	610,954	-	-	415,928	610,954
Capital Grants	17,398	644,897	-	143,208	17,398	788,105
<b>General Revenues</b>						
Property Taxes	2,413,599	2,338,524	-	-	2,413,599	2,338,524
Other Taxes	6,115,419	5,881,559	-	-	6,115,419	5,881,559
Grants	-	-	-	-	-	-
Investment Earnings	190,754	145,625	11,128	10,280	201,882	155,905
Other	82,705	68,940	-	-	82,705	68,940
<b>Total Revenues</b>	<b>10,801,479</b>	<b>11,226,646</b>	<b>7,308,932</b>	<b>7,464,965</b>	<b>18,110,411</b>	<b>18,691,611</b>
<b>Program Expenses</b>						
General Government	842,379	739,539	-	-	842,379	739,539
Public Safety	6,714,908	6,533,670	-	-	6,714,908	6,533,670
Public Works	3,139,242	1,544,468	-	-	3,139,242	1,544,468
Cemetery	182,565	165,891	-	-	182,565	165,891
Community Development	731,402	603,405	-	-	731,402	603,405
Interest	4,988	32,888	-	-	4,988	32,888
Public Utilities	-	-	5,218,625	5,087,638	5,218,625	5,087,638
Waste Management	-	-	1,569,184	1,571,759	1,569,184	1,571,759
<b>Total Expenses</b>	<b>11,615,484</b>	<b>9,619,861</b>	<b>6,787,809</b>	<b>6,659,397</b>	<b>18,403,293</b>	<b>16,279,258</b>
Excess before transfers	(814,005)	1,606,785	521,123	805,568	(292,882)	2,412,353
Transfers	(82,122)	(178,588)	82,122	178,588	-	-
Prior Period Adjustment	11,605,240	-	534,447	-	12,139,687	-
<b>Increase in net assets</b>	<b>\$ 10,709,113</b>	<b>\$ 1,428,197</b>	<b>\$ 1,137,692</b>	<b>\$ 984,156</b>	<b>\$ 11,846,805</b>	<b>\$ 2,412,353</b>

The City's total revenues decreased by \$581,200 (3 percent) and the total expenses increased by \$2,124,035 (13 percent). The decrease in revenues was primarily attributable to the decrease in

one time capital grants. Expenses in 2006 do not include depreciation on previously unrecorded infrastructure assets. The analysis below separately considers the operations of governmental and business-type activities.

#### Governmental Activities

The format of the Statement of Activities is significantly different than a typical statement of Revenues, Expenses and Changes in Fund Balance. Expenses are listed in the first column with the related revenues reported to the right. The result is a net (expense) revenue. This format highlights the relative financial burden of each of the functions on the City's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General Government	Building permits, occupational licenses, inspection fees
Public Safety	Fines and forfeitures, grants
Public Works	Capital grants for infrastructure improvements
Cemetery	Lot sales and interment fees

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted for a specific purpose.

	Governmental Activities Total Cost		Net Cost of Services	
	2007	2006	2007	2006
General Government	\$ 842,379	\$ 739,539	\$ 8,919	\$ (133,589)
Public Safety	6,714,908	6,533,670	5,890,902	5,246,001
Public Works	3,139,242	1,544,468	3,082,920	1,544,468
All Others	918,955	802,184	633,741	170,983
Totals	<u>\$ 11,615,484</u>	<u>\$ 9,619,861</u>	<u>\$ 9,616,482</u>	<u>\$ 6,827,863</u>

The net expense of operating Governmental Activities increased from \$6,827,863 to \$9,616,482. This increase of \$2,788,619, or 41 percent, was the result of recording depreciation on previously unrecorded infrastructure assets, decreased revenue from grants and increased staffing for public safety and public works. Since fiscal year 2005, ten police officers, six fire fighters and four public works positions have been added. An additional prison crew was added in the public works area.

General Revenues increased 4 percent, or \$367,829 from \$8,434,648 in 2006 to \$8,802,477 in 2007. Tax rates were unchanged between the years.

#### Business-Type Activities

The City's two business-type activities continue to be operated in a manner to cover all current cost. Rates charged for these services remained the same. Waste Management's expenses exceeded the charges for services by \$30,840 in the current year. The comparable amount in the prior year was \$57,245 a reduction of \$26,405. Operational changes continue to be made to reduce cost without raising rates to provide these services. The excess of expenses over revenues was made up by a general fund transfer.

The Public Utilities Fund-Water and Sewer charges for services exceeded expenses by \$551,963 in 2007. These funds will be used in the future to perform critical infrastructure replacements to ensure the City is able to continue to provide quality services. This process began with an upgrade to the waste water treatment plant which is now complete. Long-range plans are being

developed to begin a systematic upgrade to our delivery system. It is anticipated these improvements can be funded from current operations without rate increases.

### The City's Funds

As the City completed the year, its governmental funds (as presented on page 15) reported a combined fund balance of \$3,640,301. Included in this total fund balance is a fund balance in the General Fund of \$1,018,304 which compares to a prior balance of \$929,516 in 2006. At the end of 2004, the fund balance was a deficit of \$543,236. This deficit was eliminated by closely monitoring all costs to deliver the same level of service in an efficient manner without increasing taxes or fees. The City has begun to build a surplus to be able to weather future economic slow downs and unanticipated events.

The revenues for the General Fund increased by less than one percent from the previous year while expenditures increased by \$769,549. One step in the elimination of the deficit was to reduce or maintain the number of staff positions. As the City has experienced growth primarily in the commercial sector and financial health improved, it was possible to begin to increase staffing levels. Over the last two fiscal years, ten police officers, six firemen, a four man crew for street and drainage construction and an additional prison crew have been added.

### General Fund Budgetary Highlights

Actual revenues for 2007 were less than the budgeted amount by \$340,281 or 3 percent; however, expenses were under budget by \$645,672. The revenue budget was adversely impacted by declines in property tax collections and sales tax collections. Increases in valuations from the growth of commercial retail properties was as anticipated but these increases were more than offset by declines in large industrial type properties. As these decreases occurred operating expenditures were closely monitored to offset the revenue decreases. All operating areas were within budget. The total budgeted expenditures were \$10,269,630 and the total actual expenditures totaled \$9,623,958. A more detailed comparison is on page 48.

### Capital Assets

At June 30, 2007, the City had \$54 million invested in a broad range of capital assets, including police and fire equipment, buildings, water and sewer lines, and a treatment plant. This amount represents a net increase (additions and deductions) of \$9,984,760 over the last year of which most of this change represents the recording of general fund infrastructure assets in accordance with GASB Statement No. 34. Other additions include additional purchases of equipment/vehicles. The table below provides further analysis of these capital assets.

	Capital Assets at Year End					
	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Land	\$ 4,022,536	\$ 66,050	\$ 226,959	\$ 171,751	\$ 4,249,495	\$ 237,801
Construction in Progress	-	13,132	-	-	-	13,132
Buildings/Improvements	6,626,867	6,535,913	9,785,589	9,785,589	16,412,456	16,321,502
Equipment and Vehicles	5,314,187	4,858,660	5,630,370	3,176,466	10,944,557	8,035,126
Infrastructure	29,419,166	3,369,494	47,064,327	47,064,327	76,483,493	50,433,821
Accumulated Depreciation	(26,615,258)	(6,742,980)	(27,309,492)	(24,117,911)	(53,924,750)	(30,860,891)
<b>Totals</b>	<b>\$ 18,767,498</b>	<b>\$ 8,100,269</b>	<b>\$ 35,397,753</b>	<b>\$ 36,080,222</b>	<b>\$ 54,165,251</b>	<b>\$ 44,180,491</b>

Additional information on the City of Waycross' capital assets can be found in footnote 5 on pages 34 and 35 of this report.

#### Debt Administration

At year end, the City had \$14.46 million in bonds, notes, and capital leases outstanding versus \$15.663 million last year - a decrease of 8 percent - as shown in the following table:

	Outstanding Debt at Year End					
	Governmental Activities		Business-type Activities		Totals	
	2007	2006	2007	2006	2007	2006
Capital Leases	\$ 443,385	\$ 128,129	\$ 99,978	\$ 22,752	\$ 543,363	\$ 150,881
Notes	-	-	12,901,367	13,531,980	12,901,367	13,531,980
Revenue Bonds	-	-	1,015,000	1,980,000	1,015,000	1,980,000
<b>Totals</b>	<b>\$ 443,385</b>	<b>\$ 128,129</b>	<b>\$ 14,016,345</b>	<b>\$ 15,534,732</b>	<b>\$ 14,459,730</b>	<b>\$ 15,662,861</b>

During the fiscal year ended June 30, 2007 and 2006, the financial condition of the City did not require short-term borrowings to finance governmental operations until property taxes were collected.

The additions to debt in the amount of \$517,937 were for the purchase of vehicles and equipment. The largest portion of the debt service payment during the year was related to the water and sewer operations (principal -\$1.618 million, interest - \$.36 million)

#### Economic Factors and Next Year's Budgets and Rates

The City's elected and appointed officials considered many factors when setting the fiscal-year 2008 budget, tax rates and fees that will be charged for the business-type activities. One of those factors was the City's continued growth of commercial retail businesses in the area. The City believes this will continue to increase the tax revenues through property taxes. The rate of growth in sales taxes is anticipated to slow. No increases in tax rates were considered in the 2008 budget; however, if valuation decreases of large industrial-type concerns continue tax rates and fees may need to be adjusted. At the state level, replacing property taxes with a state wide sales tax has been discussed. Such a change could have a dramatic impact on the operations of the City.

The City continues to search for ways to deliver cost effective services to the citizens of Waycross. Over the past several years, garbage services and the operations of the wastewater treatment plant have been outsourced. In 2006, the operations of the delivery system for water and sewer were outsourced as professional management is used to deliver better service at a lower cost.

#### Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Managers Office at the City of Waycross, 417 Pendleton Street, Waycross, Georgia 31501.

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WAYCROSS, GEORGIA  
STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2007**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 4,772,259	\$ 1,134,835	\$ 5,907,094	\$ 72,382
Investments	-	-	-	
Receivables, Net	414,671	519,971	934,642	13,633
Prepaid Assets	-	-	-	6,576
Internal Balances	(51,705)	51,705	-	
Receivables from Other Governments	665,269	-	665,269	
Inventories	29,099	50,678	79,777	
Land and Construction in Progress	4,022,536	-	4,022,536	277,337
Other Capital Assets, Net	14,744,962	35,397,753	50,142,715	2,875,169
Other Assets	-	23,306	23,306	
<b>Total Assets</b>	<b>\$ 24,597,091</b>	<b>\$ 37,178,248</b>	<b>\$ 61,775,339</b>	<b>\$ 3,245,097</b>
<b>Liabilities</b>				
Accounts Payable and Accrued Expenses	\$ 691,728	\$ 252,904	\$ 944,632	\$ 10,496
Long-Term Balances - Due Within One Year	108,456	1,821,930	1,930,386	
Long-Term Balances - Due in More Than One Year	334,929	12,194,414	12,529,343	764,425
<b>Total Liabilities</b>	<b>1,135,113</b>	<b>14,269,248</b>	<b>15,404,361</b>	<b>774,921</b>
<b>Net Assets</b>				
Invested in Capital Assets Net of Related Debt	18,324,113	21,381,409	39,705,522	2,388,081
Restricted for:				
Capital Projects	1,727,196	-	1,727,196	
Debt Service	-	726,676	726,676	
Community Development Projects	250,448	-	250,448	
Other Purposes	168,208	-	168,208	
Unrestricted	2,992,013	800,915	3,792,928	82,095
<b>Total Net Assets</b>	<b>23,461,978</b>	<b>22,909,000</b>	<b>46,370,978</b>	<b>2,470,176</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 24,597,091</b>	<b>\$ 37,178,248</b>	<b>\$ 61,775,339</b>	<b>\$ 3,245,097</b>

See accompanying notes to basic financial statements.



**CITY OF WAYCROSS, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2007**

Functions/Programs	Net (Expenses) Revenue and Changes in Net Assets						Component Units
	Program Revenues			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 842,379	\$ 833,460			\$ (8,919)	\$	\$ (8,919)
Public Safety	6,714,908	566,955	239,653	17,398	(5,890,902)		(5,890,902)
Public Works	3,139,242		56,322		(3,082,920)		(3,082,920)
Cemetery	182,565	165,261			(17,304)		(17,304)
Community Development	731,402		119,953		(611,449)		(611,449)
Interest on Long-Term Debt	4,988				(4,988)		(4,988)
<b>Total Governmental Activities</b>	<b>11,615,484</b>	<b>1,565,676</b>	<b>415,928</b>	<b>17,398</b>	<b>(9,616,482)</b>	<b>-</b>	<b>(9,616,482)</b>
<b>Business-type Activities:</b>							
Public Utilities-Water and Sewer	5,218,625	5,760,083				541,458	541,458
Waste Management	1,569,184	1,537,721				(31,463)	(31,463)
<b>Total Business-type Activities</b>	<b>6,787,809</b>	<b>7,297,804</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>509,995</b>	<b>509,995</b>
<b>Total Primary Government</b>	<b>\$ 18,403,293</b>	<b>\$ 8,863,480</b>	<b>\$ 415,928</b>	<b>\$ 17,398</b>	<b>\$ (9,616,482)</b>	<b>\$ 509,995</b>	<b>\$ (9,106,487)</b>
<b>Downtown Development Authority</b>	<b>\$ 237,984</b>	<b>\$ 103,327</b>	<b>\$ 36,180</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (98,487)</b>
<b>Total Component Units</b>	<b>\$ 237,984</b>	<b>\$ 103,327</b>	<b>\$ 36,180</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (98,487)</b>
<b>General Revenues:</b>							
Taxes:							
Property Taxes					\$ 2,413,599	\$ -	\$ 2,413,599
Franchise Taxes					1,121,519	-	1,121,519
Public Service Taxes					803,447	-	803,447
Local Option Sales Tax					3,241,110	-	3,241,110
Other Taxes					949,343	-	949,343
Unrestricted Investment Earnings					190,754	11,128	201,882
Miscellaneous					82,705	-	82,705
<b>Total General Revenues</b>					<b>8,802,477</b>	<b>11,128</b>	<b>8,813,605</b>
Transfers					(82,122)	82,122	-
<b>Total General Revenues, Special Items, and Transfers</b>					<b>8,720,355</b>	<b>93,250</b>	<b>8,813,605</b>
Change in Net Assets					(896,127)	603,245	(292,882)
Net Assets - Beginning					12,752,865	21,771,308	34,524,173
Prior Period Adjustment					11,605,240	534,447	12,139,687
<b>Net Assets - Ending</b>					<b>\$ 23,461,978</b>	<b>\$ 22,909,000</b>	<b>\$ 46,370,978</b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2007**

