

**CITY OF WAYCROSS, GEORGIA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2011**

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## **FINANCIAL SECTION**

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

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James A. Beal IV, CPA, CFP®  
Debra C. Yonz, CPA  
James S. Rivers III, CPA, CFP®, CLU  
Larry G. Taylor, CPA

102 Lee Avenue  
Post Office Box 275  
Waycross, Georgia 31502  
Phone: (912) 283-8889  
Fax: (912) 283-1971  
E-mail: [dcy@byrt.com](mailto:dcy@byrt.com)

**Independent Auditor's Report**

**December 21, 2011**

**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, each major fund, and the aggregate remaining fund information of City of Waycross, Georgia as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of Waycross, Georgia's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Waycross Georgia as of June 30, 2011, 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 1, 2011, 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 agreement 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.

To the Honorable Mayor and  
Members of the City Commission  
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Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 4 through 12 and 52 through 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Waycross, Georgia, financial statements as a whole. The combining non-major fund financial statements, internal service funds, fiduciary funds, the Schedule of Projects Constructed with Special Purpose Local Option Sales Tax Proceeds, the Statement of Program Costs and Statement of Sources/Status of Funds, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining non-major fund financial statements and the Statement of Program Costs and Statement of Sources/Status of Funds on pages 74 and 75 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in 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 68 through 73 along with our opinion on page 67. The statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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, 2011. Please read it in conjunction with the City's financial statements, which begin on page 13.

### Financial Highlights

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.

The largest sources of funds for the general fund are local option sales taxes and property taxes accounting for over 53% of the budget. During 2011, sales taxes were projected to remain relatively unchanged from the prior year. Although sales tax collections have not returned to the levels prior to the economic downturn they have begun to increase. Collections increased four percent over fiscal 2010.

The impact of the economy on property taxes has not been as direct. Property values have not increased from real or inflationary growth resulting in little or no increase in property taxes. With the decline in local option sales taxes, it was necessary to raise the millage rate from 9.998 to 10.998 mills in fiscal 2010. The City did benefit in fiscal 2011 from the settlement of disputed taxes for a utility. Major utility valuations are handled by the state and these values were disputed for the tax years 2002 through 2010. During fiscal 2011 taxes and interest in excess of \$450,000 were collected in settlement of this issue. In fiscal 2010, the fund balance declined by \$207,057 in the fund balance financial statements. In fiscal 2011 this trend reversed and the fund balance increased \$79,373 resulting in a fund balance of \$479,296. As economic conditions improve, this balance will be increased to serve as a cushion during periods of economic volatility.

The City has a long range plan to identify and quantify the infrastructure needs of our community. The 2008 SPLOST tax will begin to address those needs as it relates to public buildings, streets and major equipment. Since inception, \$4,968,386 was collected and \$665,211 was spent to replace the fire ladder truck, \$1,089,437 on street improvements, \$52,621 on technology improvements, \$793,049 on building improvements, and \$155,632 on water and sewer rehabilitation and expansion.

In the public utilities business-type activities (water and sewer services), revenues exceeded expenses by \$484,211. Significant infrastructure replacements to the sewer collection system are necessary to efficiently provide this service. Continued infrastructure replacements are included in our long range plans and will be funded by current operations and implementation in fiscal 2012 of a new rate structure based on a rate study that insures rates are adequate to fund necessary improvements.

The waste management business-type activity generated revenues in excess of expenses of \$30,553. Steps taken in the prior year have improved the efficiency of operations. The program of using trucks with claws to load yard trash with a crew of one rather than two was begun in 2008 and completed in 2009.

### 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 16 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 20 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 Funds and the Capital Reserve Fund, which are considered to be major funds. Data for the other 16 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 16 – 19.

**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 20-22 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 24-51.

#### **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 pages 52-54 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 55-63 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 23. 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 \$48,047,138 as of June 30, 2011. The tables below should be read in conjunction with the financial statements on pages 14-15.

### Statement of Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 6,436,655	\$ 6,698,420	\$ 2,213,504	\$ 1,822,170	\$ 8,650,159	\$ 8,520,590
Capital assets	19,180,905	18,327,217	32,394,029	33,182,939	51,574,934	51,510,156
Total assets	25,617,560	25,025,637	34,607,533	35,005,109	60,225,093	60,030,746
Long-term debt outstanding	1,487,214	1,561,165	9,896,899	10,803,441	11,384,113	12,364,606
Other liabilities	569,105	790,123	224,737	230,475	793,842	1,020,598
Total liabilities	2,056,319	2,351,288	10,121,636	11,033,916	12,177,955	13,385,204
Net assets:						
Invested in capital assets,						
Net of debt	17,998,969	16,766,052	22,497,130	22,390,092	40,496,099	39,156,144
Restricted	3,705,300	3,617,268	-	169	3,705,300	3,617,437
Unrestricted	1,856,972	2,291,029	1,988,767	1,580,932	3,845,739	3,871,961
Total net assets	\$ 23,561,241	\$ 22,674,349	\$ 24,485,897	\$ 23,971,193	\$ 48,047,138	\$ 46,645,542

The largest portion of the City's net assets (84%) 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 \$886,892 to \$23,561,241. A portion of the City's net assets, \$3,705,300, represents resources that are subject to external restriction on how they may be used. The unrestricted portion of net assets, \$2,162,250, may be used to meet the government's ongoing obligation to citizens and creditors.

The net assets of our business-type activities increased \$514,704 to \$24,485,897. 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	
	2011	2010	2011	2010	2011	2010
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,401,422	\$ 1,449,167	\$ 7,317,266	\$ 7,334,369	\$ 8,718,688	\$ 8,783,536
Operating Grants	102,748	745,789	-	-	102,748	745,789
Capital Grants	1,823,000	1,755,789	-	80,400	1,823,000	1,836,189
<b>General Revenues</b>						-
Property Taxes	3,316,223	2,841,513	-	-	3,316,223	2,841,513
Other Taxes	6,008,698	5,965,754	-	-	6,008,698	5,965,754
Investment Earnings	192,402	39,234	4,241	2,555	196,643	41,789
Other	371,827	555,291	-	-	371,827	555,291
<b>Total Revenues</b>	<b>13,216,320</b>	<b>13,352,537</b>	<b>7,321,507</b>	<b>7,417,324</b>	<b>20,537,827</b>	<b>20,769,861</b>
<b>Program Expenses</b>						
General Government	1,002,592	844,961	-	-	1,002,592	844,961
Public Safety	7,846,439	7,905,196	-	-	7,846,439	7,905,196
Public Works	3,175,001	3,274,820	-	-	3,175,001	3,274,820
Cemetery	140,107	134,577	-	-	140,107	134,577
Community Development	649,136	1,074,751	-	-	649,136	1,074,751
Interest	16,213	44,788	-	-	16,213	44,788
Public Utilities	-	-	5,416,104	5,773,527	5,416,104	5,773,527
Waste Management	-	-	1,390,639	1,404,916	1,390,639	1,404,916
<b>Total Expenses</b>	<b>12,829,488</b>	<b>13,279,093</b>	<b>6,806,743</b>	<b>7,178,443</b>	<b>19,636,231</b>	<b>20,457,536</b>
Excess before transfers	386,832	73,444	514,764	238,881	901,596	312,325
Transfers	60	-	(60)	-	-	-
<b>Increase in net assets</b>	<b>\$ 386,892</b>	<b>\$ 73,444</b>	<b>\$ 514,704</b>	<b>\$ 238,881</b>	<b>\$ 901,596</b>	<b>\$ 312,325</b>

The City's total revenues increased by \$ 267,966(1 percent) and the total expenses decreased by \$821,305 (4 percent).

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	
	2011	2010	2011	2010
General Government	\$ 1,002,592	\$ 844,961	\$ 226,584	\$ 112,700
Public Safety	7,846,439	7,905,196	6,654,299	5,544,449
Public Works	3,175,001	3,274,820	2,134,021	2,964,654
All Others	805,456	1,254,116	487,414	706,545
Totals	<u>\$ 12,829,488</u>	<u>\$ 13,279,093</u>	<u>\$ 9,502,318</u>	<u>\$ 9,328,348</u>

The net expense of operating Governmental Activities increased slightly from \$9,328,348 to \$9,502,318 or 2 percent. General revenues increased 10 percent, or \$987,358 from \$9,401,792 in 2010 to \$10,389,150 in 2011. The increase resulted from increased sales taxes, collection of previously disputed utility taxes and increased reimbursements from business-type activities.

#### Business-Type Activities

The City's two business-type activities continue to be operated in a manner to cover all operating costs. Rates charged for these services remained the same. The Public Utilities Fund-Water and Sewer has begun a long range plan to perform critical infrastructure replacements to ensure the City is able to continue to provide quality services. These replacements have begun and resulted in negative cash flows. A rate study has been completed and will be implemented in fiscal 2012 to adjust rates to adequately fund these improvements.

#### The City's Funds

As the City completed the year, its governmental funds (as presented on page 16) reported a combined fund balance of \$4,149,229. Included in this total fund balance is the fund balance of the General Fund of \$479,296 which compares to a prior balance of \$399,923 in 2010. This fund balance will assist the City in weathering the current economic slowdown and unanticipated events; however, the balance has been substantially reduced during the economic down turn. As the economy improves, this balance will be increased to provide a cushion for the current economic volatility. Should conditions not improve, services may be curtailed or taxes and fees increased.