	General	SPLOST Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 1,199,415	\$ 1,305,225	\$ 156,553	\$ 695,753	\$ 3,356,946
Investments	-	-	-	-	-
Receivables, Net	226,910	-	-	147,454	374,364
Due From Other Funds	1,982	359,232	283,168	135,608	779,990
Receivables from Other Governments	665,269	-	-	-	665,269
Inventories	29,099	-	-	-	29,099
Land, Improvements, and Construction in Progress	-	-	-	-	-
Other Capital Assets, Net	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 2,122,675</b>	<b>\$ 1,664,457</b>	<b>\$ 439,721</b>	<b>\$ 978,815</b>	<b>\$ 5,205,668</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable and Accrued Expenses	\$ 192,324	\$ -	\$ -	\$ 2,274	\$ 194,598
Due to Other Funds	800,170	-	376,982	81,740	1,258,892
Short-Term Loan Payable	-	-	-	-	-
Deferred Revenues	111,877	-	-	-	111,877
<b>Total Liabilities</b>	<b>1,104,371</b>	<b>-</b>	<b>376,982</b>	<b>84,014</b>	<b>1,565,367</b>
<b>Fund Balances:</b>					
<b>Reserved For:</b>					
Inventory	29,099	-	-	-	29,099
Capital Projects	-	1,664,457	62,739	-	1,727,196
Debt Service	-	-	-	-	-
Public Safety	-	-	-	69,140	69,140
Community Development	-	-	-	528,006	528,006
Perpetual Care	-	-	-	297,655	297,655
<b>Unreserved, reported in:</b>					
General Fund	989,205	-	-	-	989,205
<b>Total Fund Balances</b>	<b>1,018,304</b>	<b>1,664,457</b>	<b>62,739</b>	<b>894,801</b>	<b>3,640,301</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,122,675</b>	<b>\$ 1,664,457</b>	<b>\$ 439,721</b>	<b>\$ 978,815</b>	<b>\$ 5,205,668</b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET ASSETS  
JUNE 30, 2007**

<b>Total Fund Balance - total governmental funds</b>	<b>\$</b>	<b>3,640,301</b>
 <b>Amounts reported for governmental activities in the statement of net assets are different because:</b>		
 <b>Some billed property taxes and other receivables are unlikely to be collected by the City, they are therefore considered "uncollectible", and an allowance has been made in the statement of net assets for the estimated receivables that are considered uncollectible.</b>		
		<b>(8,000)</b>
 <b>Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.</b>		
		<b>18,767,498</b>
 <b>Some property taxes and other receivables will not be collected within sixty days after the City's fiscal year ends; they are not considered as "available" revenues in the governmental funds and are instead classified as deferred tax revenues. They are, however, recorded as revenues in the statement of activities.</b>		
		<b>111,877</b>
 <b>Internal Service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the Internal Service funds are:</b>		
<b>Current Assets</b>	<b>1,463,620</b>	
<b>Capital Assets</b>	<b>84,581</b>	
<b>Accounts Payable</b>	<b>(211,144)</b>	
<b>Interfund Balances</b>	<b>427,198</b>	
<b>Net of Amount allocated to capital assets</b>	<b>(84,581)</b>	
	<b>1,679,674</b>	
 <b>Long-term liabilities are not due and payable in the current period and, therefore, they are not reported in the governmental funds balance sheet:</b>		
<b>Loans Payable</b>		<b>(443,385)</b>
<b>Compensated Absences</b>		<b>(285,987)</b>
		<b>729,372</b>
 <b>Net Assets of Governmental Activities</b>	 <b>\$</b>	 <b><u>23,461,978</u></b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	General	SPLOST Fund	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 8,243,291	\$ -	\$ -	\$ 278,196	\$ 8,521,487
Licenses and Permits	816,330	-	-	-	816,330
Fines and Forfeitures	491,605	-	-	75,350	566,955
Charges for Services	17,130	-	-	165,261	182,391
Intergovernmental	148,542	56,322	17,398	211,064	433,326
Interest & Rents	125,957	43,075	1,211	20,511	190,754
Other	60,580	-	-	22,125	82,705
<b>Total Revenues</b>	<b>9,903,435</b>	<b>99,397</b>	<b>18,609</b>	<b>772,507</b>	<b>10,793,948</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General Government	839,445	-	-	-	839,445
Public Safety	6,606,135	-	-	182,131	6,788,266
Public Works	1,699,149	-	-	-	1,699,149
Cemetery	-	-	-	171,601	171,601
Community Development	365,806	-	-	340,553	706,359
Capital Outlay	-	285,436	-	20,298	305,734
Debt Service	113,423	-	-	-	113,423
<b>Total Expenditures</b>	<b>9,623,958</b>	<b>285,436</b>	<b>-</b>	<b>714,583</b>	<b>10,623,977</b>
Excess (deficiency) of revenues over expenditures	279,477	(186,039)	18,609	57,924	169,971
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	26,378	26,378
Transfers out	(108,500)	-	-	-	(108,500)
<b>Total Other Financing Sources (Uses)</b>	<b>(108,500)</b>	<b>-</b>	<b>-</b>	<b>26,378</b>	<b>(82,122)</b>
<b>Net Change in Fund Balances</b>	<b>170,977</b>	<b>(186,039)</b>	<b>18,609</b>	<b>84,302</b>	<b>87,849</b>
Fund Balances at Beginning of Year	929,516	1,850,496	44,130	728,310	3,552,452
Prior Period Adjustment	(82,189)	-	-	82,189	-
<b>Fund Balances at End of Year</b>	<b>\$ 1,018,304</b>	<b>\$ 1,664,457</b>	<b>\$ 62,739</b>	<b>\$ 894,801</b>	<b>\$ 3,640,301</b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 87,849</b>
 <b>Amounts reported for governmental activities in the statement of activities are different because:</b>	
 <b>Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities and changes in net assets, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.</b>	<b>1,087,725</b>
 <b>Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net assets, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in governmental funds.</b>	<b>(2,033,811)</b>
 <b>The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance cost, premiums, discounts, and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.</b>	<b>(315,256)</b>
 <b>Some items reported in the statement of activities do not require (provide) current financial resources and, therefore, are not reported as expenditures (reduction in expenditures) in Governmental funds.</b>	
<b>These activities consist of:</b>	
<b>Increase in compensated absences</b>	<b>(17,683)</b>
<b>Increase in allowance for uncollectible accounts.</b>	<b>(195)</b>
 <b>Some property tax will not be collected for several months after the city's fiscal year end; they are not considered "available" revenues in the governmental funds.</b>	<b>7,530</b>
 <b>Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the Internal Service Funds is reported with governmental activities net of amounts allocated to business-type activities and depreciation expense.</b>	<b><u>287,714</u></b>
 <b>Change in net assets of governmental activities</b>	<b><u>\$ (896,127)</u></b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA  
STATEMENT OF NET ASSETS  
PROPRIETARY FUND  
FOR THE YEAR ENDED JUNE 30, 2007**

	Business-Type Activities - Enterprise Funds			Governmental Activities-Internal Service Funds
	Public Utilities	Waste Management	Totals	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash & Cash Equivalents	\$ 309,351	\$ 98,808	\$ 408,159	\$ 1,415,313
Receivables, Net	410,095	109,876	519,971	48,307
Prepaid Assets	-	-	-	-
Inventories	50,678	-	50,678	-
Interfund Balances	758,605	310,058	1,068,663	1,460,703
<b>Total Current Assets</b>	<b>1,528,729</b>	<b>518,742</b>	<b>2,047,471</b>	<b>2,924,323</b>
<b>Non-Current Assets:</b>				
<b>Restricted Assets</b>				
Cash & Cash Equivalents	726,676	-	726,676	-
<b>Total Non-Current Assets</b>	<b>726,676</b>	<b>-</b>	<b>726,676</b>	<b>-</b>
<b>Capital Assets, net of</b>				
Accumulated Depreciation	35,146,478	251,275	35,397,753	84,581
Unamortized Bond Costs	23,306	-	23,306	-
<b>Total Assets</b>	<b>\$ 37,425,189</b>	<b>\$ 770,017</b>	<b>\$ 38,195,206</b>	<b>\$ 3,008,904</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable & Accrued Expenses	\$ -	\$ 27,512	\$ 27,512	\$ 211,144
Customer Deposits	197,339	5,850	203,189	-
Current Portion of Long-term debt	792,106	14,824	806,930	-
Interfund Balances	841,803	175,155	1,016,958	1,033,505
<b>Total Current Liabilities</b>	<b>1,831,248</b>	<b>223,341</b>	<b>2,054,589</b>	<b>1,244,649</b>
<b>Current Liabilities Payable from Restricted Assets:</b>				
Accrued Interest	\$ 22,203	-	22,203	-
Bonds Payable	1,015,000	-	1,015,000	-
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>\$ 1,037,203</b>	<b>\$ -</b>	<b>\$ 1,037,203</b>	<b>\$ -</b>
<b>Noncurrent Liabilities:</b>				
Revenue Bonds Payable	1,015,000	-	1,015,000	-
Revolving Loan Fund Payable	3,440,368	-	3,440,368	-
GEFA Loan Payable	9,460,999	-	9,460,999	-
Capital Lease Payable	4,878	95,099	99,977	-
Less: Current Portion	(1,807,106)	(14,824)	(1,821,930)	-
<b>Total Noncurrent Liabilities</b>	<b>12,114,139</b>	<b>80,275</b>	<b>12,194,414</b>	<b>-</b>
<b>Total Liabilities</b>	<b>14,982,590</b>	<b>303,616</b>	<b>15,286,206</b>	<b>1,244,649</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	21,225,233	156,176	21,381,409	-
<b>Restricted for:</b>				
Capital Projects	-	-	-	-
Debt Service	726,676	-	726,676	-
Community Development Projects	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	490,690	310,225	800,915	1,764,255
<b>Total Net Assets</b>	<b>\$ 22,442,599</b>	<b>\$ 466,401</b>	<b>\$ 22,909,000</b>	<b>\$ 1,764,255</b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities-Internal Service Funds
	Public Utilities	Waste Management	Totals	
<b>Operating Revenues:</b>				
Charges for Services	\$ 5,023,109	\$ 1,537,721	\$ 6,560,830	\$ 3,148,872
Miscellaneous	736,974	-	736,974	3,970
<b>Total Operating Revenues</b>	<u>5,760,083</u>	<u>1,537,721</u>	<u>7,297,804</u>	<u>3,152,842</u>
<b>Operating Expenses:</b>				
Personal Services	-	486,061	486,061	2,679,343
Contractual Services	2,147,360	646,937	2,794,297	45,481
Supplies, Repairs, Maintenance	279,275	139,562	418,837	74,546
Other	1,179,996	195,499	1,375,495	68,421
Depreciation	1,210,865	100,294	1,311,159	24,623
<b>Total Operating Expenses</b>	<u>4,817,496</u>	<u>1,568,353</u>	<u>6,385,849</u>	<u>2,892,414</u>
<b>Income (Loss) from Operations</b>	<u>942,587</u>	<u>(30,632)</u>	<u>911,955</u>	<u>260,428</u>
<b>Nonoperating revenues (expenses):</b>				
Investment Income	10,505	623	11,128	27,286
Intergovernmental	-	-	-	-
Other	-	-	-	-
Interest Expense	(401,129)	(831)	(401,960)	-
<b>Total Nonoperating revenues (expenses)</b>	<u>(390,624)</u>	<u>(208)</u>	<u>(390,832)</u>	<u>27,286</u>
<b>Income (loss) before contributions &amp; transfers</b>	<u>551,963</u>	<u>(30,840)</u>	<u>521,123</u>	<u>287,714</u>
Capital Contributions	-	-	-	
Transfers In (Out)	-	82,122	82,122	-
<b>Change in Net Assets</b>	<u>551,963</u>	<u>51,282</u>	<u>603,245</u>	<u>287,714</u>
<b>Net Assets at Beginning of Year</b>	21,595,894	175,414	21,771,308	1,441,405
<b>Prior Period Adjustments</b>	294,742	239,705	534,447	35,136
<b>Net Assets at End of Year</b>	<u>\$ 22,442,599</u>	<u>\$ 466,401</u>	<u>\$ 22,909,000</u>	<u>\$ 1,764,255</u>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA**  
**STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES**  
**JUNE 30, 2007**

	Business-Type Activities - Enterprise Funds			Governmental Activities-Internal Service Funds
	Public Utilities	Waste Management	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 5,751,987	\$ 1,528,276	\$ 7,280,263	\$ 375,773
Cash Received from Operating Grants	-	-	-	-
Cash Received from Other Funds for Services	-	-	-	2,783,826
Other Operating Cash Receipts	-	-	-	-
Cash Payments to Supplies for Goods & Services	(3,443,214)	(1,524,564)	(4,967,778)	(2,821,979)
Cash Payments to Other Funds for Services	(81,851)	(17,647)	(99,498)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>2,226,922</b>	<b>(13,935)</b>	<b>2,212,987</b>	<b>337,620</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from Other Funds	-	82,122	82,122	-
<b>Net Cash Provided (Used) Noncapital Financing Activities</b>	<b>-</b>	<b>82,122</b>	<b>82,122</b>	<b>-</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	-	(94,245)	(94,245)	(32,696)
Capital Grants	-	-	-	-
Proceeds from Disposition of Capital Assets	-	-	-	-
Proceeds from Capital Debt	59,891	94,245	154,136	-
Interest Paid on Debt	(426,617)	(831)	(427,448)	-
Principal Paid on Debt	(1,665,059)	(7,461)	(1,672,520)	-
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(2,031,785)</b>	<b>(8,292)</b>	<b>(2,040,077)</b>	<b>(32,696)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Cash and Investments	10,505	623	11,128	27,286
<b>Net Increase (Decrease) in Cash &amp; Cash Investments</b>	<b>205,642</b>	<b>60,518</b>	<b>266,160</b>	<b>332,210</b>
Cash and Cash Investments, July 1	830,385	38,290	868,675	1,083,103
<b>Cash and Cash Investments, June 30</b>	<b>\$ 1,036,027</b>	<b>\$ 98,808</b>	<b>\$ 1,134,835</b>	<b>\$ 1,415,313</b>
<b>Reconciliation of Income (Loss) from Operations</b>				
to Net Cash Provided (Used) by Operating Activities:				
Income (Loss) from Operations	\$ 942,587	\$ (30,632)	\$ 911,955	\$ 260,428
Adjustments to Reconcile Income (Loss) from Operations				
to Net Cash Provided (Used) by Operating Activities:				
Depreciation and Amortization	1,220,952	100,294	1,321,246	24,623
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	(10,451)	(7,795)	(18,246)	(874)
(Increase) Decrease in Prepaid Assets	178,140	-	178,140	652
(Increase) Decrease in Inventories	(1,477)	-	(1,477)	-
Increase (Decrease) in Interfund Payables	(82,892)	-	(82,892)	111,645
Increase (Decrease) in Accounts Payable	(23,333)	(56,505)	(79,838)	(58,854)
Increase (Decrease) in Customer Deposits Payable	2,355	(1,650)	705	-
(Increase) Decrease in Interfund Receivables	1,041	(17,647)	(16,606)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 2,226,922</b>	<b>\$ (13,935)</b>	<b>\$ 2,212,987</b>	<b>\$ 337,620</b>
<b>Reconciliation of Total Cash &amp; Cash Investments:</b>				
Current Assets-Cash & Cash Investments	309,351	98,808	408,159	1,415,313
Restricted Assets-Cash & Cash Investments	726,676	-	726,676	-
<b>Total Cash &amp; Cash Investments</b>	<b>\$ 1,036,027</b>	<b>\$ 98,808</b>	<b>\$ 1,134,835</b>	<b>\$ 1,415,313</b>

See accompanying notes to the basic financial statements.