#### General Fund Budgetary Highlights

Actual revenues for 2011 exceeded the budgeted amount by \$135,552 or 1.3 percent and expenses exceeded the budget by \$224,519 or 2 percent. As previously discussed, revenues were favorably impacted by the settlement of disputed utility taxes. All operating expenditures were within budget. The non-budgeted capital expenditures related to purchases of various capital assets. A more detailed comparison is on page 54.

## Capital Assets

At June 30, 2011, the City had \$52 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 \$64,778 over the last year. The table below provides further analysis of these capital assets.

	Capital Assets at Year End					
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Land	\$ 4,876,148	\$ 4,876,148	\$ 235,859	\$ 235,859	\$ 5,112,007	\$ 5,112,007
Construction in Progress	920,308	110,311	329,017	23,000	1,249,325	133,311
Buildings/Improvements	7,515,484	6,948,540	9,785,589	9,785,589	17,301,073	16,734,129
Equipment and Vehicles	6,679,015	6,492,620	5,558,761	5,602,734	12,237,776	12,095,354
Infrastructure	32,729,803	31,804,491	48,523,018	48,523,018	81,252,821	80,327,509
Accumulated Depreciation	(33,539,853)	(31,904,893)	(32,038,214)	(30,987,260)	(65,578,067)	(62,892,153)
<b>Totals</b>	<b>\$ 19,180,905</b>	<b>\$ 18,327,217</b>	<b>\$ 32,394,030</b>	<b>\$ 33,182,940</b>	<b>\$ 51,574,935</b>	<b>\$ 51,510,157</b>

Additional information on the City of Waycross' capital assets can be found in footnote 5 on pages 35 and 36 of this report.

## Debt Administration

At year end, the City had \$11,078,830 in bonds, notes, and capital leases outstanding versus \$12,052,704 last year - a decrease of 8 percent - as shown in the following table:

	Outstanding Debt at Year End					
	Governmental Activities		Business-type Activities		Totals	
	2011	2010	2011	2010	2011	2010
Capital Leases	\$ 419,436	\$ 456,763	\$ 215,242	\$ 280,951	\$ 634,678	\$ 737,714
Notes	762,500	792,500	9,681,652	10,522,490	10,444,152	11,314,990
Revenue Bonds	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 1,181,936</b>	<b>\$ 1,249,263</b>	<b>\$ 9,896,894</b>	<b>\$ 10,803,441</b>	<b>\$ 11,078,830</b>	<b>\$ 12,052,704</b>

During the fiscal year ended June 30, 2011 and 2010, the financial condition of the City did not require short-term borrowings to finance governmental operations until property taxes were collected.

Additional information on the City of Waycross' long-term debt can be found in footnote 8 on pages 38 through 40 of this report.

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

The City's elected and appointed officials considered many factors when setting the fiscal-year 2012 budget. In prior years increased operating costs have been funded from increases in the tax digest, primarily in commercial retail property, and increased sales taxes. The economic downturn has adversely impacted these increases. With projected flat or declining sales tax revenues, property taxes were increased one mill to maintain the same level of service in 2010. If costs continue to increase, either tax rates and fees will need to be increased or the level of services adjusted. Although not impacting the 2012 budget, the property tax valuation freeze for homeowners will impact property tax revenues in future years.

**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 better deliver 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 Manager's 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, 2011**

	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and Cash Equivalents	\$ 6,111,868	\$ 893,452	\$ 7,005,320
Investments	-	-	-
Receivables, Net	661,826	607,292	1,269,118
Prepaid Assets	-	-	-
Internal Balances	(647,374)	647,374	-
Receivables from Other Governments	292,089	-	292,089
Inventories	18,246	59,030	77,276
Land and Construction in Progress	5,796,456	564,876	6,361,332
Other Capital Assets, Net	13,384,449	31,829,153	45,213,602
Other Assets	-	6,356	6,356
<b>Total Assets</b>	<b><u>\$ 25,617,560</u></b>	<b><u>\$ 34,607,533</u></b>	<b><u>\$ 60,225,093</u></b>
<b>Liabilities</b>			
Accounts Payable and Accrued Expenses	\$ 569,105	\$ 224,737	\$ 793,842
Long-Term Balances - Due Within One Year	207,109	938,653	1,145,762
Long-Term Balances - Due in More Than One Year	1,280,105	8,958,246	10,238,351
<b>Total Liabilities</b>	<b><u>\$ 2,056,319</u></b>	<b><u>\$ 10,121,636</u></b>	<b><u>\$ 12,177,955</u></b>
<b>Net Assets</b>			
Invested in Capital Assets Net of Related Debt	\$ 17,998,969	\$ 22,497,130	\$ 40,496,099
Restricted for:			
Capital Projects	3,082,534	-	3,082,534
Debt Service	-	-	-
Community Development Projects	574,348	-	574,348
Other Purposes	48,418	-	48,418
Unrestricted	1,856,972	1,988,767	3,845,739
<b>Total Net Assets</b>	<b><u>\$ 23,561,241</u></b>	<b><u>\$ 24,485,897</u></b>	<b><u>\$ 48,047,138</u></b>
<b>Total Liabilities and Net Assets</b>	<b><u>\$ 25,617,560</u></b>	<b><u>\$ 34,607,533</u></b>	<b><u>\$ 60,225,093</u></b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

	Program Revenues				Net (Expenses) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Functions/Programs</b>							
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 1,002,592	\$ 771,008	\$ -	\$ 5,000	\$ (226,584)	\$ -	\$ (226,584)
Public Safety	7,846,439	519,440	-	672,700	(6,654,299)	-	(6,654,299)
Public Works	3,175,001	-	20,947	1,020,033	(2,134,021)	-	(2,134,021)
Cemetery	140,107	110,974	-	-	(29,133)	-	(29,133)
Community Development	649,136	-	81,801	125,267	(442,068)	-	(442,068)
Interest on Long-Term Debt	16,213	-	-	-	(16,213)	-	(16,213)
<b>Total Governmental Activities</b>	<b>12,829,488</b>	<b>1,401,422</b>	<b>102,748</b>	<b>1,823,000</b>	<b>(9,502,318)</b>	<b>-</b>	<b>(9,502,318)</b>
<b>Business-type Activities:</b>							
Public Utilities-Water and Sewer	5,416,104	5,896,074	-	-	-	479,970	479,970
Waste Management	1,390,639	1,421,192	-	-	-	30,553	30,553
<b>Total Business-type Activities</b>	<b>6,806,743</b>	<b>7,317,266</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>510,523</b>	<b>510,523</b>
<b>Total Primary Government</b>	<b>\$ 19,636,231</b>	<b>\$ 8,718,688</b>	<b>\$ 102,748</b>	<b>\$ 1,823,000</b>	<b>\$ (9,502,318)</b>	<b>\$ 510,523</b>	<b>\$ (8,991,795)</b>
<b>Downtown Development Authority</b>	<b>\$ 200,596</b>	<b>\$ 51,016</b>	<b>\$ 26,125</b>				
<b>Total Component Units</b>	<b>\$ 200,596</b>	<b>\$ 51,016</b>	<b>\$ 26,125</b>				
<b>General Revenues:</b>							
<b>Taxes:</b>							
Property Taxes					\$ 3,316,223	\$ -	\$ 3,316,223
Franchise Taxes					1,286,507	-	1,286,507
Public Service Taxes					825,403	-	825,403
Sales Tax					2,995,073	-	2,995,073
Other Taxes					901,715	-	901,715
Unrestricted Investment Earnings					192,402	4,241	196,643
Miscellaneous					371,827	-	371,827
<b>Total General Revenues</b>					<b>9,889,150</b>	<b>4,241</b>	<b>9,893,391</b>
Transfers					60	(60)	-
<b>Total General Revenues, Special Items, and Transfers</b>					<b>9,889,210</b>	<b>4,181</b>	<b>9,893,391</b>
Change in Net Assets					386,892	514,704	901,596
Net Assets - Beginning					22,674,349	23,971,193	46,645,542
<b>Net Assets - Ending</b>					<b>\$ 23,061,241</b>	<b>\$ 24,485,897</b>	<b>\$ 47,547,138</b>

See accompanying notes to basic financial statements.

**CITY OF WAYCROSS, GEORGIA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2011**

	General	SPLOST Fund	SPLOST Fund 2008- 2013	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 480,333	\$ 693,259	\$ 2,223,028	\$ 146,041	\$ 580,659	\$ 4,123,320
Investments	-	-	-	-	-	-
Receivables, Net	292,504	-	166,247	-	46,099	504,850
Prepaid Expenses	-	-	-	-	-	-
Due From Other Funds	3,270	-	-	193,592	-	196,862
Receivables from Other Governments	292,089	-	-	-	-	292,089
Inventories	18,246	-	-	-	-	18,246
Land, Improvements, and Construction in Progress	-	-	-	-	-	-
Other Capital Assets, Net	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,086,442</b>	<b>\$ 693,259</b>	<b>\$ 2,389,275</b>	<b>\$ 339,633</b>	<b>\$ 626,758</b>	<b>\$ 5,135,367</b>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities:</b>						
Accounts Payable and Accrued Expenses	\$ 62,697	\$ -	\$ -	\$ -	\$ 1,221	\$ 63,918
Due to Other Funds	407,611	-	-	375,000	2,771	785,382
Short-Term Loan Payable	-	-	-	-	-	-
Deferred Revenues	136,838	-	-	-	-	136,838
<b>Total Liabilities</b>	<b>\$ 607,146</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,000</b>	<b>\$ 3,992</b>	<b>\$ 986,138</b>
<b>Fund Balances:</b>						
Nonspendable	\$ (386,095)	\$ -	\$ -	\$ -	\$ -	\$ (386,095)
Restricted	-	693,259	2,389,275	-	323,942	3,406,476
Committed	-	-	-	-	299,362	299,362
Assigned	(62,697)	-	-	-	-	(62,697)
Unassigned	928,088	-	-	(35,367)	(538)	892,183
<b>Total Fund Balances</b>	<b>\$ 479,296</b>	<b>\$ 693,259</b>	<b>\$ 2,389,275</b>	<b>\$ (35,367)</b>	<b>\$ 622,766</b>	<b>\$ 4,149,229</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,086,442</b>	<b>\$ 693,259</b>	<b>\$ 2,389,275</b>	<b>\$ 339,633</b>	<b>\$ 626,758</b>	<b>\$ 5,135,367</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, 2011**

**Total Fund Balance - total governmental funds** **\$ 4,149,229**

**Amounts reported for governmental activities  
in the statement of net assets are different because:**

**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.** **(4,250)**

**Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet.** **19,180,905**

**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.** **136,838**

**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>Current Assets</b>	<b>2,149,774</b>	
<b>Capital Assets</b>	<b>69,260</b>	
<b>Accounts Payable</b>	<b>(246,187)</b>	
<b>Interfund Balances</b>	<b>(58,854)</b>	
<b>Capital Lease Payable</b>	<b>(510)</b>	
<b>Net of Amount allocated to capital assets</b>	<b><u>(69,260)</u></b>	<b>1,844,223</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>Loans Payable</b>	<b>(1,181,426)</b>	
<b>Net other post employment benefits (OPEB)</b>	<b>(259,000)</b>	
<b>Compensated Absences</b>	<b><u>(305,278)</u></b>	<b>(1,745,704)</b>

**Net Assets of Governmental Activities** **\$ 23,561,241**

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, 2011**

	General	SPLOST Fund	SPLOST Fund 2008-2013	Capital Reserve Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 9,069,250	\$ -	\$ -	\$ -	\$ 305,442	\$ 9,374,692
Licenses and Permits	749,155	-	-	-	-	749,155
Fines and Forfeitures	489,052	-	-	-	30,388	519,440
Charges for Services	21,853	-	-	-	110,974	132,827
Intergovernmental	148,856	19,640	1,784,768	-	115,269	2,068,533
Interest & Rents	190,173	1,307	4,764	-	2,229	198,473
Other	73,155	-	-	-	149,816	222,971
Total Revenues	<u>10,741,494</u>	<u>20,947</u>	<u>1,789,532</u>	<u>-</u>	<u>714,118</u>	<u>13,266,091</u>
<b>EXPENDITURES</b>						
Current:						
General Government	897,784	-	-	-	15,000	912,784
Public Safety	7,178,144	-	2,479	-	93,208	7,273,831
Public Works	1,920,034	-	-	-	1,250	1,921,284
Cemetery	-	-	-	-	136,136	136,136
Community Development	432,868	-	-	-	169,468	602,336
Capital Outlay	333,828	-	1,763,850	-	108,055	2,205,733
Debt Service	202,833	-	-	-	-	202,833
Total Expenditures	<u>10,965,491</u>	<u>-</u>	<u>1,766,329</u>	<u>-</u>	<u>523,117</u>	<u>13,254,937</u>
Excess (deficiency) of revenues over expenditures	<u>(223,997)</u>	<u>20,947</u>	<u>23,203</u>	<u>-</u>	<u>191,001</u>	<u>11,154</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	183,358	-	-	-	872	184,230
Transfers out	(812)	-	-	-	(183,358)	(184,170)
Proceeds from loan	120,824	-	-	-	-	120,824
Total Other Financing Sources (Uses)	<u>303,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,486)</u>	<u>120,884</u>
Net Change in Fund Balances	79,373	20,947	23,203	-	8,515	132,038
Fund Balances at Beginning of Year	399,923	672,312	2,366,072	(35,367)	614,251	4,017,191
Fund Balances at End of Year	<u>\$ 479,296</u>	<u>\$ 693,259</u>	<u>\$ 2,389,275</u>	<u>\$ (35,367)</u>	<u>\$ 622,766</u>	<u>\$ 4,149,229</u>

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, 2011**

<b>Net change in fund balances - total governmental funds</b>	<b>\$ 132,038</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>2,205,733</b>
 <b>Depreciation expense (\$1,851,793) and loss on disposition (\$252) of 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>(1,852,045)</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>65,796</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>Decrease in compensated absences</b>	<b>6,624</b>
<b>Decrease in allowance for uncollectible accounts</b>	<b>2,746</b>
<b>Increase in other post employment benefits (OPEB)</b>	<b>(71,000)</b>
<b>Increase in capital assets - internal service funds</b>	<b>(10,670)</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>(52,517)</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>(39,813)</u></b>
 <b>Change in net assets of governmental activities</b>	 <b><u><u>\$ 386,892</u></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, 2011**

Business-Type Activities - Enterprise Funds

	Public Utilities	Waste Management	Totals	Governmental Activities-Internal Service Funds
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash & Cash Equivalents	\$ 569,722	\$ 323,561	\$ 893,283	\$ 1,988,548
Receivables, Net	485,749	121,543	607,292	161,226
Prepaid Assets	-	-	-	-
Inventories	59,030	-	59,030	-
Interfund Balances	737,657	4,371	742,028	813,988
<b>Total Current Assets</b>	<b>1,852,158</b>	<b>449,475</b>	<b>2,301,633</b>	<b>2,963,762</b>
<b>Non-Current Assets:</b>				
<b>Restricted Assets</b>				
Cash & Cash Equivalents	169	-	169	-
<b>Total Non-Current Assets</b>	<b>169</b>	<b>-</b>	<b>169</b>	<b>-</b>
<b>Capital Assets, net of</b>				
Accumulated Depreciation	32,237,658	156,371	32,394,029	69,260
Unamortized Bond Costs	6,356	-	6,356	-
<b>Total Assets</b>	<b>\$ 34,096,341</b>	<b>\$ 605,846</b>	<b>\$ 34,702,187</b>	<b>\$ 3,033,022</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable & Accrued Expenses	\$ -	\$ 1,009	\$ 1,009	\$ 246,187
Customer Deposits	210,672	2,550	213,222	-
Current Portion of Long-term debt	902,845	35,808	938,653	510
Interfund Balances	-	94,654	94,654	872,842
<b>Total Current Liabilities</b>	<b>1,113,517</b>	<b>134,021</b>	<b>1,247,538</b>	<b>1,119,539</b>
<b>Current Liabilities Payable from Restricted Assets:</b>				
Accrued Interest	-	-	-	-
Bonds Payable	-	-	-	-
<b>Total Current Liabilities Payable from Restricted Assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Noncurrent Liabilities:</b>				
Estimated Liability-Compensated Absences	\$ -	\$ 10,506	\$ 10,506	\$ -
Revolving Loan Fund Payable	766,279	-	766,279	-
GEFA Loan Payable	8,915,377	-	8,915,377	-
Capital Lease Payable	123,777	91,466	215,243	-
Less: Current Portion	(902,845)	(35,808)	(938,653)	-
<b>Total Noncurrent Liabilities</b>	<b>8,902,588</b>	<b>66,164</b>	<b>8,968,752</b>	<b>-</b>
<b>Total Liabilities</b>	<b>\$ 10,016,105</b>	<b>\$ 200,185</b>	<b>\$ 10,216,290</b>	<b>\$ 1,119,539</b>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	22,432,225	64,905	22,497,130	-
<b>Restricted for:</b>				
Capital Projects	-	-	-	-
Debt Service	-	-	-	-
Community Development Projects	-	-	-	-
Other Purposes	-	-	-	-
Unrestricted	1,648,011	340,756	1,988,767	1,913,483
<b>Total Net Assets</b>	<b>\$ 24,080,236</b>	<b>\$ 405,661</b>	<b>\$ 24,485,897</b>	<b>\$ 1,913,483</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, 2011**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities-Internal Service Funds
	Public Utilities	Waste Management	Totals	
<b>Operating Revenues:</b>				
Charges for Services	\$ 4,785,390	\$ 1,421,192	\$ 6,206,582	\$ 3,809,480
Miscellaneous	1,110,684	-	1,110,684	1,020
<b>Total Operating Revenues</b>	<u>5,896,074</u>	<u>1,421,192</u>	<u>7,317,266</u>	<u>3,810,500</u>
<b>Operating Expenses:</b>				
Personal Services	-	267,266	267,266	3,686,394
Contractual Services	2,427,780	728,769	3,156,549	93,184
Supplies, Repairs, Maintenance	234,348	107,391	341,739	41,034
Other	1,453,347	214,471	1,667,818	40,390
Depreciation & Amortization	1,041,009	68,416	1,109,425	16,623
<b>Total Operating Expenses</b>	<u>5,156,484</u>	<u>1,386,313</u>	<u>6,542,797</u>	<u>3,877,625</u>
<b>Income (Loss) from Operations</b>	<u>739,590</u>	<u>34,879</u>	<u>774,469</u>	<u>(67,125)</u>
<b>Nonoperating Revenues (Expenses):</b>				
Investment Income	4,241	-	4,241	19
Intergovernmental	-	-	-	-
Gain (Loss) on Disposition of Assets	-	-	-	-
Interest Expense	(259,620)	(4,326)	(263,946)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(255,379)</u>	<u>(4,326)</u>	<u>(259,705)</u>	<u>19</u>
<b>Income (loss) before contributions &amp; transfers</b>	<u>484,211</u>	<u>30,553</u>	<u>514,764</u>	<u>(67,106)</u>
Capital Contributions	-	-	-	-
Transfers In (Out)	-	(60)	(60)	27,293
<b>Change in Net Assets</b>	<u>484,211</u>	<u>30,493</u>	<u>514,704</u>	<u>(39,813)</u>
<b>Net Assets at Beginning of Year</b>	<u>23,596,025</u>	<u>375,168</u>	<u>23,971,193</u>	<u>1,953,296</u>
Prior Period Adjustment	-	-	-	-
<b>Net Assets at End of Year</b>	<u>\$ 24,080,236</u>	<u>\$ 405,661</u>	<u>\$ 24,485,897</u>	<u>\$ 1,913,483</u>

See accompanying notes to basic financial statements.