**CITY OF WAYCROSS, GEORGIA  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
JUNE 30, 2007**

	<u>Agency Funds</u>
<b>Assets</b>	
Cash	<u>\$ 135,063</u>
<b>Total Assets</b>	<u><u>\$ 135,063</u></u>
<b>Liabilities</b>	
Refundable Court Bonds	\$ 81,879
Seized Funds Held	<u>53,184</u>
<b>Total Liabilities</b>	<u><u>\$ 135,063</u></u>

**See accompanying notes to the basic financial statements.**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**CITY OF WAYCROSS, GEORGIA  
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**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

**Note 1. Summary of Significant Accounting Policies**

**A. General Statement**

The City operates under a council/mayor form of government and provides the following services: public safety, highways and streets, public improvements, and general and administrative services. In addition, the City operates enterprise funds (water and sewer and waste management) for the incorporated and immediate surrounding areas.

The financial statements of the City of Waycross, Georgia have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to state and local governments. Generally accepted accounting principles for local governments include those principals prescribed by the Government Accounting Standards Board (GASB), the American Institute of Certified Public Accountants in the publication entitled "Audits of State and Local Governmental Units", and by the Financial Accounting Standards Board (when applicable), FASB Statements and Interpretations. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The City elected to apply Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedure issued after November 30, 1989. The more significant of the government's accounting policies are described below.

**B. Reporting Entity**

In conformity with generally accepted accounting principles, as set forth in GASB Statement No. 14, The Financial Reporting Entity, the financial statements of the reporting entity include those of the City of Waycross and its component units. The criteria for including organizations as component units within the City's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in its own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization's board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/ burden on the City
- There is a fiscal dependency by the organization on the City

**Discretely Presented Component Units -** Based on GASB criteria, the Downtown Development Authority qualifies as a discretely presented component unit. Financial information of the component unit is reported in a column separate from the City's financial information to emphasize that it is legally separate from the City.

**Blended Component Units -** Based on the GASB criteria, the City has no entities that qualify as blended component units.

**Joint Venture and Related Organizations**

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southeast Georgia area, is a member of the Southeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. Membership in an RDC is automatic for each municipality and county in the State. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organization structure of the RDC's. Each county and municipality in the State is required by law to pay

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

minimum annual dues to the RDC based on population. The Board of the RDC includes elected officials from member counties and cities and nonpublic appointed members. The law defines RDC's as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or organizations of an RDC beyond its resources. Complete financial statements of the Southeast Georgia Regional Development Center can be obtained from: Southeast Georgia RDC, South GA Parkway, Waycross, Georgia 31503.

The Housing Authority of the City of Waycross, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of a majority of members appointed originally by the City of Waycross, Georgia. The City of Waycross, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Waycross, Georgia is a related organization. At year-end, there was a receivable due to the city in the amount of \$2,872 from the Housing Authority. There were no other receivables or payables between the City and these two organizations.

**C. Basis of Presentation**

The government-wide statements (the statement of net assets and the statement of changes in net assets) report information on all the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The City maintains two fiduciary funds. These funds are not included in the government-wide financial statements. These funds are purely custodial in nature.

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

**Fund Financial Statements**

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

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

**General Fund -**

General Fund is the main operating fund of the City. The fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

**SPLOST Fund -**

The SPLOST fund is used to account for the special one-cent sales tax revenues (approved by Ware County voters) that are specifically restricted to street improvements within the city limits.

**Capital Reserve Fund -**

The Capital Reserve Fund accounts for capital improvements (except for those financed through Proprietary Funds) which are financed from certain Federal Grants and other City Funds.

Proprietary Funds are accounted for using economic resources measurement focus and accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The City has presented the following major proprietary funds:

**Public Utilities Fund -**

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

**Waste Management Fund -**

The Waste Management Fund is used to account for operations of solid waste collection and disposal services. All costs are financed through charges to sanitation customers.

Additionally, the City reports the Internal Service Funds which are used to account for the fleet management services, building maintenance, data processing services, self funded property and casualty self insurance, self funded workers compensation insurance, and self funded health insurance provided to the departments of the City.

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

Fiduciary Fund – Fiduciary funds are accounted for on the accrual basis. Agency Funds account for assets held by the City in a purely custodial capacity. The reporting entity includes two agency funds. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The Police Condemnation fund is used to account for monies seized that are waiting to be disposed of by the court system. The Municipal Court fund accounts for court bonds held awaiting court dates.

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

**D. Measurement Focus/Basis of Accounting**

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

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

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

**E. Budgetary Control**

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

1. Prior to June 30, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at City Hall to obtain taxpayer comments.
3. The City Commission approves, by ordinance, total budget appropriation and departmental budgets. The City Manager is authorized to transfer budget amounts between line items within any department in conjunction with the department head; however, any revisions that alter the total appropriations of any department or fund must be approved by the City Commission. Therefore, the level of budgetary responsibility is by department-level appropriations; however, for reporting purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.)
4. Unused appropriations for all of the above annually budgeted funds lapse at the end of the fiscal year.
5. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund. The budget for the general fund is prepared on the cash and expenses/encumbrances basis. Revenues are budgeted in the year receipt is

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

expected; and expenditures, which include encumbrances, are budgeted in the year that applicable purchase orders are expected to be issued. The budget for the Enterprise Fund is adopted under a basis consistent with GAAP, except that depreciation, certain capital expenses, and certain non-operating income and expense items are not considered. Annual appropriated budgets are adopted for the special revenue funds. Annual appropriated budgets are also adopted for the following internal service funds: health insurance, liability insurance, workers compensation insurance, retirement fund, data processing fund, city garage fund and the public building fund.

Budgeted amounts are as originally adopted or as amended by the City Council. Individual amendments were not material in relation to the original appropriations, which were adopted.

OCGA 36-81-3(b) requires an annual balanced budget for the general fund, each special revenue fund and requires a project-length balanced budget for each capital project fund. For the year ended June 30, 2007, an annual budget was adopted for all funds.

The legal level of budgetary control for the City is at the departmental level.

The Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund presents a comparison of budgetary data to actual results.

The General Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

**F. Cash and Investments**

Cash of all funds, including restricted cash, but excluding the cash and investments of the confiscated special revenue funds, special local option sales tax funds, and certain grant funds are pooled into common pooled accounts to maximize investment opportunities. Each fund whose monies are deposited in the pooled cash accounts has an equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at month end. An individual fund's pooled Cash and Cash Investments are available upon demand and are considered to be "cash equivalents" when preparing these financial statements. In addition, any marketable securities not included in the common pooled accounts that are purchased with a maturity of ninety days or less are also considered to be "cash equivalents". Negative balances incurred in pooled cash at year-end are treated as interfund receivable of the General Fund and interfund payables of the deficit fund.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

**G. Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund and Special Revenue Funds. Encumbrances outstanding at fiscal year-end lapse and must be re-budgeted.



**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

**H. Prepaid Items**

Prepaid balances are for payments made by the City in the current year to provide services occurring in the subsequent fiscal year, and the reserve for prepaid items has been recorded to signify that a portion of the fund balance is not available for the subsequent expenditures.

**I. Inventories**

The inventories in the Governmental and Proprietary Funds consist of supplies and are valued at weighted average cost. These inventories are recorded as expenditures as they are consumed.

**J. Interfund Receivables and Payables**

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**K. Transactions Between Funds**

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

**L. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statement for proprietary funds. The City's infrastructure consists of roads, curbs, and gutters, sidewalks, bridges, drainage, traffic signals, water and sewer lines and the electric distribution systems. All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of \$5,000 or more and over three years of useful life. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement. All reported capital assets are depreciated except for land and construction in progress. Depreciation has been calculated on each class of depreciable property, using the straight-line method. The estimated useful lives are as follows:

Buildings	25 - 50 years
Water and Sewer System	30 - 50 years
Infrastructure	20 - 35 years
Machinery and Equipment	5 - 10 years
Improvements	20 years

**M. Accumulated Compensated Absences**

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation that will be paid to employees upon separation from the City's service. In governmental funds, the cost of compensated absences is recognized when payments are

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

made to employees. In proprietary funds, the liability and associated costs are recognized as accrued and earned. The liability for compensated absences as of June 30, 2007 has been recorded in the government-wide statements representing the City's commitment to fund such costs from future operations.

Accumulated sick pay benefits have not been recorded as a liability because the payment of benefits is contingent upon the future illness of an employee. It is not expected that any unrecorded sick pay benefits will exceed a normal year's accumulation. In accordance with the provisions of Statement of Governmental Accounting Standards No. 16, Accounting for Compensated Absences, no liability is recorded for non-vesting accumulating rights to receive sick pay benefits.

**N. Use of Estimates**

The preparation of financial statements in conformity with GAAP requires Management to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

**O. Non-Current Assets**

Certain proceeds of Proprietary Funds' revenue bonds, as well as certain resources set aside for their repayment, are classified as non-current assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond renewal and extension" account is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond sinking fund" account is used to report resources set aside to fund current debt service requirements. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, it is the City's policy to first apply restricted resources to meet that obligation.

**P. Bond Discounts/Issuance Costs**

Bond discounts and issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-outstanding method, which approximates the effective interest method. Bond discounts are presented as a reduction of the face amount of bonds payable whereas issuance costs are recorded as deferred charges.

**Q. Fund Equity**

**Government-Wide/Proprietary Presentation**

Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed by creditors, grantors or laws or regulations of other governments and beyond the government's control.

**Governmental Funds**

**Reserved/Unreserved Fund Balance** – A reservation of fund balance indicates that a portion of the fund equity is not available for spending in the subsequent year's budget, or has been legally separated for specific purposes.

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

**Designated/Undesignated Fund Balance** – A designation of fund balance indicates a portion of fund equity for which the City has made tentative plans. Undesignated indicates funds available for budgeting in future periods.

**R. Capital Lease Obligations**

The capitalized lease obligations are stated at the original fair market value of leased assets capitalized, less payments since the inception of the lease, discounted at the implicit rate of interest in the lease.

**Note 2. Stewardship, Compliance and Accountability**

By its nature as a local government, the City is subject to various federal, state, and local laws and contractual regulations. An analysis of the City's compliance with significant laws and regulations and demonstration of its stewardship over City resources follows.

In accordance with the provisions of the water and sewer bond agreements, the City must maintain a sinking fund for the retirement of those bonds. At June 30, 2007, the City had maintained this fund with a balance of \$726,676.

There were no funds that had expenditures in excess of appropriations for the year ended June 30, 2007.

The following funds had a deficit fund balance at June 30, 2007:

Special Projects	\$	(690)
Weed & Seed Grant	\$	(15,854)
Health Ins Fund		(600,556)

Management plans to liquidate the above deficit fund balances through future excess revenues to be accomplished through expenditure reduction and increased revenues.

**Note 3. Cash and Investments**

**Cash** - The City maintains separate investment accounts for each fund. The City had no investments at June 30, 2007.

**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 statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Georgia or its agencies and instrumentalities that have a market value of not less than the principal amount of the deposits. The City's deposits, including certificates of deposit, were fully insured or collateralized as required by the state statutes at June 30, 2007. The City is allowed to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) negotiable certificate of deposits issued by any bank or trust company organized under the laws or any state of the United States and (3) any repurchase agreement organized under the laws of any state of the United States having a nationally recognized investment firm rating of A or higher. The city has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk.** The City places no limit on the amount the City may invest in any one issuer. The City normally invests only in certificates of deposits.

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

**Note 4. Receivables and Payables**

Amounts were recorded in the basic financial statements as receivables (amounts due to the City) and payables (amounts due others from the City).

Receivables at June 30, 2007 were as follows:

	<u>Taxes</u>	<u>Accounts Receiv.</u>	<u>Other Gov'ts</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ 218,063	\$ 8,847	\$ 665,269	\$ -	\$ 892,179
Non-Major				147,454	147,454
<b>Total Governmental Activities</b>	<b>\$ 218,063</b>	<b>\$ 8,847</b>	<b>\$ 665,269</b>	<b>\$ 147,454</b>	<b>\$ 1,039,633</b>
<b>Business-Type Activities</b>					
Public Utilities		\$ 410,095			\$ 410,095
Waste Management		109,876			109,876
<b>Total Business-Type Activities</b>	<b>\$ -</b>	<b>\$ 519,971</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 519,971</b>

Payables at June 30, 2007 were as follows:

	<u>Vendors</u>	<u>Salaries/ Benefits</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
<b>Governmental Activities:</b>					
General	\$ -	\$ 192,324	\$ -		\$ 192,324
Non-Major	2,274				2,274
<b>Total Governmental Activities</b>	<b>\$ 2,274</b>	<b>\$ 192,324</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 194,598</b>
<b>Business-Type Activities:</b>					
Public Utilities	\$ -	\$ -	\$ 22,203	\$ 197,339	\$ 219,542
Waste Management	-	27,512		5,850	33,362
<b>Total Business-Type Activities</b>	<b>\$ -</b>	<b>\$ 27,512</b>	<b>\$ 22,203</b>	<b>\$ 203,189</b>	<b>\$ 252,904</b>

**CITY OF WAYCROSS, GEORGIA  
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**Note 5. Capital Assets**

Capital asset activity for the year ended June 30, 2007 was as follows:

	Balance July 1	Prior Period Adjustments	Additions Completions	Retirements Adjustments	Balance June 30
<b>Governmental Activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 66,050	\$ 3,956,486			\$ 4,022,536
Construction in progress	13,132	(13,132)	-	-	-
<b>Total capital assets not being depreciated</b>	<b>\$ 79,182</b>	<b>\$ 3,943,354</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,022,536</b>
<b>Capital assets, being depreciated:</b>					
Buildings	\$ 2,829,701	\$ 3,797,166	-		\$ 6,626,867
Equipment	4,858,660	(3,256,266)	335,303		1,937,697
Vehicles		2,909,504	466,986		3,376,490
Improvements	3,706,212	(3,706,212)			-
Infrastructure	3,369,494	25,764,236	285,436		29,419,166
<b>Total capital assets being depreciated</b>	<b>\$ 14,764,067</b>	<b>\$ 25,508,428</b>	<b>\$ 1,087,725</b>	<b>\$ -</b>	<b>\$ 41,360,220</b>
<b>Less accumulated depreciation for:</b>					
Buildings	\$ (403,070)	\$ (2,556,636)	\$ (138,772)		\$ (3,098,478)
Equipment	(2,465,720)	1,444,907	(186,844)		(1,207,657)
Vehicles		(2,271,140)	(237,237)		(2,508,377)
Improvements	(3,706,212)	3,706,212			-
Infrastructure	(167,978)	(18,161,810)	(1,470,958)		(19,800,746)
<b>Total accumulated depreciation</b>	<b>\$ (6,742,980)</b>	<b>\$ (17,838,467)</b>	<b>\$ (2,033,811)</b>	<b>\$ -</b>	<b>\$ (26,615,258)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 8,021,087</b>	<b>\$ 7,669,961</b>	<b>\$ (946,086)</b>	<b>\$ -</b>	<b>\$ 14,744,962</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 8,100,269</b>	<b>\$ 11,613,315</b>	<b>\$ (946,086)</b>	<b>\$ -</b>	<b>\$ 18,767,498</b>
<b>Business-type activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 171,751	\$ 55,208	-	-	\$ 226,959
Construction in progress	-		-	-	-
<b>Total capital assets not being depreciated</b>	<b>\$ 171,751</b>	<b>\$ 55,208</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,959</b>
<b>Capital assets being depreciated:</b>					
Building	\$ 9,785,589	-	-	-	\$ 9,785,589
Equipment	2,253,650	2,280,614	-	-	4,534,264
Vehicles	922,816	79,045	94,245		1,096,106
Infrastructure	47,064,327		-	-	47,064,327
<b>Total capital assets being depreciated</b>	<b>\$ 60,026,382</b>	<b>\$ 2,359,659</b>	<b>\$ 94,245</b>	<b>\$ -</b>	<b>\$ 62,480,286</b>
<b>Less accumulated depreciation for:</b>					
Building	\$ (4,419,132)	-	\$ (211,271)	-	\$ (4,630,403)
Equipment	(2,165,389)	(1,839,441)	(243,122)	-	(4,247,952)
Vehicles	(883,340)	(40,980)	(44,670)		(968,990)
Infrastructure	(16,650,050)		(812,097)	-	(17,462,147)
<b>Total accumulated depreciation</b>	<b>\$ (24,117,911)</b>	<b>\$ (1,880,421)</b>	<b>\$ (1,311,160)</b>	<b>\$ -</b>	<b>\$ (27,309,492)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 35,908,471</b>	<b>\$ 479,238</b>	<b>\$ (1,216,915)</b>	<b>\$ -</b>	<b>\$ 35,170,794</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 36,080,222</b>	<b>\$ 534,446</b>	<b>\$ (1,216,915)</b>	<b>\$ -</b>	<b>\$ 35,397,753</b>

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

<b>Governmental activities:</b>	
General government and administration	\$ 73,910
Public Safety	382,393
Public Works	1,526,836
Community Development	38,958
Internal Funds	24,623
Cemetery	11,714
<b>Total depreciation expense-governmental activities</b>	<b><u>\$ 2,058,434</u></b>
 <b>Business-type activities:</b>	
Public Utilities	\$ 1,210,866
Waste Management	100,294
<b>Total depreciation expense-business-type activities</b>	<b><u>\$ 1,311,160</u></b>

**Note 6. Interfund Transfers:**

The following Government-Wide operating transfers were made during the year:

	<u>Transfers In</u>	<u>Transfers Out</u>
<b>Governmental Activities:</b>		
General Fund		\$ (108,500)
<b>Nonmajor governmental:</b>		
Cemetery	26,378	
<b>Business-Type Activities:</b>		
Waste Management	82,122	-
<b>Total</b>	<b><u>\$ 108,500</u></b>	<b><u>\$ (108,500)</u></b>

The transfers of resources from a fund receiving revenue to the fund through which the resources are to be expended are recorded as operating transfers and are reported as other financial sources in the Governmental Funds and as operating transfers in the Proprietary Funds. These transfers occur principally to move revenues from the General Fund to Special Revenue Funds. These transfers should be normal and recurring. This year there was a transfer from the general fund to the waste management fund to cover the excess of expenses over revenues.

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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**Note 7. Interfund Receivables/Payables**

Interfund receivable and payable balances as of June 30, 2007 are as follows:

Fund	Due	
	From Other Funds	To Other Funds
<b>Major Governmental Funds</b>		
General Fund:		
Public Utilities	\$ -	\$ 100,000
SPLOST	-	-
Other Governmental Funds	-	62,118
Internal Service Funds	-	450,994
Capital Reserve	1,982	-
Waste Management	-	187,058
	<u>1,982</u>	<u>800,170</u>
SPLOST Fund:		
General Fund	-	-
Public Utilities	359,232	-
	<u>359,232</u>	<u>-</u>
Capital Reserve Fund:		
General Fund	-	1,982
Other Governmental Funds	8,250	-
Internal Service Funds	193,592	-
Public Utilities	81,326	375,000
	<u>283,168</u>	<u>376,982</u>
<b>Non-major Governmental Funds</b>		
General Fund	62,118	-
Other Governmental Funds	-	-
Internal Service Funds	-	-
Public Utilities	41,500	-
Capital Reserve	-	8,250
	<u>103,618</u>	<u>8,250</u>
<b>Total Governmental Funds</b>	<b>\$ 748,000</b>	<b>\$ 1,185,402</b>
<b>Major Business-type Funds</b>		
<b>Proprietary Funds</b>		
Public Utilities:		
General Fund	100,000	-
Internal Service Funds	283,605	236,745
SPLOST	-	359,232
Waste Management	-	123,000
Other Governmental Funds	-	41,500
Capital Reserve	375,000	81,326
	<u>758,605</u>	<u>841,803</u>
Waste Management:		
General Funds	187,058	-
Internal Service Funds	-	175,155
Public Utilities	123,000	-
	<u>310,058</u>	<u>175,155</u>
<b>Total Proprietary Funds</b>	<b>\$ 1,068,663</b>	<b>\$ 1,016,958</b>
<b>Internal Service Funds</b>		
General Fund	450,994	-
Public Utilities	236,745	283,605
Other Governmental Funds	-	-
Waste Management	175,155	-
Capital Reserve	-	193,592
	<u>862,894</u>	<u>477,197</u>
<b>Totals</b>	<b>\$ 2,679,557</b>	<b>\$ 2,679,557</b>

One interfund transfer was made during the year ending June 30, 2007 in the amount of \$17,647 between the general fund and waste management fund. Cash transfers between the funds in prior years was to cover shortfalls in funds where revenue did not cover expense. Management plans to repay amounts owed to each fund through expense reduction and increased revenue. The City has reduced interfund payables and receivables from \$3,032,468 to \$2,679,557 during the year ending June 30, 2007.

**CITY OF WAYCROSS, GEORGIA  
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**Note 8. Long-Term Obligations**

Transactions for the year ended June 30, 2007 are summarized as follows:

**Change in Outstanding Debt**

	Balance July 1	Issues or Additions	Payments or Expenditures	Balance June 30	Due Within One Year
<b>Governmental Type Activities:</b>					
Lease Obligations Payable	128,129	423,692	(108,436)	443,385	108,456
Compensated Absences		285,987		285,987	-
<b>Total Governmental Activities</b>	<b>\$ 128,129</b>	<b>\$ 709,679</b>	<b>\$ (108,436)</b>	<b>\$ 729,372</b>	<b>\$ 108,456</b>
<b>Business-Type Activities:</b>					
Lease Obligations Payable	\$ 8,317	\$ 94,245	\$ (7,463)	\$ 95,099	\$ 14,824
Lease Obligations Payable	14,435	-	(9,556)	4,879	4,879
GEFA-98-L68WJ	1,682,111	-	(86,821)	1,595,290	90,436
W&S Revenue Bonds	1,980,000	-	(965,000)	1,015,000	1,015,000
SRF Loan-CW13088301	772,255	-	(112,389)	659,866	114,654
GEFA Loan-00-L36WJ	8,248,836	29,165	(412,292)	7,865,709	462,209
SRF Loan CWSRF 00-0020	2,031,658	30,725	(37,959)	2,024,424	77,640
SRF Loan CWSRF-00-001	797,120	-	(41,042)	756,078	42,287
Compensated Absences		17,092		17,092	-
<b>Total Business-Type Activities</b>	<b>\$ 15,534,732</b>	<b>\$ 171,227</b>	<b>\$ (1,672,522)</b>	<b>\$ 14,033,437</b>	<b>\$ 1,821,929</b>

There were additions to loans during the year for lease obligations obtained for the purchase of a fire pumper, street sweeper, loader, Ford expedition and 5 Impalas. The only addition to GEFA and SRF loans was interest to be capitalized.

**Revenue Bonds**

Revenue Bonds payable at June 30, 2007, is comprised of the following individual issues:

	<u>Activities</u>
\$3,140,000 Series 1997 Water and Sewer Bonds issued on a parity with Series 1992 Bonds due in annual installments of \$25,000 to \$1,015,000 through August 1, 2007; interest at a rate of 5 ¼% annually, payable semi-annually on February 1, and August 1 of each year.	<u>\$ 1,015,000</u>

Water and Sewer Revenue Bonds constitute special obligations of the City solely secured by a lien on and pledge of the net revenues of the Water and Sewer System.

The revenue bonds are collateralized by the revenue of the Water and Sewer System and the various Special funds established by the bond ordinances. The ordinances provide that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the revenue bond funds.

Any remaining revenues may then be used for any lawful purpose. The ordinances also contain certain provisions which require the City to maintain pledged net revenues, as defined in the ordinances for each year of at least 1.20 times the current year debt service requirements on all bonds then outstanding, including the Series 1997 Parity Bonds. The



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NOTES TO BASIC FINANCIAL STATEMENTS  
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ordinances also contain a provision which among other items, restrict the issuance of additional revenue bonds unless special revenue requirements are met and the pledged revenues equal or are greater than 1.20 times the average annual debt service requirements after giving effect to the issuance of the proposed additional bonds.

The Water and Sewer Bond Resolution requires the establishment of a Debt Service Reserve Account within the Water and Sewer Sinking Fund in an amount at least equal to the highest annual debt service on the bonds. However, the Resolution also authorizes the City of Waycross to obtain a surety bond in place of funding the Debt Service Reserve Account. The City has obtained a bond for this purpose.

**Annual Requirements to Retire Debt Obligations:**

<u>Revenue Bonds</u>	<u>Business-Type Activities</u>		
Year Ending June 30	Principal	Interest	Total
2008	1,015,000	26,644	1,041,644
	<u>\$ 1,015,000</u>	<u>\$ 26,644</u>	<u>\$ 1,041,644</u>

**Notes/Loans Payable** (The following is a schedule of annual requirements for GEFA contracts 98-L68WJ, CW13088301, 00-L36WJ, #00-20 and SRF00-001.)

Year Ending June 30	<u>Government Activities</u>		<u>Business Activities</u>		
	Principal	Interest	Principal	Interest	Total
2008			787,225	312,306	1,099,531
2009			806,253	293,278	1,099,531
2010			825,782	273,749	1,099,531
2011			845,827	253,704	1,099,531
2012-2016			4,089,737	963,436	5,053,173
2017-2021			4,344,887	440,561	4,785,448
2022-2026			1,133,671	66,020	1,199,691
2027-2031			67,986	766	68,752
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,901,368</u>	<u>\$ 2,603,820</u>	<u>\$ 15,505,188</u>

**Business-type activities:**

In March 1989, the City entered into a loan program (CW13088301) with the Georgia Department of Natural Resources and the Georgia Environmental Facilities Authority for certain sewer improvements in the total amount of \$2,099,580. Repayment is over eighty (80) quarterly payments beginning April 1, 1993 at 2 percent interest. At June 30, 2007, the outstanding balance on this loan was \$659,866 and quarterly payments are \$31,749.

In October 1998, the City entered into a loan agreement (98-L68WJ) with the Georgia Environmental Facilities Authority for certain water and sewer projects for a total amount of \$2,000,000. Repayment is over eighty (80) quarterly payments beginning September 1, 2001 at 4.1 percent. At June 30, 2007, the outstanding balance on this loan was \$1,595,290 and quarterly payments are \$38,616.

In August 2000, the City entered into a loan program (CWSRF 00-001) with the Georgia Department of Natural Resources and the Georgia Environmental Facilities Authority for certain sewer improvements for a total amount of \$935,467. Repayment is over 78

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
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quarterly payments at 3 percent beginning September 1, 2002. At June 30, 2007, the outstanding balance of this loan was \$756,078 and quarterly payments are \$16,124. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay this loan is a general obligation of the City to which it has dedicated its general power of taxation.

In September 2000, the City entered into a loan agreement (2000-L36WJ) with the Georgia Environmental Facilities Authority for sewer improvements for a total amount of \$9,815,000. Repayment is over 80 quarterly payments beginning October 1, 2002 at 2 percent. At June 30, 2007, the outstanding balance was \$7,865,709 and quarterly payments of \$154,018. This loan is to be repaid from revenues of the Water and Sewer System; however, the obligation to repay this loan is a general obligation of the City.

In June 2003, the City entered into a loan agreement (CWSRF-00-020) with the Georgia Environmental Facilities Authority for certain water and sewer projects. At June 30, 2007, the outstanding balance was \$2,024,424. Quarterly installments of \$34,376 will be made over 80 payments beginning April 1, 2007.

**Capital Leases**

The City has entered into various lease agreements as lessee to finance various equipment. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The following is a summary of equipment leased under capital lease agreements by the City as of June 30, 2007.

	<u>Government-Type Activities</u>	<u>Business-Type Activities</u>
Fire Truck	\$ -	
2005 Shuttle Van	17,480	
Nine Police Cars	146,262	
SUV Command Vehicle	22,587	
Knuckleboom Loader		94,245
Fire Pumper	185,023	
07 Street sweeper	124,007	
Three Trucks		44,588
Expedition & 5 police cars	114,662	
Street Sweepers	188,994	
	<u>\$ 799,015</u>	<u>\$ 138,833</u>

The following is a schedule of the future minimum lease payments required under these capital leases and the present value of the net minimum lease payments at June 30, 2007:

<u>Year Ending June 30</u>	<u>Governmental- Type Activities</u>	<u>Business-Type Activities</u>
2008	123,572	23,177
2009	91,189	15,423
2010	84,419	15,423
2011	50,567	15,423
2012-2016	143,278	43,691
Total Minimum Lease Payments	<u>\$ 493,025</u>	<u>\$ 113,137</u>
Less: Amount Representing Interest	<u>(49,640)</u>	<u>(13,159)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 443,385</u>	<u>\$ 99,978</u>

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**Note 9. Retirement Benefits**

**Pension Plan-**

**Plan Description:**

The City provides retirement benefits for substantially all of its employees under a defined benefit pension plan - the Joint Georgia Municipal Employees Benefit System, an agent multiple – employer public employee retirement system that acts as a common investment and administrative agent for cities in the State of Georgia. GMEBS issues a stand-alone financial statement that can be obtained from the Georgia Municipal Association, 201 Pryor Street, S.W., Atlanta, Georgia 30303.

The City's payroll for employees covered by the System for the year ended May 1, 2007 was \$5,666,291. Substantially all full-time City employees are eligible to participate in the system. Benefits vest after ten years of service. City employees who retire at or after the age 65 with 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life in an amount determined based on average salary and years of service. There is also an alternative normal retirement date of age 60 with 30 years of service. Early retirement is available at age 55 with 10 years of credited service. The system also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

The system is noncontributory, but voluntary contributions are permitted. The City is required to contribute amounts necessary to fund the system, using the actuarial basis specified by statute.