**CITY OF WAYCROSS, GEORGIA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Business-Type Activities - Enterprise Funds</u>			Governmental Activities-Internal Service Funds
	Public Utilities	Waste Management	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 5,860,972	\$ 1,419,448	\$ 7,280,420	\$ 441,614
Cash Received from Operating Grants	-	-	-	-
Cash Received from Other Funds for Services	30,604	-	30,604	3,781,072
Other Operating Cash Receipts	-	-	-	1,020
Cash Payments to Supplies for Goods & Services	(4,121,919)	(1,327,008)	(5,448,927)	(3,980,223)
Cash Payments to Other Funds for Services	(91,620)	(80,501)	(172,121)	(38,609)
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>1,678,037</u>	<u>11,939</u>	<u>1,689,976</u>	<u>204,874</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers (to) from Other Funds	-	(60)	(60)	-
<b>Net Cash Provided (Used) Noncapital Financing Activities</b>	<u>-</u>	<u>(60)</u>	<u>(60)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and Construction of Capital Assets	(306,017)	(10,260)	(316,277)	-
Federal Grant	-	-	-	-
Proceeds from Disposition of Capital Assets	-	-	-	-
Proceeds from Capital Debt	-	-	-	-
Interest Paid on Debt	(259,620)	(4,326)	(263,946)	-
Principal Paid on Debt	(872,111)	(34,431)	(906,542)	(1,530)
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<u>(1,437,748)</u>	<u>(49,017)</u>	<u>(1,486,765)</u>	<u>(1,530)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Cash and Investments	4,241	-	4,241	19
<b>Net Increase (Decrease) in Cash &amp; Cash Investments</b>	<u>244,530</u>	<u>(37,138)</u>	<u>207,392</u>	<u>203,363</u>
Cash and Cash Investments, July 1	325,361	360,699	686,060	1,785,185
<b>Cash and Cash Investments, June 30</b>	<u>\$ 569,891</u>	<u>\$ 323,561</u>	<u>\$ 893,452</u>	<u>\$ 1,988,548</u>
<b>Reconciliation of Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:</b>				
Income (Loss) from Operations	\$ 739,590	\$ 34,879	\$ 774,469	\$ (67,125)
<b>Adjustments to Reconcile Income (Loss) from Operations to Net Cash Provided (Used) by Operating Activities:</b>				
Depreciation and Amortization	1,041,009	68,416	1,109,425	16,623
Prior Period Adjustment	-	-	-	-
<b>Change in Assets and Liabilities:</b>				
(Increase) Decrease in Receivables	(39,025)	(1,194)	(40,219)	74,025
(Increase) Decrease in Prepaid Assets	-	-	-	(1,170)
(Increase) Decrease in Inventories	(6,444)	-	(6,444)	(23,718)
Increase (Decrease) in Interfund Payables	(91,620)	(80,501)	(172,121)	(30,605)
Increase (Decrease) in Accounts Payable	-	(9,111)	(9,111)	(95,503)
Increase (Decrease) in Customer Deposits Payable	3,923	(550)	3,373	-
(Increase) Decrease in Interfund Receivables	30,604	-	30,604	332,347
<b>Net Cash Provided (Used) by Operating Activities</b>	<u>\$ 1,678,037</u>	<u>\$ 11,939</u>	<u>\$ 1,689,976</u>	<u>\$ 204,874</u>
<b>Reconciliation of Total Cash &amp; Cash Investments:</b>				
Current Assets-Cash & Cash Investments	569,722	323,561	893,283	1,988,548
Restricted Assets-Cash & Cash Investments	169	-	169	-
<b>Total Cash &amp; Cash Investments</b>	<u>\$ 569,891</u>	<u>\$ 323,561</u>	<u>\$ 893,452</u>	<u>\$ 1,988,548</u>

See accompanying notes to the basic financial statements.

**CITY OF WAYCROSS, GEORGIA  
STATEMENT OF FIDUCIARY ASSETS & LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Agency Funds</u>
<b>Assets</b>	
<b>Cash</b>	<u>\$ 136,100</u>
<b>Total Assets</b>	<u><u>\$ 136,100</u></u>
<b>Liabilities</b>	
<b>Refundable Court Bonds</b>	<b>\$ 81,317</b>
<b>Seized Funds Held</b>	<u>54,783</u>
<b>Total Liabilities</b>	<u><u>\$ 136,100</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  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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 City has no entities that qualify as discretely presented component units.

**Blended Component Units -** Based on the GASB criteria, the City also 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 eighteen county South Georgia area, is a member of the Southern Georgia Regional Commission (SGRC) and is required to pay annual dues thereto. Membership in an RC 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 RCs. Each county and municipality in the State is required by law to pay minimum annual dues to the RC based on population. The Board of the RC includes elected officials from member counties and cities and nonpublic appointed members. The law defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

member governments are liable for any debts or organizations of an RC beyond its resources. Complete financial statements of the Southeast Georgia Regional Development Center can be obtained from: Southern Georgia Regional Commission, 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 were no 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 –** The 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 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.

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**SPLOST Fund 2008-2013-** The SPLOST Fund 2008-2013 is used to account for the special one-cent sales tax revenues approved by Ware County voters that are specifically restricted for various capital improvements in the City of Waycross.

**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.

**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

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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 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.



**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

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, 2011, 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.

**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".

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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. All general infrastructure assets acquired or constructed after June 30, 2003 have been reported in government-wide financial statements. In implementation of GASB Statement 34 infrastructure assets, the city has elected to limit its transition capitalization to street projects that resulted in acquisition, construction, or significant reconstruction or improvements since June 30, 1980. 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.

The city maintains a capitalization threshold 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 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, 2011 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

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

statements and the reported amounts of revenues and expenditures/expenses during the reporting period. As such, actual results could differ from those estimates.

**O. 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.

**P. Fund Equity**

Fund equity at the governmental fund financial reporting level is classified as "fund balance." Fund equity for all other reporting is classified as "net assets."

**Fund Balance** – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund balances classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

**Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.

**Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Commission through the adoption of a resolution. The City Commission also may modify or rescind the commitment.

**Assigned** – Fund balances are reported as assigned when amounts are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Commission has authorized the City's finance committee or the City's finance director to assign fund balances.

**Unassigned** – Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

**Flow Assumptions** – When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the City's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the City's policy to use fund balance in the following order:

- Committed
- Assigned
- Unassigned

**Net Assets** – Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

(i.e., the amount that the City has spent) for the acquisition, construction or improvement of those assets. Net assets are reported as restricted as described in the fund balance section above. All other net assets are reported as unrestricted.

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

**Q. 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.

The general fund had expenditures in excess of appropriations for capital outlay in the amount of \$203,505 for the year ended June 30, 2011.

The following funds had a deficit fund balance at June 30, 2011:

Health Insurance Fund	(880,846)
Capital Reserve Fund	(35,367)
GEFA Energy Grant Fund	(387)
Trail Head Project Fund	(151)

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, 2011.

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, 2011. 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  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**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, 2011 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	\$ 250,443	\$ 42,061	\$ 292,089	\$ -	\$ 584,593
SPLOST	-	166,247	-	-	166,247
Non-Major	-	-	-	46,099	46,099
<b>Total Governmental Activities</b>	<b>\$ 250,443</b>	<b>\$ 208,308</b>	<b>\$ 292,089</b>	<b>\$ 46,099</b>	<b>\$ 796,939</b>
<b>Business-Type Activities</b>					
Public Utilities	\$ -	\$ 485,749	\$ -	\$ -	\$ 485,749
Waste Management	-	121,543	-	-	121,543
<b>Total Business-Type Activities</b>	<b>\$ -</b>	<b>\$ 607,292</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 607,292</b>

Payables at June 30, 2011 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	\$ 8,372	\$ 54,325	\$ -	\$ -	\$ 62,697
Non-Major	-	-	-	1,221	1,221
<b>Total Governmental Activities</b>	<b>\$ 8,372</b>	<b>\$ 54,325</b>	<b>\$ -</b>	<b>\$ 1,221</b>	<b>\$ 63,918</b>
<b>Business-Type Activities:</b>					
Public Utilities	\$ -	\$ -	\$ -	\$ 210,672	\$ 210,672
Waste Management	-	1,009	-	2,550	3,559
<b>Total Business-Type Activities</b>	<b>\$ -</b>	<b>\$ 1,009</b>	<b>\$ -</b>	<b>\$ 213,222</b>	<b>\$ 214,231</b>