**The Significant Actuarial Assumptions**

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

The significant actuarial assumptions used in the current valuation are:

Rate of return on investment	8.0% per year
Projected salary increases for inflation	5.0% per year
Merit or seniority	.5% per year
Post retirement benefit increases	Not Applicable

**The Effect of Plan Changes on the Actuarial Accrued Liability**

The effect on the actuarial accrued liability of any current-year changes in actuarial assumptions or benefit provisions is:

The effect of the change in plan provisions will be provided upon request. The actuarial assumptions are the same as those used in the preceding valuation.

**The Funding Policy and Annual Contributions**

The funding policy for the plan is to contribute an amount equal to the recommended contribution in each year. The recommended contribution meets the guidelines for calculating an annual required contribution set forth in paragraph 9-10 of Statement No.

**CITY OF WAYCROSS, GEORGIA  
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27. These contributions are determined under the projected unit credit actuarial cost method and the asset valuation method for developing the actuarial value of assets. The period, and related method for amortizing the initial unfunded actuarial accrued liability is 30 years from 1982 and current changes in the unfunded actuarial accrued liability over 15 years for actuarial gains and losses, 20 years for plan provisions and 30 years for actuarial assumptions and cost methods as a level dollar amount. These amortization periods, if applicable, are closed for this plan year.

**The Effect of Plan Changes on Recommended Contributions**

The effect on the recommended contributions of any current-year changes in actuarial assumptions, benefit provisions, or actuarial funding method is:

The effect of the change in plan provision will be provided upon request. The actuarial assumptions are the same as those used in the preceding year.

**Current Plan Membership**

As of May 1, 2007, the current plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	126
Terminated employees entitled to benefits but not yet receiving them	76
Current active employees:	
Vested	108
Nonvested	68
Total membership in the plan	378

**Funded Status**

	Number of Participants	Present Value of Benefits
<b>Present Value of Accrued Plan Benefits (on-going basis):</b>		
<b>Vested Benefits of Retired Participants and Beneficiaries     currently receiving payments</b>	126	\$ 7,731,219
<b>Other Vested Benefits:</b>		
Terminated Vested Participants	76	1,122,539
Active Participants	108	4,434,162
<b>Total Present Value of Vested Benefits</b>		\$ 13,287,920
<b>Nonvested Benefits</b>	68	210,533
<b>Total Present Value of Accrued Plan Benefits</b>	378	13,498,453
<b>Market Value of Assets</b>		13,483,254
<b>Unfunded Present Value of Accrued Plan Benefits</b>		15,199
<b>Funded Percentage</b>		99.9%

	Number of Participants	Lump Sum Value of Benefits
<b>Present Value of Accrued Plan Benefits (Plan Termination Basis):</b>		
<b>Retired Participant and Beneficiaries Currently Receiving Payments</b>	126	\$ 10,945,106
<b>Terminated Vested Participants</b>	76	2,322,784
<b>Active Participants</b>	108	8,211,948
<b>Total Present Value of Vested Benefits</b>		\$ 21,479,838
<b>Nonvested Benefits</b>		487,525
<b>Total Present Value of Vested Benefits</b>		21,967,363
<b>Market Value of Assets</b>		13,483,254
<b>Unfunded Present Value of Accrued Plan Benefits</b>		8,484,109
<b>Funded Percentage</b>		61.4%

**CITY OF WAYCROSS, GEORGIA  
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**Schedule of Funding Progress: (Required Supplementary Information) (Unaudited)**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (b)	Unfunded AAL (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a/c)
05/01/04	13,037,832	14,398,813	1,360,981	90.6%	5,793,410	23.5%
05/01/05	13,578,753	14,607,704	1,028,951	92.9%	5,573,559	18.5%
05/01/06	14,122,964	14,287,598	164,634	98.9%	4,714,712	3.5%
05/01/07	14,556,521	15,353,702	797,181	94.8%	5,666,291	14.1%

**Schedule of Employer Contribution**

2005	515,263	92.96%
2006	333,435	98.85%
2007	477,609	94.81%

**Schedule of Recommended Contribution**

<b>Retirement Benefits:</b>	
Employees	\$ 319,773
Administrative Expenses	30,642
<b>Total Normal Cost</b>	<b>\$ 350,415</b>
Payment on Unfunded Actuarial Accrued Liability	110,003
Interest	18,369
<b>Minimum Contribution</b>	<b>477,609</b>
Normal Cost (including admin) with interest	459,240
<b>Recommended Contribution</b>	<b>477,609</b>

**Actuarial Method**

**Actuarial Cost Method  
Actuarial Value of Assets**

**Projected Unit Credit Cost Method**  
Sum of the actuarial value at the beginning of year and the cash flow during 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.

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**Deferred Compensation –**

The City offers its employees a deferred compensation plan in accordance with IRS Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

The City funds are amounts of compensation deferred under the plan, at the direction of the covered employee, through investments in fixed and variable annuity contracts underwritten by Nationwide Life Insurance Company.

In accordance with current GASB pronouncements, the deferred compensation plan is no longer included in the financial statements. Plan assets are held in trust for the benefit of the plan participants and their beneficiaries, and will not be diverted for any other purpose. Amendments to the laws governing Section 457, deferred compensation plans, substantially became effective January 1, 1997.

**Note 10. Commitments and Contingencies**

The City has participated in a number of federally assisted grant programs, principal of which are the FEMA Grant, CDBG and the Weed and Seed Programs. These programs are subject to program compliance audits by the grantors or their representatives. Such audits could result in request for reimbursement by the Federal and State agencies for expenditures disallowed under the terms and conditions of the appropriate agency. The amount of expenditures which may be disallowed by granting agencies cannot be determined at this time; although, the City expects such amounts, if any, to be immaterial.

Various claims and lawsuits are pending against the City. The City estimates that the potential claims from the pending lawsuits against the City, not covered by insurance, would not materially affect the financial statements of the City.

**Note 11. Risk Management**

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. During the fiscal year 1992, the City established internal service funds to account for and finance its uninsured risks of loss. The City maintains commercial insurance coverage covering general liability claims and property damage claims.

The City established a limited risk management program for health insurance in July 1991. The plan provides coverage for up to a maximum of \$65,000 for each individual claim with a \$1,000,000 lifetime maximum.

In January 1992, the City established a limited risk program for workers' compensation. The City hired Crawford and Company as administrator for this program. The plan provides coverage for up to a maximum of \$300,000 for each worker's compensation claim. The City purchases commercial insurance for these claims in excess of coverage provided by these funds and for all other insignificant risks of loss. Settled claims in the past three years have not exceeded the commercial coverages.

All funds of the City participate in the program and make payments to the funds based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

**Self-Insurance**

The City maintains the Health Insurance Fund to account for the City's employee health care coverage, which is self-insured by the City. The City has established an internal service fund to account for its self-insurance program. The purpose of this fund is to pay medical insurance claims of the City employees and their covered dependents and minimize the total costs of annual insurance to the municipality. The private insurance carrier determines premium payments to be made by the City. Annual claims are paid from accumulated premium payments, and claims exceeding accumulated premium payments are paid by the private insurance carrier. Estimated claims incurred, but not reported, of \$163,524 have been recorded as of June 30, 2007. Dependent coverage is funded by charges to employees. Revenues are recognized from payroll deductions and City contributions. The Claims liability of \$163,524 reported in the Health Insurance Fund at June 30, 2007 is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the claims liability amount in fiscal years 2001-2007 were:

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
06/30/01	\$ 76,481	\$ 1,104,276	\$ 1,138,552	\$ 42,205
06/30/02	42,205	1,481,258	1,484,784	38,679
06/30/03	38,679	1,492,540	1,528,008	3,211
06/30/04	3,211	1,172,537	1,166,397	9,351
06/30/05	9,351	1,743,171	1,469,037	283,485
06/30/06	283,485	1,154,420	1,235,301	202,604
06/30/07	202,604	1,069,782	1,108,862	163,524

Also, the City has established an internal service fund to account for its self-insurance program relating to workers compensation insurance. The purpose of this fund is to pay worker's compensation claims of the city employees while minimizing the total costs to the municipality. The City maintains a stop-loss policy with a private insurance company. City officials believe that the reserve in this fund is adequate to cover any incurred, but not reported, losses through the statement date.

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
06/30/03	\$ 10,270	\$ 312,226	\$ 298,881	\$ 23,615
06/30/04	23,615	148,137	162,613	9,139
06/30/05	9,139	240,899	221,809	28,229
06/30/06	28,229	216,774	229,832	15,171
06/30/07	15,171	224,711	239,882	-

**Note 12. Property Taxes**

Property taxes attach as enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before November 15. The City's taxes are billed and collected by the Ware County Tax Commissioner. City property tax revenues are

**CITY OF WAYCROSS, GEORGIA  
NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2007**

recognized when levied. An allowance is established for delinquent taxes to the extent that the taxes are not collectible.

**Note 13. Joint Ventures/Related Organizations**

Under Georgia law, the City, in conjunction with other cities and counties in the eight county Southeastern Georgia area, is a member of the Southeast Georgia Regional Development Center (RDC) and is required to pay annual dues thereto. During its year ended June 30, 2007 the county paid \$18,984 in such dues.

Membership in an RDC is automatic for each municipality and county in the State. The official Code of Georgia Section 50-8-34 (Georgia Planning Act of 1989) provides for the organization structure of the RDC's. Each county and municipality in the State is required by law to pay minimum annual dues to the RDC based on population. The Board of the RDC includes elected officials from member counties and cities and nonpublic appointed members. The law defines RDC's as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any debts or obligations of an RDC beyond its resources. Complete financial statements of the Southeast Georgia Regional Development Center can be obtained from: Southeast Georgia RDC, South Georgia Parkway, Waycross, Georgia 31503.

The Housing Authority of the City of Waycross, Georgia is considered a related organization based upon the criteria in GASB Statement 14. The Housing Authority is a legally separate entity having a board composed of a majority of members appointed originally by the City of Waycross, Georgia. The City of Waycross, Georgia is not able to impose its will upon the Housing Authority and a financial benefit/burden relationship does not exist between them. Therefore, based upon the criteria above, the Housing Authority of the City of Waycross, Georgia is a related organization.

**Note 14. Other Post-Employment Benefits**

In addition to pension benefits described in Note 8, the City provides post-employment benefit options for health care and life insurance to eligible retirees, terminated employees and their dependents. The benefits are provided in accordance with the City Ordinances and the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). The criteria to determine eligibility include: years of service, employee age, and retirement plan. The City funds the benefits on a pay-as-you-go basis. There are currently 14 retirees eligible for these benefits. The annual cost of these benefits for the retirees is \$50,175.

**Note 15. Hotel/Motel Tax**

The City is required to disburse funds received from the collection of hotel/motel taxes pursuant to OCGA 48-13-51. The tax rate is 5% and is levied on a monthly basis. The City received \$278,197 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2007. The City disbursed \$111,246 to the Chamber of Commerce for the promotion of tourism, \$33,071 to Channel 42, and \$32,380 to others. The balance of lodging tax funds on hand at the end of the year was \$183,687.



**CITY OF WAYCROSS, GEORGIA  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED JUNE 30, 2007**

**Note 16. Prior Period Adjustments**

The corrections were made as follows:

<u>Net Asset</u>	<u>Balance as Previous Stated</u>	<u>Changes</u>	<u>Restated Balance 06/30/2006</u>
General Fund	\$ 12,752,865	\$ 11,605,240	\$ 24,358,105
Public Utilities	21,595,894	294,742	21,890,636
Waste Management	175,414	239,705	415,119
Internal Service Funds	1,441,405	35,136	1,476,541

Prior period adjustments were to record infrastructure items in the implementation of GASB Statement No. 34 (GASB 34), "Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments."

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

- **Budgetary comparison – General Fund**

CITY OF WAYCROSS, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES-  
BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	GAAP/Budget Basis	
<b>Revenues:</b>				
Taxes	\$ 8,655,371	\$ 8,655,371	\$ 8,243,291	\$ (412,080)
Licenses & Permits	791,525	791,525	816,330	24,805
Fines & Forfeitures	479,000	479,000	491,605	12,605
Charges for Services	17,000	17,000	17,130	130
Intergovernmental	170,000	170,000	148,542	(21,458)
Interest & Rents	83,000	83,000	125,957	42,957
Other	47,820	47,820	60,580	12,760
<b>Total Revenues</b>	<b>10,243,716</b>	<b>10,243,716</b>	<b>9,903,435</b>	<b>(340,281)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	1,635,622	1,617,389	1,529,457	87,932
Public Safety	6,997,935	7,032,484	6,606,135	426,349
Public Works	1,822,083	1,820,683	1,699,149	121,534
Community Development	495,403	483,601	365,806	117,795
Capital Outlay	-	-	-	-
Debt Service	170,599	167,485	113,423	54,062
Reimbursements	(852,012)	(852,012)	(690,012)	(162,000)
<b>Total Expenditures</b>	<b>10,269,630</b>	<b>10,269,630</b>	<b>9,623,958</b>	<b>645,672</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(25,914)</b>	<b>(25,914)</b>	<b>279,477</b>	<b>305,391</b>
<b>Other Financing Sources (Uses):</b>				
Proceeds from long-term financing	-	-	-	-
Transfers Out	(108,500)	(108,500)	(108,500)	-
<b>Total other financing sources (uses)</b>	<b>(108,500)</b>	<b>(108,500)</b>	<b>(108,500)</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>(134,414)</b>	<b>(134,414)</b>	<b>170,977</b>	<b>305,391</b>
<b>Fund Balance at Beginning of Year</b>			<b>\$ 929,516</b>	
<b>Prior Period Adjustment</b>			<b>(82,189)</b>	
<b>Fund Balance of End of Year</b>			<b>\$ 1,018,304</b>	

## **OTHER SUPPLEMENTARY INFORMATION**

**Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.**

**Such statements and schedules include:**

- **Combining statements – nonmajor governmental funds**
- **Combining statements – internal service funds**
- **Combining statements – fiduciary funds**

**CITY OF WAYCROSS, GEORGIA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2007**

Special Revenue Funds

	Community Development	Law Enforcement Block Grant	Forfeited Property	WPD Info Technology Fund	Cemetary	Jail	GEFA Grant - Recycle & Waste	Weed & Seed Grant	G-IP Grant 2009	Hotel/Motel Tax	ODBG Newtown	FEMA GRANT	EMP/Loans Project	Reaching Loan	ODBG Newtown Phil	Glitchist Park	Cemetary Trust	Special Projects	Totals	
<b>Assets</b>																				
Cash	\$ 100,088	\$ 82	\$ 57,624	\$ 11,091	\$ 68,655	\$ 343	\$ 17	\$ (7,604)	\$ 10,455	\$ 183,687	\$ 1,037	\$ 276	\$ -	\$ 84,192	\$ -	\$ 10,216	\$ 165,394	\$ -	\$ 665,753	
Accounts Receivable	-	-	-	-	2,680	-	-	-	-	-	-	-	-	146,454	-	-	-	(600)	147,454	
Due from Other Governments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Due from Other Funds	-	-	-	-	63,000	-	-	-	-	-	-	-	41,500	-	-	-	31,108	-	135,608	
<b>Total Assets</b>	\$ 100,088	\$ 82	\$ 57,624	\$ 11,091	\$ 134,545	\$ 343	\$ 17	\$ (7,604)	\$ 10,455	\$ 183,687	\$ 1,037	\$ 276	\$ 41,500	\$ 239,646	\$ -	\$ 10,216	\$ 166,492	\$ (600)	\$ 978,815	
<b>Liabilities and Fund Balances</b>																				
Liabilities																				
Accounts Payable & Accrued Expenses	\$ -	\$ -	\$ -	\$ -	\$ 2,274	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,274	
Due to Other Funds	882	-	-	-	31,108	-	-	8,260	-	-	-	-	41,500	-	-	-	-	-	81,740	
Total Liabilities	882	-	-	-	33,382	-	-	8,260	-	-	-	-	41,500	-	-	-	-	-	84,014	
Fund Balances																				
Reserved for Specific Purposes	99,216	82	57,624	11,091	101,163	343	17	(15,864)	10,455	183,687	1,037	276	-	239,646	-	10,216	166,492	(600)	894,801	
Total Fund Balance	99,216	82	57,624	11,091	101,163	343	17	(15,864)	10,455	183,687	1,037	276	-	239,646	-	10,216	166,492	(600)	894,801	
Total Liabilities & Fund Balances	\$ 100,088	\$ 82	\$ 57,624	\$ 11,091	\$ 134,545	\$ 343	\$ 17	\$ (7,604)	\$ 10,455	\$ 183,687	\$ 1,037	\$ 276	\$ 41,500	\$ 239,646	\$ -	\$ 10,216	\$ 166,492	\$ (600)	\$ 978,815	

**CITY OF WAYCROSS, GEORGIA  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
NON-MAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2007**

Special Revenue Funds																					
	Community Development	Law Enforcement Block Grant	Forfeited Property	WPD Info Technology Fund	Cemetery	Jail	GEFA Grant Recycle & Waste	Weed & Seed Grant	CHIP Grant 2009	Hotel/Motel Tax	CDBG Newtwn	FEIMA GRANT	EIP/Lowes Project	Revolving Loan	CDBG Newtwn Phil	Glitchist Park	Cemetery Trust	Special Projects	Totals		
<b>Revenues</b>																					
Taxes	-	-	-	-	-	-	-	-	-	-	278,196	-	-	-	-	-	-	-	-	278,196	
Fines & Forfeitures	-	-	47,096	28,254	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,350	
Changes for Services	-	-	-	-	165,261	-	-	-	-	-	-	-	-	-	-	-	-	-	-	165,261	
Intergovernmental	-	-	-	-	-	-	11,743	15,000	80,491	-	-	76,111	-	-	27,719	-	-	-	-	211,064	
Interest	3,644	-	2,439	-	1,729	-	-	-	-	-	500	-	-	7,667	-	306	4,226	-	-	20,511	
Sale of Property	2,000	-	9,662	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,662	
Other	7,600	-	2,444	-	-	419	-	-	-	-	-	-	-	-	-	-	-	-	-	10,463	
Total Revenues	13,244	-	61,841	28,254	166,990	419	11,743	15,000	80,491	278,196	500	76,111	-	7,667	27,719	306	4,226	-	-	772,507	
<b>Expenditures</b>																					
Current:																					
General & Administrative	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Public Safety	-	-	56,240	24,316	-	553	-	33,878	-	-	-	67,144	-	-	-	-	-	-	-	162,131	
Public Works	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cemetery	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	171,601	
Community	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Development	61,062	-	-	-	-	-	119	-	70,036	176,698	-	-	-	-	30,784	1,854	-	-	-	340,553	
Reimbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital Outlay	-	-	-	-	-	-	11,607	-	-	-	-	-	-	-	-	-	-	-	-	20,298	
Total Expenditures	61,062	-	56,240	24,316	171,601	553	11,726	33,878	70,066	176,698	-	76,856	-	-	30,784	1,854	-	-	-	774,583	
Excess Revenues Over (Under) Expenditures	(47,816)	-	5,401	3,938	(4,611)	(134)	17	(18,878)	10,455	101,498	500	276	-	7,667	(3,065)	(1,548)	4,226	-	-	57,924	
Other Financing Sources (Uses)																					
Operating Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,378	
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,378	
Excess Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(47,816)	-	5,401	3,938	21,767	(134)	17	(18,878)	10,455	101,498	500	276	-	7,667	(3,065)	(1,548)	4,226	-	-	84,302	
Fund Balance, July 1	147,034	82	52,223	7,153	79,396	477	-	3,024	-	-	537	-	-	-	3,065	11,764	192,266	(690)	-	728,310	
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	82,189	-	-	-	-	-	-	-	-	-	-	82,189
Fund Balance, June 30	\$ 99,218	\$ 82	\$ 57,624	\$ 11,091	\$ 101,163	\$ 343	\$ 17	\$ (15,854)	\$ 10,455	\$ 183,687	\$ 1,037	\$ 276	\$ -	\$ 239,646	\$ -	\$ 10,216	\$ 196,492	\$ (690)	\$ -	\$ 894,801	

**CITY OF WAYCROSS, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2007**

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
<b>Assets</b>										
<b>Current Assets</b>										
Cash	\$ 323,768	\$ 484,235	\$ 245,178	\$ 81,111	\$ 18,944	\$ (49,953)	\$ 84,671	\$ 146,618	\$ 80,741	\$ 1,415,313
Other Current Assets	19,022	16,847	-	-	-	-	11,793	645	-	48,307
Due from Other Funds	191,620	387,897	383,168	217,250	-	49,953	19,716	131,625	79,474	1,460,703
<b>Total Current Assets</b>	<b>534,410</b>	<b>888,979</b>	<b>628,346</b>	<b>298,361</b>	<b>18,944</b>	<b>-</b>	<b>116,180</b>	<b>278,888</b>	<b>160,215</b>	<b>2,924,323</b>
<b>Fixed Assets</b>										
Equipment	-	-	-	-	-	-	38,852	36,911	8,818	84,581
(Net of Accum Deprec)										
<b>Total Assets</b>	<b>\$ 534,410</b>	<b>\$ 888,979</b>	<b>\$ 628,346</b>	<b>\$ 298,361</b>	<b>\$ 18,944</b>	<b>\$ -</b>	<b>\$ 155,032</b>	<b>\$ 315,799</b>	<b>\$ 169,033</b>	<b>\$ 3,008,904</b>
<b>Liabilities</b>										
<b>Accounts Payable &amp; Accrued Liabilities</b>										
Accrued Liabilities	\$ 163,524	\$ -	\$ -	\$ -	\$ 13,904	\$ -	\$ 11,839	\$ 19,342	\$ 2,535	\$ 211,144
Due to Other Funds	971,442	30,604	-	-	-	-	-	31,459	-	1,033,505
<b>Total Liabilities</b>	<b>1,134,966</b>	<b>30,604</b>	<b>-</b>	<b>-</b>	<b>13,904</b>	<b>-</b>	<b>11,839</b>	<b>50,801</b>	<b>2,535</b>	<b>1,244,649</b>
<b>Fund Balances</b>	<b>(600,556)</b>	<b>858,375</b>	<b>628,346</b>	<b>298,361</b>	<b>5,040</b>	<b>-</b>	<b>143,193</b>	<b>264,998</b>	<b>166,498</b>	<b>1,764,255</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 534,410</b>	<b>\$ 888,979</b>	<b>\$ 628,346</b>	<b>\$ 298,361</b>	<b>\$ 18,944</b>	<b>\$ -</b>	<b>\$ 155,032</b>	<b>\$ 315,799</b>	<b>\$ 169,033</b>	<b>\$ 3,008,904</b>

**CITY OF WAYCROSS, GEORGIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2007**

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
<b>Operating Revenues</b>										
Charges for Goods & Services	\$ 376,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 376,002
City Contributions	1,013,347	366,999	210,399	348,366	-	-	346,723	381,503	105,533	2,772,870
Other	-	-	3,970	-	-	-	-	-	-	3,970
<b>Total Operating Revenues</b>	<b>1,389,349</b>	<b>366,999</b>	<b>214,369</b>	<b>348,366</b>	<b>-</b>	<b>-</b>	<b>346,723</b>	<b>381,503</b>	<b>105,533</b>	<b>3,152,842</b>
<b>Operating Expenses</b>										
Personal Services	-	-	-	-	-	-	216,234	276,852	71,295	564,381
Premiums, Claims, Administration	1,288,744	330,563	161,620	-	-	-	-	-	-	1,780,927
Contractual Services	-	-	-	-	-	-	43,470	2,011	-	45,481
Supplies, Repairs, Maintenance	-	-	-	-	-	-	12,453	50,607	11,486	74,546
Operations-Other	-	-	-	-	-	-	39,443	22,984	5,994	68,421
Cost of Goods	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	14,534	5,778	4,311	24,623
Retirement Payments	-	-	-	334,035	-	-	-	-	-	334,035
<b>Total Expenditures</b>	<b>1,288,744</b>	<b>330,563</b>	<b>161,620</b>	<b>334,035</b>	<b>-</b>	<b>-</b>	<b>326,134</b>	<b>358,232</b>	<b>93,086</b>	<b>2,892,414</b>
<b>Operating Income (Loss)</b>	<b>100,605</b>	<b>36,436</b>	<b>52,749</b>	<b>14,331</b>	<b>-</b>	<b>-</b>	<b>20,589</b>	<b>23,271</b>	<b>12,447</b>	<b>260,428</b>
<b>Nonoperating Revenues (Expenses)</b>										
Interest Revenue	6,663	9,862	3,537	4,477	2,747	-	-	-	-	27,286
Interest Expense	-	-	-	-	-	-	-	-	-	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>6,663</b>	<b>9,862</b>	<b>3,537</b>	<b>4,477</b>	<b>2,747</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,286</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>107,268</b>	<b>46,298</b>	<b>56,286</b>	<b>18,808</b>	<b>2,747</b>	<b>-</b>	<b>20,589</b>	<b>23,271</b>	<b>12,447</b>	<b>287,714</b>
Operating Transfers In	-	-	-	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>107,268</b>	<b>46,298</b>	<b>56,286</b>	<b>18,808</b>	<b>2,747</b>	<b>-</b>	<b>20,589</b>	<b>23,271</b>	<b>12,447</b>	<b>287,714</b>
Fund Balances, July 1	(707,824)	812,077	572,060	279,553	2,293	-	82,925	249,700	150,621	1,441,405
Prior Period Adjustment	-	-	-	-	-	-	39,679	(7,973)	3,430	35,136
<b>Fund Balances, June 30</b>	<b>\$ (600,556)</b>	<b>\$ 858,375</b>	<b>\$ 628,346</b>	<b>\$ 298,361</b>	<b>\$ 5,040</b>	<b>\$ -</b>	<b>\$ 143,193</b>	<b>\$ 264,998</b>	<b>\$ 166,498</b>	<b>\$ 1,764,255</b>



**CITY OF WAYCROSS, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2007**

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
<b>Cash Flows from Operating Activities:</b>										
Cash received from customers	\$ 375,773	-	-	-	-	-	-	-	\$	\$ 375,773
Cash received from operating grants	1,013,347	-	-	-	-	-	-	-	-	-
Cash received from other funds for services	-	366,999	214,369	348,366	2,916	4,070	346,723	381,503	105,533	2,783,826
Cash received from loss claim recoveries	-	-	-	-	-	-	-	-	-	-
Other operating cash receipts	-	-	-	-	-	-	-	-	-	-
Cash payments for supplies of goods & services	(1,244,679)	(345,734)	(161,620)	(334,035)	-	-	(295,948)	(351,802)	(88,161)	(2,821,979)
Cash payment for loss claims	-	-	-	-	-	-	-	-	-	-
Cash payments to the funds for services	-	-	-	-	-	-	-	-	-	-
Net cash provided (used) by operating activities	144,441	21,265	52,749	14,331	2,916	4,070	50,775	29,701	17,372	337,620
<b>Cash Flows From Noncapital Financing Activities:</b>										
Operating Transfer in (Out)	-	-	-	-	-	-	-	-	-	-
Net cash flows provided (used) by Noncapital Financing Activities	-	-	-	-	-	-	-	-	-	-
<b>Cash Flows From Capital and Related Financing Activities</b>										
Payments related to acquisition of capital assets	-	-	-	-	-	-	(3,713)	(28,983)	-	(32,696)
Interest expense	-	-	-	-	-	-	-	-	-	-
Net cash flows provided (used) by Capital & Related Financing Activities	-	-	-	-	-	-	(3,713)	(28,983)	-	(32,696)
<b>Cash Flows From Investing Activities</b>										
Interest Revenue	6,663	9,862	3,537	4,477	2,747	-	-	-	-	27,288
Net Cash Flows Provided (Used) by Investing Activities	6,663	9,862	3,537	4,477	2,747	-	-	-	-	27,288
Net increase (decrease) in cash & cash investments	151,104	31,127	56,286	18,808	5,663	4,070	47,062	718	17,372	332,210
Cash & cash investments, July 1	172,664	453,108	186,892	62,303	13,281	(54,023)	37,809	145,900	63,369	1,083,103
Cash & cash investments, June 30	\$ 323,768	\$ 484,235	\$ 245,178	\$ 81,111	\$ 18,944	\$ (49,953)	\$ 84,871	\$ 146,618	\$ 80,741	\$ 1,415,313
<b>Reconciliation of income (loss) from operations to net cash provided (used) by operating activities:</b>										
Income (loss) from operations	100,605	36,436	52,749	14,331	-	-	20,589	23,271	12,447	\$ 260,428
Adjustments to reconcile net income to net cash provided by operating activities:										
Depreciation	-	-	-	-	-	-	14,534	5,778	4,311	24,623
(Increase) Decrease in Accounts Receivable	(28)	-	-	-	-	-	-	(645)	-	(874)
(Increase) Decrease in Prepaid Insurance	-	-	-	-	-	-	652	-	-	652
(Increase) Decrease in Due from Other Funds	83,145	-	-	-	-	4,412	17,000	7,088	-	111,645
(Increase) Decrease in Imprest Deposit	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	(39,080)	(15,171)	-	-	2,916	(342)	(2,000)	(5,791)	614	(68,854)
Total Adjustments	43,836	(15,171)	-	-	2,916	4,070	30,186	6,430	4,925	77,192
Net Cash Provided (Used) by Operating Activities	144,441	21,265	52,749	14,331	2,916	4,070	50,775	29,701	17,372	337,620
Reconciliation of total cash & cash investments:										
Current assets-cash & cash investments	\$ 323,768	\$ 484,235	\$ 245,178	\$ 81,111	\$ 18,944	\$ (49,953)	\$ 84,871	\$ 146,618	\$ 80,741	\$ 1,415,313

**CITY OF WAYCROSS, GEORGIA  
 COMBINING STATEMENT OF FIDUCIARY ASSETS & LIABILITIES  
 JUNE 30, 2007**

	<u>Police Condemnation</u>	<u>Municipal Court</u>	<u>Total Agency Funds</u>
<b>Assets</b>			
Cash	\$ 53,184	\$ 81,879	\$ 135,063
<b>Total Assets</b>	<u>\$ 53,184</u>	<u>\$ 81,879</u>	<u>\$ 135,063</u>
<b>Liabilities</b>			
Refundable Court Bonds		\$ 81,879	\$ 81,879
Seized Funds Held	53,184		\$ 53,184
<b>Total Liabilities</b>	<u>\$ 53,184</u>	<u>\$ 81,879</u>	<u>\$ 135,063</u>

**ADDITIONAL SCHEDULES AND OTHER INFORMATION**

***BYRT CPAs, LLC***  
**Certified Public Accountants**

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**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards**

**December 6, 2007**

**To the Honorable Mayor and  
Members of the City Commission  
City of Waycross, Georgia**

**We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waycross, Georgia as of and for the year ended June 30, 2007, which collectively comprise the City of Waycross, Georgia's basic financial statements and have issued our report thereon dated December 6, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.**

**Internal Control Over Financial Reporting**

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

**A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.**

**A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.**

To the Honorable Mayor and  
Members of the City Commission  
Page 2

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

We noted certain matters that we reported to management in a separate letter dated December 6, 2007.