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 5. Capital Assets**

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

	Balance July 1	Additions Completions	Retirements Adjustments	Balance June 30
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 4,876,148	\$ -		\$ 4,876,148
Construction in progress	110,311	867,422	(57,425)	920,308
<b>Total capital assets not being depreciated</b>	<b>\$ 4,986,459</b>	<b>\$ 867,422</b>	<b>\$ (57,425)</b>	<b>\$ 5,796,456</b>
Capital assets, being depreciated:				
Buildings	\$ 6,948,540	\$ 566,944		\$ 7,515,484
Equipment	2,377,997	103,174	(13,609)	2,467,562
Vehicles	4,114,623	300,306	(203,476)	4,211,453
Improvements	-			-
Infrastructure	31,804,491	925,312		32,729,803
<b>Total capital assets being depreciated</b>	<b>\$ 45,245,651</b>	<b>\$ 1,895,736</b>	<b>\$ (217,085)</b>	<b>\$ 46,924,302</b>
Less accumulated depreciation for:				
Buildings	\$ (3,514,794)	\$ (126,408)		\$ (3,641,202)
Equipment	(1,711,227)	(162,168)	13,357	(1,860,038)
Vehicles	(3,114,233)	(417,813)	203,476	(3,328,570)
Improvements	-			-
Infrastructure	(23,564,639)	(1,145,404)		(24,710,043)
<b>Total accumulated depreciation</b>	<b>\$ (31,904,893)</b>	<b>\$ (1,851,793)</b>	<b>\$ 216,833</b>	<b>\$ (33,539,853)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 13,340,758</b>	<b>\$ 43,943</b>	<b>\$ (252)</b>	<b>\$ 13,384,449</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 18,327,217</b>	<b>\$ 911,365</b>	<b>\$ (57,677)</b>	<b>\$ 19,180,905</b>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 235,859			\$ 235,859
Construction in progress	23,000	306,017	-	329,017
<b>Total capital assets not being depreciated</b>	<b>\$ 258,859</b>	<b>\$ 306,017</b>	<b>\$ -</b>	<b>\$ 564,876</b>
Capital assets being depreciated:				
Building	\$ 9,785,589			\$ 9,785,589
Equipment	4,451,036	10,260	(65,500)	4,395,796
Vehicles	1,151,698	19,900	(8,633)	1,162,965
Infrastructure	48,523,018			48,523,018
<b>Total capital assets being depreciated</b>	<b>\$ 63,911,341</b>	<b>\$ 30,160</b>	<b>\$ (74,133)</b>	<b>\$ 63,867,368</b>
Less accumulated depreciation for:				
Building	\$ (5,343,899)	\$ (217,894)		\$ (5,561,793)
Equipment	(4,286,488)	(26,858)	65,500	(4,247,846)
Vehicles	(863,942)	(127,394)	8,633	(982,703)
Infrastructure	(20,492,931)	(752,941)		(21,245,872)
<b>Total accumulated depreciation</b>	<b>\$ (30,987,260)</b>	<b>\$ (1,125,087)</b>	<b>\$ 74,133</b>	<b>\$ (32,038,214)</b>
<b>Total capital assets being depreciated, net</b>	<b>\$ 32,924,081</b>	<b>\$ (1,094,927)</b>	<b>\$ -</b>	<b>\$ 31,829,154</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 33,182,940</b>	<b>\$ (788,910)</b>	<b>\$ -</b>	<b>\$ 32,394,030</b>

**CITY OF WAYCROSS  
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Depreciation expense was charged as direct expense to programs of the primary government as follows:

General government and administration	\$ 59,886
Public Safety	512,645
Public Works	1,236,796
Community Development	39,321
Cemetery	<u>3,145</u>
Total depreciation expense-governmental activities	<u>\$ 1,851,793</u>
 Business-type activities:	
Public Utilities	\$ 1,036,771
Waste Management	<u>68,416</u>
Total depreciation expense-business-type activities	<u>\$ 1,105,187</u>

**Note 6. Interfund Transfers:**

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

Fund Transferred From	<u>Fund Transferred To</u>	<u>Amount</u>
General Fund	FEMA Grant Fund	812
Hotel/Motel Tax	General Fund	183,358
Waste Management	Cemetery Fund	60
Total		<u>\$ 184,230</u>

Transfers from the general fund to the FEMA grant fund were to meet matching requirements of grant expenditures.

Transfers from the Hotel/Motel Tax fund to the general fund were to move revenues from the fund required to collect the revenue to the fund authorized to expend the revenue.

Transfers from the waste management fund to the cemetery fund were to meet operating expenditures of the cemetery fund.

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 7. Interfund Receivables/Payables**

Interfund receivable and payable balances as of June 30, 2011 are as follows:

Fund	Due	
	From Other Funds	To Other Funds
<b>Major Governmental Funds</b>		
<b>General Fund:</b>		
Public Utilities	\$ -	\$ 109,657
SPLOST	-	-
Other Governmental Funds	2,771	-
Internal Service Funds	-	293,583
Waste Management	499	4,371
	<u>3,270</u>	<u>407,611</u>
<b>SPLOST Fund:</b>		
General Fund	-	-
Public Utilities	-	-
	<u>-</u>	<u>-</u>
<b>Capital Reserve Fund:</b>		
General Fund	-	-
Internal Service Funds	193,592	-
Public Utilities	-	375,000
	<u>193,592</u>	<u>375,000</u>
<b>Non-major Governmental Funds</b>		
General Fund	-	2,771
Internal Service Funds	-	-
Capital Reserve	-	-
	<u>-</u>	<u>2,771</u>
<b>Total Governmental Funds</b>	<u>\$ 196,862</u>	<u>\$ 785,382</u>
<b>Major Business-type Funds</b>		
<b>Proprietary Funds</b>		
<b>Public Utilities:</b>		
General Fund	109,657	-
Internal Service Funds	253,000	-
SPLOST	-	-
Other Governmental Funds	-	-
Capital Reserve	375,000	-
	<u>737,657</u>	<u>-</u>
<b>Waste Management:</b>		
General Funds	4,371	499
Internal Service Funds	-	94,155
Public Utilities	-	-
	<u>4,371</u>	<u>94,654</u>
<b>Total Proprietary Funds</b>	<u>\$ 742,028</u>	<u>\$ 94,654</u>
<b>Internal Service Funds</b>		
General Fund	293,583	-
Public Utilities	-	253,000
Other Governmental Funds	-	-
Waste Management	94,155	-
Other Internal Service Funds	426,250	426,250
Capital Reserve	-	193,592
	<u>813,988</u>	<u>872,842</u>
<b>Totals</b>	<u>\$ 1,752,878</u>	<u>\$ 1,752,878</u>

All cash transfers between the funds were to cover shortfalls in funds where revenue did not cover expense and there was a cash flow need. Management plans to repay amounts owed to each fund through expense reduction and increased revenue.



**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Note 8. Long-Term Obligations**

Transactions for the year ended June 30, 2011 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><u>Governmental Type Activities:</u></b>					
Lease Obligations Payable	\$ 454,723	\$ 120,824	\$ (156,621)	\$ 418,926	\$ 176,599
Lease Obligations Payable	2,040		(1,530)	510	510
Notes Payable	792,500	-	(30,000)	762,500	30,000
Compensated Absences	311,902		(6,624)	305,278	
<b>Total Governmental Activities</b>	<b>\$ 1,561,165</b>	<b>\$ 120,824</b>	<b>\$ (194,775)</b>	<b>\$ 1,487,214</b>	<b>\$ 207,109</b>
<b><u>Business-Type Activities:</u></b>					
Lease Obligations Payable	125,897	-	(34,431)	91,466	35,808
Lease Obligations Payable	155,054	-	(31,278)	123,776	32,310
GEFA-98-L68WJ	1,312,530	-	(102,209)	1,210,321	106,464
SRF Loan-CW13088301	308,927	-	(121,725)	187,202	124,178
GEFA Loan-00-L36WJ	6,450,954	-	(490,717)	5,960,237	500,605
SRF Loan CWSRF 00-0020	1,784,365	-	(84,923)	1,699,442	87,500
SRF Loan CWSRF-00-001	625,329	-	(46,254)	579,075	47,657
GEFA Loan CW09071PF60	40,385	7,008	(2,018)	45,375	4,131
Compensated Absences	13,396		(2,890)	10,506	
<b>Total Business-Type Activities</b>	<b>\$ 10,816,837</b>	<b>\$ 7,008</b>	<b>\$ (916,445)</b>	<b>\$ 9,907,400</b>	<b>\$ 938,653</b>

Liabilities for compensated absences are liquidated using resources from the fund in which the employee terminating service previously charged their salary and benefits to, which is the general fund, cemetery fund and solid waste fund.

There were additions to loans during the year for the purchase of new patrol cars and the construction of a litter trap.

**Notes/Loans Payable** (The following is a schedule of annual requirements for GEFA contracts CW09071PF60, 98-L68WJ, CW13088301, 00-L36WJ, #00-20 and SRF00-001.)