**Compliance and Other Matters**

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

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

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC

**BYRT CPAs, LLC**  
**Certified Public Accountants**

---

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**Independent Auditor's Report on the Schedule of Projects  
Constructed With Special Purpose Local Option Sales Tax Proceeds**

**December 6, 2007**

**Honorable Mayor and Members of the City Commission  
City of Waycross, Georgia**

We have audited the accompanying Schedule of Projects Constructed with Special Purpose Local Option Sales Tax for the City of Waycross, Georgia for the year ended June 30, 2007. This schedule is the responsibility of the City of Waycross, Georgia's management. Our responsibility is to express an opinion on the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax based on our audit.

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

The accompanying Schedule of Projects Constructed with Special Purpose Local Option Sales Tax was prepared for the purpose of complying with the Official Code of Georgia Annotated, 48-8-121, was prepared on the accrual basis of accounting as described in Note 1, and is not intended to be a complete presentation of the City of Waycross, Georgia's revenues and expenditures.

In our opinion, the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax referred to above presents fairly, in all material respects, the original estimated cost and the current and prior year expenditures for each project in the City of Waycross, Georgia's resolution or ordinance calling for the tax for the year ended June 30, 2007, in conformity with accounting principles generally accepted in the United States of America.

Respectfully submitted,

*BYRT CPAs, LLC*

BYRT CPAs, LLC

**CITY OF WAYCROSS, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS**  
**THROUGH THE FISCAL YEAR ENDED JUNE 30, 2007**

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
PR-8530-32 (299) Streets # 4	\$ 914,931	\$ 914,931	\$ -	\$ 914,931	100%
PR-8530-38 (299) Streets # 5	1,012,635	1,012,635	-	1,012,635	100%
PR-8530-37 (299) Streets # 6	1,153,080	1,153,401	-	1,153,401	100%
PR-8530-40 (299) Elizabeth and Seminole	103,350	103,350	-	103,350	100%
PR-8520-18 (299) Streets # 7	1,240,571	1,387,968	-	1,387,968	100%
PR-8520-18 (299) Streets # 3	34,661	34,661	-	34,661	100%
Hill & Williams	153,600	96,027	-	96,027	100%
PR-8531-010-01 Streets # 8	900,931	830,451	-	830,451	100%
PR-8530-42 (299) Streets # 9	1,302,458	1,308,197	-	1,308,197	100%
PR-8351-010-01 Storm Drain Improvements Riverside	153,600	162,100	-	162,100	100%
Adm inistrative	-	113,790	-	113,790	100%
U.S. 1 Drainage	585,280	640,327	-	640,327	100%
Hazzard Hill Drainage	141,235	145,299	-	145,299	100%
Quartermen Street Drainage	79,720	164,713	-	164,713	100%
		60			

**CITY OF WAYCROSS, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS**  
**THROUGH THE FISCAL YEAR ENDED JUNE 30, 2007**

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
Milling Street Drainage	34,657	34,657	-	34,657	100%
Central Ave. & City Blvd. Drainage	551,405	623,291	-	623,291	100%
Roberts Street Drainage	-	1,566	-	1,566	100%
City Boulevard Mini Mall	-	5,888	-	5,888	100%
Upchurch Street	-	520	-	520	100%
Miscellaneous	-	285	-	285	100%
Suwanee Street Canal	-	1,735	-	1,735	100%
Painting and Striping Streets	-	178,481	-	178,481	100%
Miscellaneous	-	6,976	-	6,976	100%
Kroger Evaluation	-	2,328	-	2,328	100%
Dorothy Street	-	4,200	-	4,200	100%
Corridor Z and Bennett Road	-	300	-	300	100%
Uvalda Street	-	9,358	-	9,358	100%
Beacon Hill	-	44,408	-	44,408	100%
Northwood Terrace	-	23,078	-	23,078	100%
PR-6610-061-00 Contract # 11A	966,708	1,082,951	-	1,082,951	100%
PR-8351-025-01 Contract # 10	1,199,857	1,363,237	-	1,363,237	100%
PR-8351-033-01					



**CITY OF WAYCROSS, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS**  
**THROUGH THE FISCAL YEAR ENDED JUNE 30, 2007**

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
Central Avenue Drainage	-	10,541	-	10,541	100%
City Boulevard Phase II, IV	-	139,664	-	139,664	100%
38 Connector Widening	-	524,340	-	524,340	100%
PR-8351-036-01 Bazemore Park	-	23,775	-	23,775	100%
Drainage Ditch Project	-	52,559	-	52,559	100%
PR-8531-023-01 U.S. 1 Drainage - Baldwin Rental	-	43,225	-	43,225	100%
Aerial Mapping	-	6,252	-	6,252	100%
Senate Street Miscellaneous	-	350	-	350	100%
Shawnee Drive, Andrea Drive and Knight Avenue	-	3,736	-	3,736	100%
Lee Avenue	-	14,718	-	14,718	100%
Riverside, Dorothy, & Darling	-	7,600	-	7,600	100%
Haines Street Improvements	-	5,598	-	5,598	100%
Painting and Striping Streets	-	23,639	-	23,639	100%
Riverside Drive - Drainage	-	29,650	-	29,650	100%
Milling - Carswell Avenue	-	20,000	-	20,000	100%
City Blvd. - Lamar Johnson Project	-	21,008	-	21,008	100%

**CITY OF WAYCROSS, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS**  
**THROUGH THE FISCAL YEAR ENDED JUNE 30, 2007**

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
Central Avenue & St. Mary's St. Repairs	-	5,962	-	5,962	100%
Traffic Light - Waycross College	-	6,000	-	6,000	100%
Painting and Striping Streets	-	123,968	-	123,968	100%
Materials - Misc. Street Repair Jobs	-	128,513	-	128,513	100%
Portable Sewer Video Camera, Custom Built Trailer and Honda Generator	-	30,000	-	30,000	100%
Oakland Cemetery	-	5,467	-	5,467	100%
Railroad Relocation Project	835,000	14,888	6,750	21,638	3%
City Boulevard Improvement Project - Phase II -RP-8351-038-01	589,501	689,375	-	689,375	100%
GIS Mapping Project	-	5,145	-	5,145	100%
PR-6610-061-00 - Contract 11B	751,469	644,798	-	644,798	100%
City Boulevard Phase IV Project No. 8351-047-01	-	12,742	19,714	32,456	0%
Downtown Drainage Project	-	472,890	-	472,890	100%
Newtown Phase II (City Match)	-	10,000	-	10,000	100%
Water & Sewer Improvements-State Health Lab	-	35,248	-	35,248	100%
Milling - Church Street	-	7,000	-	7,000	100%
PR-8530-65 (Contract C35064-03-000-0) Carswell Avenue	-	390	-	390	0%
Road Projects	-	476,836	-	476,836	100%

**CITY OF WAYCROSS, GEORGIA**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS**  
**THROUGH THE FISCAL YEAR ENDED JUNE 30, 2007**

Projects	Original Estimated Cost	Prior Year	Current Year	Total	Estimated Percentage of Completion
Milling-Plant Ave.		55,431	55,431	55,431	
Plant Avemue		1,488	1,488	1,488	
Elizabeth & Mary		39,456	39,456	39,456	
Dorothy & Tebeau		19,599	19,599	19,599	
Street Drainage Imprv. - Phase I		142,998	142,998	142,998	
<b>Total</b>	<b>\$ 12,704,649</b>	<b>\$ 15,046,986</b>	<b>\$ 285,436</b>	<b>\$ 15,332,422</b>	

**CITY OF WAYCROSS, GEORGIA  
 CHIP GRANT #04m-x-148-2-2909  
 STATEMENT OF PROGRAM COSTS AND STATEMENT OF SOURCES/STATUS OF FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007**

Program Activity	Budgeted Costs	Paid to Date	Costs Obligated	Total Cost	Questioned Costs
H-14A-01 Rehabilitation of Private Properties	122,500	60,905		60,905	Total Program Funds Allocated to Recipient 253,150
H-013-00 Downpayment/Closing Cost Assistance	110,000	74,252		74,252	Less: Funds Drawn Down by Recipient (148,127)
A-21A-00 Administration	10,150	2,515		2,515	Funds Still Available to be Drawn Down <u>105,023</u>
C-022-00 Contingencies	10,500				Total Funds Drawn Down by Recipient 148,127
Totals	<u>253,150</u>	<u>137,672</u>		<u>137,672</u>	Less: Funds Applied to Costs (137,672)
					Total Funds Available for Disposition <u>10,455</u>

Expenditure per Financial Statements-

FYE 06/30/05	39,620
FYE 06/30/06	28,016
FYE 06/30/07	70,036
	<u>137,672</u>

CITY OF WAYCROSS, GEORGIA  
 COMMUNITY DEVELOPMENT BLOCK GRANT  
 GRANT #3b-x-148-2-2866  
 STATEMENT OF PROGRAM COSTS AND STATEMENT OF SOURCES/STATUS OF FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2007

Program Activity	Budgeted Costs	Paid to Date	Costs Obligated	Total Cost	Questioned Costs	Total Program Funds Allocated to Recipient
H-001-02 Acquisition of Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,152
P-03k-01 Street Improvements	123,571	123,571	-	123,571	-	(477,152)
P-03J-01 Water Facilities	24,691	24,691	-	24,691	-	\$ -
P-03K-02 Flood and Drainage Facilities	80,424	80,424	-	80,424	-	\$ 477,152
H-0004-00 Clearance	4,526	4,526	-	4,526	-	(477,152)
H-14A-02 Reconstruction of Private Properties	167,426	167,426	-	167,426	-	\$ -
P-03J-02 Sewer Facilities	51,314	51,314	-	51,314	-	\$ -
A-21A-00 Administration	25,200	25,200	-	25,200	-	\$ -
C-022-00 Contingencies	-	-	-	-	-	\$ -
<b>Totals</b>	<b>\$ 477,152</b>	<b>\$ 477,152</b>	<b>\$ -</b>	<b>\$ 477,152</b>	<b>\$ -</b>	<b>\$ -</b>

Less: Funds Drawn Down by Recipient

Funds Still Available to be Drawn Down

Total Funds Drawn Down by Recipient

Less: Funds Applied to Costs

Total Funds Available for Disposition

  

Expenditures per Financial Statements-	
FYE 06/30/04	\$ 32,258
FYE 06/30/05	385,813
FYE 06/30/06	28,297
FYE 06/30/07	30,784
	<u>\$ 477,152</u>

# *BYRT CPAs, LLC*

**Certified Public Accountants**

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## Management Letter

December 6, 2007

To the Honorable Mayor and  
Members of the City Commission  
City of Waycross, Georgia

In planning and performing our audit of the financial statements of the City of Waycross for the year ended June 30, 2007, we considered the City's internal control structure in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the City's internal control structure in our report dated December 6, 2007. This letter does not affect our report dated December 6, 2007 on the financial statements of the City of Waycross.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

### Accounting for Post-Employment Benefits

GASB No. 43 & 45 – "Accounting and Financial Reporting by Employers for Post-Employment Benefits other than Pensions" require governmental employers to account for post-retirement healthcare benefits on an "actuarial basis" during an employee's career instead of using the current practice, which accounts on a "pay as you go" basis during retirement. These new rules apply to "other post-employment benefits" – not pension benefits, which include medical, prescription drug, dental, vision, life and long-term care for retirees. The implementation date is for fiscal years beginning after December 15, 2007 which would begin fiscal year July 1, 2008 for the City of Waycross. Governmental employers must have actuarial valuations to determine accounting cost amounts. We have discussed with management the importance of addressing the implications of GASB 43 and GASB 45 now.

### Plan for Eliminating Interfund Receivable/Payables

Management began, during the year ending June 30, 2005, eliminating interfund receivables and payables that have occurred in the past. As of June 30, 2007, interfund receivables and payables totaled \$2,679,557 (see footnote # 7, page 36) as compared to \$4,260,909 at June 30, 2005.

To the Honorable Mayor and  
Members of the City Commission  
Page 2

We wish to thank the City Management and other staff for their support and assistance during our audit. Maintaining the quality of internal accounting controls requires a constant monitoring of current procedures to make appropriate adjustments for changing circumstances. We believe that the adoption of our recommendations would strengthen the internal controls of the City of Waycross and improve operating efficiency.

This report is intended solely for the information and use of the City Commission, management and others within the City's organization and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

BYRT CPAs, LLC

BYRT CPAs, LLC

**STATISTICAL SECTION  
(Unaudited)**



**CITY OF WAYCROSS, GEORGIA  
GENERAL GOVERNMENT EXPENDITURES BY FUNCTIONS  
LAST TEN YEARS**

Year Ending	(1) Administration	Police	Fire	Public Works	Culture/ Recreation	Improvements	Garage	Debt Service	Capital Outlay	Operating Transfers	Total
1997-98	627,561	2,833,818	1,705,200	1,586,535	-	145,563	227,777	-	84,020	231,898	7,442,372
1998-99	614,812	2,921,020	1,788,954	1,627,391	-	130,442	249,000	-	127,170	192,703	7,651,492
1999-00	788,839	2,894,133	1,899,659	1,639,900	-	179,854	272,790	-	96,872	281,065	8,053,112
2000-01	729,944	3,411,612	2,080,838	1,613,485	89,590	411,454	-	221,679	268,713	143,591	8,970,906
2001-02	924,991	3,248,982	2,175,217	1,837,616	237,155	426,576	-	236,296	515,325	157,859	9,760,017
2002-03	506,748	3,224,503	2,137,638	1,842,105	209,870	443,235	-	192,476	-	16,931	8,573,506
2003-04	497,377	3,430,901	2,189,829	1,516,705	98,487	423,762	-	186,043	97,723	58,910	8,499,737
2004-05	930,182	3,110,685	2,378,271	1,320,200	120,478	537,124	-	201,659	270,913	73,893	8,943,405
2005-06	713,276	3,393,505	2,498,425	1,303,025	-	538,020	-	180,027	235,296	207,002	9,068,576
2006-07	804,957	3,709,439	2,613,791	1,658,924	-	365,806	-	113,424	357,617	108,500	9,732,458

Net of Reimbursements

**CITY OF WAYCROSS, GEORGIA  
GENERAL GOVERNMENT REVENUES BY SOURCE  
LAST TEN YEARS**

Year Ending	Taxes	Licenses and Permits	Fines and Forfeitures	Charges for Service	Sale of City Property	Inter-		Total
						Other	Governmental Revenue	
1997-98	5,995,689	614,917	557,520	3,270	15,385	62,524	-	7,249,305
1998-99	6,551,387	614,442	621,716	3,260	7,165	63,682	-	7,861,652
1999-00	6,792,831	662,502	493,715	4,418	-	54,205	-	8,007,671
2000-01	6,769,724	726,575	526,365	27,456	22,192	88,893	257,314	8,418,519
2001-02	6,979,471	779,864	627,954	54,102	30,252	79,470	302,607	8,853,720
2002-03	7,021,640	670,631	366,243	23,420	-	81,357	197,714	8,361,005
2003-04	7,562,525	805,228	414,039	20,165	-	116,253	177,907	9,096,117
2004-05	8,040,572	790,256	396,280	18,886	-	179,377	200,446	9,625,817
2005-06	8,238,426	856,908	453,997	16,220	-	126,890	159,310	9,851,751
2006-07	8,243,291	816,330	491,605	17,130	-	186,537	148,542	9,903,435

**CITY OF WAYCROSS, GEORGIA  
TAX REVENUES BY SOURCE  
LAST TEN YEARS**

Year Ending	Total Taxes	Property Taxes	Franchise Taxes	Sales Taxes	Revenues and Other Taxes
1997-98	5,995,689	1,777,595	891,172	2,244,824	1,082,098
1998-99	6,551,387	2,164,440	925,386	2,343,059	1,118,502
1999-00	6,792,831	2,346,578	889,736	2,422,324	1,134,193
2000-01	6,769,724	2,304,731	993,299	2,497,452	974,242
2001-02	6,979,471	2,495,853	956,817	2,483,729	1,043,072
2002-03	7,021,640	2,436,541	945,803	2,510,344	1,128,952
2003-04	7,562,525	2,440,906	1,007,808	2,703,157	1,410,654
2004-05	8,040,572	2,472,486	980,474	3,015,924	1,571,688
2005-06	8,238,426	2,338,524	1,105,090	3,189,036	1,605,776
2006-07	8,243,291	2,413,559	1,121,519	3,241,110	1,467,103

**CITY OF WAYCROSS, GEORGIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS**

1997-98	1,551,528	1,504,486	97.0%	73,669	1,578,155	101.7%	136,639
1998-99	1,936,149	1,821,667	94.1%	63,130	1,884,797	97.3%	156,859
1999-00	1,985,094	1,846,831	93.0%	91,194	1,938,025	97.6%	179,054
2000-01	2,007,441	1,855,095	92.4%	99,378	1,954,473	97.4%	198,350
2001-02	2,207,403	2,088,326	94.6%	120,636	2,208,962	100.1%	205,551
2002-03	2,023,199	1,875,880	92.7%	90,176	1,966,056	97.2%	262,695
2003-04	2,157,469	2,097,060	97.2%	131,139	2,228,199	103.3%	152,914
2004-05	2,257,819	2,055,820	91.1%	67,578	2,123,398	94.0%	246,252
2005-06	2,282,322	2,010,335	92.0%	97,313	2,199,173	96.4%	156,101
2006-07	2,282,899	2,101,860	88.1%	89,771	2,100,106	92.0%	159,996

**CITY OF WAYCROSS, GEORGIA  
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS**

<b>Year Ending</b>	<b>Assessed Value</b>	<b>Appraised Value</b>	<b>Percent of Appraised Value</b>
1997-98	189,141,316	472,583,290	40%
1998-99	203,804,632	509,511,580	40%
1999-00	203,599,080	508,997,700	40%
2000-01	212,053,561	530,133,903	40%
2001-02	210,829,272	527,073,055	40%
2002-03	228,394,589	570,986,472	40%
2003-04	239,560,327	598,900,818	40%
2004-05	250,548,919	626,372,298	40%
2005-06	253,067,188	632,667,970	40%
2006-07	254,171,399	635,428,498	40%

**CITY OF WAYCROSS, GEORGIA  
ASSESSED VALUE BY CLASS OF TANGIBLE PROPERTY (1)  
LAST TEN YEARS**

	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01	1999-00	1998-99	1997-98
Residential	\$ 96,904,122	\$ 96,731,206	\$ 92,978,395	\$ 84,518,806	\$ 82,093,351	\$ 78,514,534	\$ 78,833,664	\$ 74,182,446	\$ 72,046,988	\$ 66,767,417
Historic	132,840	132,840	125,411	125,412	104,510	104,510	104,510	104,510	173,665	-
Commercial	125,691,920	121,842,075	113,535,416	110,964,113	105,510,340	105,437,291	102,308,664	95,732,942	92,465,545	87,490,469
Industrial	1,000,016	1,246,432	1,027,874	1,074,028	1,639,457	1,690,024	1,914,787	1,902,523	2,703,197	(4) 2,289,181
Personal										
Others	28,721	24,145	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
Utilities	30,420,455	33,092,588	42,869,064	42,865,709	36,936,617	34,812,727	37,368,013	38,680,505	38,418,072	33,526,482
Motor Vehicles	20,591,300	22,196,590	23,223,630	23,990,390	23,798,530	23,535,510	23,468,581	22,089,882	12,109,072	22,732,006
Mobile Homes	1,562,192	1,675,063	1,793,987	1,919,341	799,716	690,989	760,514	462,829	632,183	653,696
Railroad Car (2)										
Exemptions (1)	\$ 276,331,566	\$ 276,940,939	\$ 275,568,361	\$ 265,476,846	\$ 250,922,150	\$ 244,830,677	\$ 245,381,621	\$ 233,185,480	\$ 218,583,880	\$ 213,495,099
Total (1)	\$ (13,158,455)	\$ (13,202,188)	\$ (12,964,207)	\$ (12,187,683)	\$ (11,972,104)	\$ (9,732,042)	\$ (9,091,405)	\$ (7,033,689)	\$ (2,037,993)	\$ (968,081)
	\$ 263,173,111	\$ 263,738,751	\$ 262,604,154	\$ 253,289,163	\$ 238,950,046	\$ 235,098,635	\$ 236,290,216	\$ 226,151,791	\$ 216,545,887	\$ 212,527,018

(1) All amounts are shown at 40% estimated actual value.

(2) Current railroad equipment valuation is omitted because City does not levy tax.

(3) Information not available to split assessed property value between commercial and personal.

**CITY OF WAYCROSS, GEORGIA  
PROPERTY TAX RATES  
LAST TEN YEARS**

<b>1997-98</b>	<b>8.25</b>
<b>1998-99</b>	<b>9.50</b>
<b>1999-00</b>	<b>9.75</b>
<b>2000-01</b>	<b>9.37</b>
<b>2001-02</b>	<b>10.37</b>
<b>2002-03</b>	<b>10.27</b>
<b>2003-04</b>	<b>10.27</b>
<b>2004-05</b>	<b>10.27</b>
<b>2005-06</b>	<b>10.266</b>
<b>2006-07</b>	<b>10.226</b>

CITY OF WAYCROSS, GEORGIA  
 RATIO OF GENERAL BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT  
 PER CAPITA  
 LAST TEN YEARS

Year Ending	Population	Value	Gross Bonded Debt	Ratio of Gross Bonded Debt to Assessed Value	Gross Bonded Debt per Capita
1997-98	16,410	189,141,316	-	0.00%	-
1998-99	16,410	203,804,632	-	0.00%	-
1999-00	17,000	203,599,080	-	0.00%	-
2000-01	15,333	212,053,561	-	0.00%	-
2001-02	15,333	210,829,272	-	0.00%	-
2002-03	15,333	228,394,589	-	0.00%	-
2003-04	15,333	239,560,327	-	0.00%	-
2004-05	15,333	250,548,919	-	0.00%	-
2005-06	15,333	253,068,188	-	0.00%	-
2006-07	15,333	254,171,399	-	0.00%	-



**CITY OF WAYCROSS, GEORGIA**  
**RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES**  
**LAST TEN YEARS**

Year Ending	Capitalized Leases & Equipment Financing Principal			Total Debt		Total General Expenditures	Percent of Debt Service to General Expenditures
	& Interest	Principal	Interest	Service	Expenditures		
1997-98	252,428	-	-	252,428	7,442,372	3.39%	
1998-99	200,005	-	-	200,005	7,651,492	2.61%	
1999-00	223,944	-	-	223,944	8,053,112	2.78%	
2000-01	221,679	-	-	221,679	8,970,906	2.47%	
2001-02	236,296	-	-	236,296	9,602,158	2.46%	
2002-03	192,476	-	-	192,476	8,556,575	2.25%	
2003-04	186,043	-	-	186,043	8,440,827	2.20%	
2004-05	201,659	-	-	201,659	8,869,512	2.27%	
2005-06	180,027	-	-	180,027	8,854,409	2.03%	
2006-07	113,424	-	-	113,424	9,623,958	1.18%	

**CITY OF WAYCROSS, GEORGIA  
COMPUTATION OF LEGAL DEBT MARGIN  
AND DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2007**

<b>Assessed Value</b>	<b><u>\$ 254,171,399</u></b>
<b>Debt Limit: 10% of Assessed Value</b>	<b>\$ 25,417,140</b>
<b>Less: Debt Application to Debt Limit</b>	
<b>General Obligation Indebtedness</b>	<b><u>13,916,367</u></b>
<b>Legal Debt Margin</b>	<b><u><u>\$ 11,500,773</u></u></b>
<b>Direct and Overlapping Debt</b>	
<b>City's Direct Bonded Debt</b>	<b>\$ -</b>
<b>City's Obligation on Water and Sewer Loan</b>	<b>13,916,367</b>
<b>Bonded Debt of Other Overlapping</b>	
<b>Governments Assessed Against City Taxpayers</b>	<b><u>-</u></b>
<b>Total Direct and Overlapping Debt</b>	<b><u><u>\$ 13,916,367</u></u></b>

**CITY OF WAYCROSS, GEORGIA  
 SCHEDULE OF REVENUE BOND COVERAGE  
 WATER AND SEWER  
 LAST TEN YEARS**

<u>Year Ending</u>	<u>Gross Revenue</u>	<u>Expense (1)</u>	<u>Net Revenue Available for Debt Service</u>	<u>Debt Coverage (2)</u>
1997-98	3,797,716	2,569,682	1,228,034	1.31
1998-99	3,815,847	2,628,608	1,187,239	1.20
1999-00	4,285,280	2,589,520	1,695,760	1.73
2000-01	3,921,273	3,103,289	817,984	0.79
2001-02	4,152,225	3,062,904	1,089,321	0.56
2002-03	5,384,151	3,381,461	2,002,690	0.68
2003-04	5,499,290	3,184,932	2,314,358	1.17
2004-05	5,740,818	3,611,739	2,129,079	1.08
2005-06	5,797,286	3,547,720	2,249,566	1.14
2006-07	5,760,083	3,596,544	2,163,539	1.01

(1) Net of depreciation and bond interest.

(2) Funds available divided by the highest combined principal and interest payments in any subsequent year for years; combined principal and interest payments in current year for later years.

**CITY OF WAYCROSS, GEORGIA  
PRINCIPAL WATER AND SEWER CUSTOMERS  
2006-2007**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
1. Ware Correctional Institute	\$ 148,327	\$ 159,557	\$ 307,884
2. Satilla Regional Medical Center	61,056	65,653	126,709
3. Waycross Housing Authority	23,486	30,825	54,311
4. CSX Transportation	21,436	27,434	48,870
5. Flanders Provision	23,553	25,234	48,787
6. Ware County Commission	17,698	19,009	36,707
7. Ware County Board of Education	12,309	20,456	32,765
8. Rich Seapak	15,178	16,215	31,393
9. Sam Patel	11,797	12,633	24,430
10. BURT Dev.	11,757	12,530	24,287
<b>Total</b>	<u>\$ 346,597</u>	<u>\$ 389,546</u>	<u>\$ 736,143</u>

**CITY OF WAYCROSS, GEORGIA  
PRINCIPAL TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2007**

	<u>Assessed Value</u>	<u>Tax Levied</u>
1. CSX Corporation	\$ 10,103,404	\$ 103,317
2. Walmart Stores, Inc.	4,279,694	43,764
3. Georgia Power Company	4,037,638	-
4. Lowe's Home Centers, Inc.	3,263,893	33,377
5. Kolb & Wheeler & Walters	3,228,806	33,018
6. Walmart Stores East LP	3,067,912	31,372
7. Lowe's Home Centers, Inc.	2,370,816	24,244
8. Flanders Provision Co.	1,910,025	17,488
9. Kroger Company	1,856,316	18,983
10. SILPA Corporation	<u>1,650,373</u>	<u>16,877</u>
Total	<u>\$ 35,768,877</u>	<u>\$ 322,440</u>

**CITY OF WAYCROSS, GEORGIA  
MISCELLANEOUS STATISTICS  
JUNE 30, 2007**

Date of Incorporation	1,889
Form of Government	Manager
Number of Employees (Excluding Police and Fire)	
Classified	98
Area in Square Miles	11.69
Population-City	15,333
-County	35,483
Daytime Population	45,000
<b>City of Waycross Facilities and Services</b>	
Miles of Streets	178
Number of Street Lights	2,053
Number of Traffic Lights	21
Culture and Recreation	
Community Centers	1
Parks	17
Park Acreage	40.00
Cemeteries	3
Cemetery Acreage	140
Tennis Courts	1
Fire Protection	
Number of Stations	3
Number of Fire Personnel and Officers	55
Number of Calls Answered	874
Number of Inspections Conducted	623
Police Protection	
Number of Stations	1
Number of Police Personnel and Officers	69.0
Number of Patrol Units	47
Number of Law Violations:	
Physical Arrests	1,829
Traffic Violations	4,957
Sewerage System	
Miles of Sanitary Sewers	120
Miles of Storm Sewers	60
Number of Treatment Plants	1
Number of Service Connections	6,858
Daily Average Treatment in Gallons	3,000,000
Maximum Daily Capacity of Treatment Plant in Gallons	12,000,000
Water System	
Miles of Water Mains	145
Number of Service Connections	7,358
Number of Fire Hydrants	931
Daily Average Consumption in Gallons	2,300,000
Maximum Daily Capacity of Plant in Gallons	3,400,000
<b>Facilities and Services Not Included in the Reporting Entity:</b>	
Hospitals:	
Number of Hospitals	1
Number of Beds	181

**CITY OF WAYCROSS, GEORGIA  
SELECTED WATER AND SEWER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2007**

<b>Water Accounts Active (Estimate)</b>	<b>6,670</b>
<b>Sewer Accounts Active (Estimate)</b>	<b>6,146</b>
<b>Total Water Pumped - Gallons (Estimate)</b>	<b>855,172,000</b>
<b>Total Water Consumed - Gallons (Estimate)</b>	<b>750,034,560</b>
<b>Total Water Billed</b>	<b>\$ 2,548,244</b>
<b>Total Water Collected</b>	<b>\$ 2,599,897</b>
<b>Total Sewer Billed</b>	<b>\$ 2,530,030</b>
<b>Total Sewer Collected</b>	<b>\$ 2,483,814</b>