Year Ending June 30,	Government Activities		Business Activities		Total
	Principal	Interest	Principal	Interest	
2012	30,000	-	870,535	234,412	1,104,947
2013	30,000	-	828,127	213,323	1,041,450
2014	30,000	-	784,365	193,587	977,952
2015	30,000	-	804,159	173,793	977,952
2016	30,000	-	824,501	153,451	977,952
2017-2021	150,000	-	4,368,322	444,967	4,813,289
2022-2026	150,000	-	1,133,677	66,020	1,199,697
2027-2031	150,000	-	67,986	766	68,752
2032-	162,500	-	-	-	-
	<b>\$ 762,500</b>	<b>\$ -</b>	<b>\$ 9,681,672</b>	<b>\$ 1,480,319</b>	<b>\$ 11,161,991</b>

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**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, 2011, the outstanding balance on this loan was \$187,202 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, 2011, the outstanding balance on this loan was \$1,210,321 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 quarterly payments at 3 percent beginning September 1, 2002. At June 30, 2011, the outstanding balance of this loan was \$579,076 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, 2011, the outstanding balance was \$5,960,238 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, 2011, the outstanding balance was \$1,699,442. Repayment is over 80 quarterly payments of \$34,376 at 3%. 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 November 2009, the City entered into a loan agreement (CW09071PF60) with the Georgia Environmental Facilities Authority for the construction of a litter trap. The total amount received was \$120,785 as part of the American Recovery and Reinvestment Act (ARRA). The ARRA funds will help finance water system improvements through a low-interest loan in the amount of \$47,393 and a subsidy of \$80,400. At June 30, 2011, the outstanding loan balance was \$45,375. Repayment is over 120 monthly payments of \$451 at 3%.

**Capital Leases**

The City has entered into various lease agreements as lessee to finance various machinery and 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, 2011.

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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	<u>Government-Type Activities</u>	<u>Business-Type Activities</u>
Combo Server	\$ -	\$ 224,208
Knuckleboom Loader	-	94,245
Copier	6,120	
Copier	6,120	
Fire Pumper	210,000	-
07 Street sweeper	124,007	-
Hydraulic Excavator	142,760	-
Criminal Inv. - Malibu	17,970	-
5 Malibu Patrol Cars	138,029	-
Ford F-150	14,342	-
John Deere Backhoe	69,499	-
Peterbilt Garbage Truck	-	103,960
5 Impala Patrol Cars	120,824	-
	<u>\$ 849,671</u>	<u>\$ 422,413</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, 2011:

<u>Year Ending June 30,</u>	<u>Governmental- Type Activities</u>	<u>Business-Type Activities</u>
2012	189,866	74,611
2013	133,874	74,611
2014	100,807	54,540
2015	15,220	23,903
2016	-	-
2017-2021	-	-
Total Minimum Lease Payments	<u>\$ 439,767</u>	<u>\$ 227,665</u>
Less: Amount Representing Interest	<u>(20,331)</u>	<u>(12,425)</u>
Present Value of Future Minimum Lease Payments	<u>\$ 419,436</u>	<u>\$ 215,240</u>

**Note 9. Fund Equity**

**Fund Balances:**

Nonspendable – The following fund balances are nonspendable because they are allocated to:

<b>General Fund:</b>	
Inventories	\$ 18,246
Long-term interfund receivables	3,270
Long-term interfund payables	<u>(407,611)</u>
	<u>\$ (386,095)</u>

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Restricted – The following fund balances are restricted for:**

**Capital Projects Funds:**

**SLOST Fund - used to account  
for capital projects financed with  
SPLOST funds** **\$ 693,259**

**SPLOST 2008-2013 Fund - used  
to account for capital projects  
financed with SPLOST funds** **2,389,275**

**\$ 3,082,534**

**Special Revenue Funds:**

**Forfeited Property Fund - used  
to account for funds received  
from property forfeitures** **\$ 28,842**

**WPD Info Technology Fund -  
used to account for fines and  
forfeitures that are restricted for  
the use of police department  
information technology  
expenditures** **11,881**

**Jail Fund - used to account for  
vending revenue of the jail** **172**

**Hotel/Motel Tax Fund - used to  
account for hotel/motel tax  
revenues** **3**

**FEMA Grants Fund - used to  
account for expenditures of  
FEMA grants** **61**

**EIP Revolving Loan Fund - used  
to account for revolving loans  
issued to local businesses** **257,427**

**Misc. Grant Fund - used to  
account for expenditures of  
miscellaneous small grants** **12,651**

**Waycross Fire Dept. Fund - used  
to account for contributions and  
miscellaneous grants received  
for the purpose of fire department  
expenditures** **7,910**

**Misc. Fund - used to account for  
donations for the purpose of  
upkeep and improvements to  
Henry Walker Park** **4,995**

**\$ 323,942**

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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**Committed – The following fund balances are committed to:**

**Special Revenue Funds:**

Community Development Fund - used to account for miscellaneous revenues that are committed to community development expenditures	\$ 87,655
Cemetery Fund - used to account for revenues from purchases of cemetery lots and interment fees, which are committed to upkeep and improvements to the lots	88,144
Cemetery Trust Fund - used to account for funds that are accumulated for future cemetery improvements and expansion	<u>123,563</u>
	<u><u>\$ 299,362</u></u>

**Assigned – The following fund balances are assigned to:**

**General Fund:**

Accounts payable and accrued expenses	\$ (62,697)
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**Unassigned – The City’s policy is to maintain an adequate General Fund unassigned fund balance to provide liquidity in the event of economic downturn or natural disaster.**

**The following fund balances are unassigned:**

General Fund	\$ 928,088
Capital Reserve Fund - negative committed fund balance reported as unassigned	(35,367)
GEFA Energy Grant Fund - negative restricted fund balance reported as unassigned	(387)
Trail Head Project Fund - negative restricted fund balance reported as unassigned	<u>(151)</u>
<b>Total Unassigned</b>	<u><u>\$ 892,183</u></u>

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
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A deficit unassigned fund balance of \$35,367 exists in the Capital Reserve Fund. Management plans to liquidate this deficit balance through future excess revenues to be accomplished through expenditure reduction and increased revenues.

Deficit fund balances of \$387 and \$151 exist in the GEFA Energy Grant Fund and Trail Head Project Fund, respectively. These deficits are expected to be liquidated in future years as additional grant revenues are recognized.

**Net Assets:**

Invested in capital assets, net of related debt reported on the government-wide statement of net assets as of June 30, 2011 are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Invested in capital assets, net of related debt:		
Cost of capital assets	\$ 52,720,758	\$ 64,432,243
Less accumulated depreciation	<u>(33,539,853)</u>	<u>(32,038,214)</u>
Book value	19,180,905	32,394,029
Less capital related debt	<u>(1,181,936)</u>	<u>(9,896,899)</u>
Invested in capital assets, net of related debt:	<u>\$ 17,998,969</u>	<u>\$ 22,497,130</u>

**Note 10. Retirement Benefits**

**Pension Plan-**

**Plan Description:**

The City provides retirement benefits for substantially all of its employees under a defined benefit pension plan - the 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 January 1, 2011 was \$6,299,680. 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 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.

CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**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	7.75% per year
Projected salary increases	3.50% plus age and service based merit increases
Cost of Living Adjustment	N/A
Inflation Rate	3.50%

**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. 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 January 1, 2011, the current plan membership includes the following categories of participants:

Retirees and beneficiaries currently receiving benefits	138
Terminated employees entitled to benefits but not yet receiving them	78
Current active employees:	
Vested	106
Nonvested	83
Total membership in the plan	<u>405</u>

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Funded Status**

	<u>Number of Participants</u>	<u>Present Value of Benefits</u>
<b>Present Value of Accrued Plan Benefits (on-going basis):</b>		
Vested Benefits of Retired Participants and Beneficiaries currently receiving payments	138	\$ 8,904,379
<b>Other Vested Benefits:</b>		
Terminated Vested Participants	78	1,413,718
Active Participants	106	<u>6,386,676</u>
<b>Total Present Value of Vested Benefits</b>		<b>\$ 16,704,773</b>
Nonvested Benefits	83	<u>416,402</u>
<b>Total Present Value of Accrued Plan Benefits</b>	<b>405</b>	<b>17,121,175</b>
Market Value of Assets		11,797,083
Unfunded Present Value of Accrued Plan Benefits		5,324,092
Funded Percentage		68.90%

	<u>Number of Participants</u>	<u>Lump Sum Value of Benefits</u>
<b>Present Value of Accrued Plan Benefits (Plan Termination Basis):</b>		
Retired Participant and Beneficiaries Currently Receiving Payments	138	\$ 13,616,222
Terminated Vested Participants	78	3,493,874
Active Participants	106	<u>13,587,942</u>
<b>Total Present Value of Vested Benefits</b>		<b>\$ 30,698,038</b>
Nonvested Benefits	83	<u>1,094,858</u>
<b>Total Present Value of Vested Benefits</b>	<b>405</b>	<b>31,792,896</b>
Market Value of Assets		11,797,083
Unfunded Present Value of Accrued Plan Benefits		19,995,813
Funded Percentage		37.11%

**Schedule of Funding Progress:**

The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Unfunded AAL (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Annual Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll (b-a/c)</u>
5/1/2007	14,556,521	15,353,702	797,181	94.80%	5,666,291	14.10%
5/1/2008	14,823,312	16,418,605	1,595,293	90.30%	5,966,848	26.70%
5/1/2009	9,967,608	17,069,922	7,102,314	58.40%	6,806,444	104.30%
1/1/2010	12,745,143	18,040,473	5,295,330	70.65%	6,614,425	80.06%
1/1/2011	13,356,680	18,951,798	5,595,118	70.48%	6,299,680	88.82%



**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Schedule of Employer Contribution**

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Amount Contributed</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation</u>
2007	333,435	333,435	100.00%	-
2008	477,609	477,609	100.00%	-
2009	610,789	610,789	100.00%	-
2010	762,262	859,337	100.00%	-
2011	787,610	881,932	100.00%	-

**Schedule of Recommended Contribution**

**Normal Cost**

<b>Retirement Benefits:</b>	
Employees	\$ 400,809
Administrative Expenses	31,149
<b>Total Normal Cost</b>	<b>\$ 431,958</b>
Payment on Unfunded Actuarial Accrued Liability	794,256
Interest	46,629
<b>Minimum Contribution</b>	<b>1,272,843</b>
<b>Normal Cost (including admin) with interest</b>	<b>1,226,214</b>
<b>Recommended Contribution</b>	<b>1,272,843</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.

**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.

CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011

**Note 11. Commitments and Contingencies**

The City has participated in a number of federally assisted grant programs, principal of which are the FEMA Grant, CHIP Grants, CDBG Grants. 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 12. 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 \$80,000 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 Corvel Corporation as administrator for this program. The plan provides coverage for up to a maximum of \$350,000 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.

**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 \$172,281 have been recorded as of June 30, 2011. Dependent coverage is funded by charges to employees. Revenues are recognized from payroll deductions and City contributions. The Claims liability of \$172,281 reported in the Health Insurance Fund at June 30, 2011 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 2005-2011 were:

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Balance at Beginning of Fiscal Year	Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year End
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
06/30/08	163,524	1,093,535	1,076,796	180,263
06/30/09	180,263	1,223,278	1,198,032	205,509
06/30/10	205,509	1,634,144	1,561,420	278,233
06/30/11	278,233	1,225,376	1,331,328	172,281

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
06/30/05	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	-
06/30/08	-	307,430	294,138	13,292
06/30/09	13,292	227,446	172,008	68,730
06/30/10	68,730	122,836	185,828	5,738
06/30/11	5,738	350,686	333,380	23,044

**Note 13. 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 December 1. The City's taxes are billed and collected by the Ware County Tax Commissioner. City property tax revenues are recognized when levied. An allowance is established for delinquent taxes to the extent that the taxes are not collectible.

**Note 14. Joint Ventures/Related Organizations**

Under Georgia law, the City, in conjunction with other cities and counties in the eighteen county South Georgia area, is a member of the Southern Georgia Regional Commission (SGRC) and is required to pay annual dues thereto. During its year ended June 30, 2011 the county paid \$18,485 in such dues.

Membership in an SGRC 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 RCs. Each county and municipality in the State is required by law to pay minimum annual dues to the Commission based on population. The Board of the RC includes elected officials from member counties and cities and nonpublic appointed members. The law defines RCs as "public agencies and instrumentalities of their members". Georgia laws also provide that the member governments are liable for any

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

debts or obligations of an RC beyond its resources. Complete financial statements of the Southeast Georgia Regional Development Center can be obtained from: Southern Georgia Regional Commission, 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 15. Other Post-Employment Benefits**

The City provides certain health care benefits for retired employees through an independent third party administrator, in which all employees may become eligible for benefits if they qualify for early retirement or normal retirement (See Note 9). All retired employees are provided \$1,000 of life insurance coverage which is fully funded by insurance. The total cost to provide retiree health care benefits is paid from the Health Insurance Fund, an internal service fund, and is recognized as paid. The plan does not issue separate financial statements. The City also provides health care benefits for terminated employees who elected coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985(COBRA) for a period of 18 to 24 months. Employees electing this coverage pay 100% of the premium.

As of July 1, 2010, employee membership data relative to the OPEB plan consist of the following:

Current retirees, beneficiaries, and dependents		18
Current active participants		178
Total		196

**Summary of Significant Accounting Policies**

The accrual basis of accounting is used with respect to the recognition in the financial statements of contributions in the form of insurance premiums made to the plan. Plan investments, if any, are reported at their fair value at the reporting date. As of June 30, 2011 the plan reported no assets.

**Funding Policy**

The contribution requirements are established and may be amended by the City. Funding for the plan is derived from member contributions and employer contributions. A retired employee, who is participating in the employer's medical program is eligible to elect post-retirement coverage if they retire at or after age 65 with 5 years of service, age 60 with 30 years of service or age 55 with at least 10 years of service, and are eligible for immediate early retirement benefits under the City of Waycross Retirement Plan. Retirees pay a flat portion of the premium in effect at their retirement date for medical coverage and dental coverage.

**Annual OPEB Cost and Net OPEB Obligation**

The City's most recent actuarial valuation was performed for the plan as of July 1, 2010 to determine the funded status of the plan as of that date as well as the employer's

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

annual required contribution (ARC) for the period according to the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City's annual OPEB cost is \$213,000.

The following table reflects the components of the City's annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Net OPEB (NOO) as of July 1, 2010	188,000
Annual Required Contribution(ARC)	213,000
Interest on Existing (NOO)	8,000
ARC Adjustment	<u>(8,000)</u>
Annual OPEB Cost	213,000
Annual Employer Contribution	<u>(142,000)</u>
Change in Net OPEB Obligation	71,000
Net OPEB Obligation as of June 30, 2011	<u><u>259,000</u></u>

The City's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for 2011, 2010, and 2009 is as follows:

<u>Year Ended</u>	<u>OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>OPEB Obligation</u>
6/30/2011	\$ 213,000	66.7%	\$ 259,000
6/30/2010	231,000	59.3%	188,000
6/30/2009	231,000	59.3%	94,000

**Funded Status and Funding Progress**

Schedule of Funding Progress		July 1, 2010
Actuarial valuation date		-
Actuarial value of assets	\$	-
Actuarial accrued liability		2,664,000
Total unfunded actuarial liability		2,664,000
Funded ratio		0.00%
Annual covered payroll	\$	6,037,000
Ratio of the unfunded actuarial liability to annual covered payroll		44.13%

Data prior to 2009 is not available. As the Plan gains experience, this table and the schedules found in the Required Supplementary Information section will show multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF WAYCROSS  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2011**

**Actuarial Assumptions and Methods**

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

<b>Actuarial Cost Method</b>	<b>Projected Unit Credit</b>
<b>Amortization Method</b>	<b>2.5% increase over 30 years</b>
<b>Remaining amortization period</b>	<b>30 years as of July 1, 2010</b>
<b>Asset Valuation Method</b>	<b>Market Value</b>

**Actuarial Assumptions:**

<b>Investment Rate of Return</b>	<b>7% prefunded or 4% pay-as-you-go</b>
<b>Medical and drug cost trend rate</b>	<b>10.00% graded to 5.00% over 10 years</b>

Full participation by the eligible population is assumed. The valuation does not use a core inflation rate directly, although inflation trends are reviewed to ensure consistency in the selection of the discount rate and the medical trend rate. Calculations are based on the types of benefits provided under the plan at the time of each valuation and on the pattern of cost sharing between the employer and plan members to that point. The City has not entered into any long-term contracts for contributions to the Plan with any party, and accordingly, there were not amounts of contractually required contributions outstanding at the report date.

**Note 16. 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 \$305,442 from the collection of the hotel/motel tax during the fiscal year ended June 30, 2011. The City disbursed \$121,071 to the Chamber of Commerce for the promotion of tourism and \$36,294 to Channel 42. The balance of lodging tax funds was transferred to the general fund.

## **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:

- **Georgia Municipal Employees Benefit System and Other Post-Employment Benefits**
- **Budgetary comparison – General Fund**

**CITY OF WAYCROSS, GEORGIA  
REQUIRED SUPPLEMENTARY INFORMATION  
UNAUDITED**

**Schedule of Funding Progress: Georgia Municipal Employees Benefit System**

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)
05/01/07	14,556,521	15,353,702	797,181	94.8%	5,666,291	14.1%
05/01/08	14,823,312	16,418,605	1,595,293	90.3%	5,966,848	26.7%
05/01/09	9,967,608	17,069,922	7,102,314	58.4%	6,806,444	104.3%
01/01/10	12,745,143	18,040,473	5,295,330	70.7%	6,614,425	80.1%
01/01/11	13,356,680	18,951,798	5,595,118	70.5%	6,299,680	88.8%

**Funded Status and Funding Progress: Other Post Employment Benefits**

Schedule of Funding Progress					
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	
7/1/2008	\$ -	\$ 2,660,000	\$ 2,660,000	0.0%	
7/1/2010		-	2,664,000	0.0%	

AAL based on a pay-as-you-go plan



**CITY OF WAYCROSS, GEORGIA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET & ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>GAAP/Budget Basis</u>	
<b>Revenues:</b>				
Taxes	\$ 8,852,772	\$ 8,852,772	\$ 9,069,250	\$ 216,478
Licenses & Permits	811,700	811,700	749,155	(62,545)
Fines & Forfeitures	570,000	570,000	489,052	(80,948)
Charges for Services	16,000	16,000	21,853	5,853
Intergovernmental	227,000	227,000	148,856	(78,144)
Interest & Rents	29,000	29,000	190,173	161,173
Other	99,500	99,500	73,155	(26,345)
Total Revenues	<u>10,605,972</u>	<u>10,605,972</u>	<u>10,741,494</u>	<u>135,522</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General Government	1,708,801	1,700,902	1,656,408	44,494
Public Safety	7,273,636	7,273,636	7,178,144	95,492
Public Works	1,928,694	1,927,094	1,920,034	7,060
Community Development	482,697	482,697	432,868	49,829
Capital Outlay	-	130,323	333,828	(203,505)
Debt Service	251,657	251,657	202,833	48,824
Reimbursements	(904,513)	(904,513)	(758,624)	(145,889)
Total Expenditures	<u>10,740,972</u>	<u>10,861,796</u>	<u>10,965,491</u>	<u>(103,695)</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(135,000)</u>	<u>(255,824)</u>	<u>(223,997)</u>	<u>31,827</u>
<b>Other Financing Sources (Uses):</b>				
Proceeds from Loan	-	120,824	120,824	-
Transfers In	135,000	135,000	183,358	48,358
Transfers Out	-	-	(812)	(812)
Total other financing sources (uses)	<u>135,000</u>	<u>255,824</u>	<u>303,370</u>	<u>47,546</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>-</u>	<u>79,373</u>	<u>79,373</u>
<b>Fund Balance at Beginning of Year</b>			<u>399,923</u>	
<b>Fund Balance of End of Year</b>			<u>\$ 479,296</u>	

#### **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, 2011**

	Special Revenue Funds								
	Community Development	Forfeited Property	WPD Info Technology Fund	Cemetery Fund	Jail Fund	CDBG 07xp- x-148-2-3335	CHIP #06m- x-148-2-2943	GEFA Energy Grant Fund	Hotel/Motel Tax Fund
<b>Assets</b>									
Cash	\$ 88,537	\$ 28,842	\$ 11,881	\$ 84,051	\$ 172	\$ -	\$ -	\$ (5,387)	\$ 2,906
Accounts Receivable	-	-	-	4,300	-	-	-	5,000	-
Prepaid Expenses	-	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>88,537</b>	<b>28,842</b>	<b>11,881</b>	<b>88,351</b>	<b>172</b>	<b>-</b>	<b>-</b>	<b>(387)</b>	<b>2,906</b>
<b>Liabilities and Fund Balances</b>									
<b>Liabilities</b>									
Accounts Payable & Accrued Expenses	-	-	-	207	-	-	-	-	1,014
Deferred Revenue	-	-	-	-	-	-	-	-	-
Due to Other Funds	882	-	-	-	-	-	-	-	1,889
<b>Total Liabilities</b>	<b>882</b>	<b>-</b>	<b>-</b>	<b>207</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,903</b>
<b>Fund Balances</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	28,842	11,881	-	172	-	-	-	3
Committed	87,655	-	-	88,144	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(387)	-
<b>Total Fund Balances</b>	<b>87,655</b>	<b>28,842</b>	<b>11,881</b>	<b>88,144</b>	<b>172</b>	<b>-</b>	<b>-</b>	<b>(387)</b>	<b>3</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 88,537</b>	<b>\$ 28,842</b>	<b>\$ 11,881</b>	<b>\$ 88,351</b>	<b>\$ 172</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (387)</b>	<b>\$ 2,906</b>

**CITY OF WAYCROSS, GEORGIA  
COMBINING BALANCE SHEET  
NON-MAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	Special Revenue Funds							
	FEMA Grants	EIP Revolving Loan	Misc Grant Fund	Waycross Fire Dept.	Misc Fund	Cemetery Trust Fund	Trail Head Project Fund	Totals
<b>Assets</b>								
Cash	\$ 61	\$ 220,628	\$ 12,651	\$ 7,910	\$ 4,995	\$ 123,563	\$ (151)	\$ 580,659
Accounts Receivable	-	36,799	-	-	-	-	-	46,099
Prepaid Expenses	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Due from Other Funds	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>61</b>	<b>257,427</b>	<b>12,651</b>	<b>7,910</b>	<b>4,995</b>	<b>123,563</b>	<b>(151)</b>	<b>626,758</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts Payable & Accrued Expenses	-	-	-	-	-	-	-	1,221
Deferred Revenue	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	-	-	-	-	-	2,771
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,992</b>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	61	257,427	12,651	7,910	4,995	-	-	323,942
Committed	-	-	-	-	-	123,563	-	299,362
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(151)	(538)
<b>Total Fund Balances</b>	<b>61</b>	<b>257,427</b>	<b>12,651</b>	<b>7,910</b>	<b>4,995</b>	<b>123,563</b>	<b>(151)</b>	<b>622,766</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 61</b>	<b>\$ 257,427</b>	<b>\$ 12,651</b>	<b>\$ 7,910</b>	<b>\$ 4,995</b>	<b>\$ 123,563</b>	<b>\$ (151)</b>	<b>\$ 626,758</b>

**CITY OF WAYCROSS, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds								
	Community Development	Forfeited Property Account	WPD Info Technology Fund	Cemetery Fund	Jail Fund	CDBG 07xp- x-148-2-3335	CHIP #06m- x-1482-2943	GEFA Energy Grant Fund	Hotel/Motel Tax Fund
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,442
Fines & Forfeitures	-	8,416	21,972	-	-	-	-	-	-
Charges for Services	-	-	-	110,974	-	-	-	-	-
Intergovernmental	-	-	-	-	-	66,281	15,520	5,000	-
Interest	-	10	-	-	-	-	-	-	-
Sale of Property	-	27,633	-	-	-	-	-	-	-
Other	117,153	-	-	-	832	-	-	-	-
Total Revenues	117,153	36,059	21,972	110,974	832	66,281	15,520	5,000	305,442
Expenditures									
Current:									
General & Administrative	-	-	-	-	-	-	15,000	-	-
Public Safety	-	45,225	24,736	-	766	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-
Cemetery	-	-	-	136,136	-	-	-	-	-
Community Development	41,326	-	-	-	-	-	520	5,387	122,084
Reimbursements	-	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-	-
Capital Outlay	34,950	-	-	-	-	66,944	-	-	-
Total Expenditures	76,276	45,225	24,736	136,136	766	66,944	15,520	5,387	122,084
Excess Revenues Over (Under) Expenditures	40,877	(9,166)	(2,764)	(25,162)	66	(663)	-	(387)	183,358
Other Financing Sources (Uses)									
Operating Transfers In	-	-	-	60	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-	-	(183,358)
Total Other Financing Sources (Uses)	-	-	-	60	-	-	-	-	(183,358)
Excess Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	40,877	(9,166)	(2,764)	(25,102)	66	(663)	-	(387)	-
Fund Balance, July 1	46,778	38,008	14,645	113,246	106	663	-	-	3
Prior Period Adjustment									
Fund Balance, June 30	\$ 87,655	\$ 28,842	\$ 11,881	\$ 88,144	\$ 172	\$ -	\$ -	\$ (387)	\$ 3

**CITY OF WAYCROSS, GEORGIA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NON-MAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds							Totals
	FEMA Grants	EIP Revolving Loan	Misc Grant Fund	Waycross Fire Dept.	Misc Fund	Cemetery Trust Fund	Trail Head Project Fund	
Revenues								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,442
Fines & Forfeitures	-	-	-	-	-	-	-	30,388
Charges for Services	-	-	-	-	-	-	-	110,974
Intergovernmental	6,175	-	22,293	-	-	-	-	115,269
Interest	-	2,219	-	-	-	-	-	2,229
Sale of Property	-	-	-	-	-	-	-	27,633
Other	-	-	-	4,198	-	-	-	122,183
Total Revenues	<u>6,175</u>	<u>2,219</u>	<u>22,293</u>	<u>4,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>714,118</u>
Expenditures								
Current:								
General & Administrative	-	-	-	-	-	-	-	15,000
Public Safety	936	-	18,508	3,037	-	-	-	93,208
Public Works	-	-	1,250	-	-	-	-	1,250
Cemetery	-	-	-	-	-	-	-	136,136
Community Development	-	-	-	-	-	-	151	169,468
Reimbursements	-	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital Outlay	6,161	-	-	-	-	-	-	108,055
Total Expenditures	<u>7,097</u>	<u>-</u>	<u>19,758</u>	<u>3,037</u>	<u>-</u>	<u>-</u>	<u>151</u>	<u>523,117</u>
Excess Revenues Over (Under) Expenditures	<u>(922)</u>	<u>2,219</u>	<u>2,535</u>	<u>1,161</u>	<u>-</u>	<u>-</u>	<u>(151)</u>	<u>191,001</u>
Other Financing Sources (Uses)								
Operating Transfers In	812	-	-	-	-	-	-	872
Operating Transfers Out	-	-	-	-	-	-	-	(183,358)
Total Other Financing Sources (Uses)	<u>812</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(182,486)</u>
Excess Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	<u>(110)</u>	<u>2,219</u>	<u>2,535</u>	<u>1,161</u>	<u>-</u>	<u>-</u>	<u>(151)</u>	<u>8,515</u>
Fund Balance, July 1	171	255,208	10,116	6,749	4,995	123,563	-	614,251
Prior Period Adjustment	-	-	-	-	-	-	-	-
Fund Balance, June 30	<u>\$ 61</u>	<u>\$ 257,427</u>	<u>\$ 12,651</u>	<u>\$ 7,910</u>	<u>\$ 4,995</u>	<u>\$ 123,563</u>	<u>\$ (151)</u>	<u>\$ 622,766</u>

**CITY OF WAYCROSS, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING BALANCE SHEET  
FOR THE YEAR ENDED JUNE 30, 2011**

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
<b>Assets</b>										
<b>Current Assets</b>										
Cash	\$ 46,580	\$ 701,715	\$ 461,412	\$ 119,875	\$ 20,761	\$ (60,273)	\$ 169,465	\$ 306,614	\$ 222,399	\$ 1,988,548
Other Current Assets	7,697	108,500	-	-	-	-	21,311	23,718	-	161,226
Due from Other Funds	-	346,397	190,068	217,250	-	60,273	-	-	-	813,988
<b>Total Current Assets</b>	<b>54,277</b>	<b>1,156,612</b>	<b>651,480</b>	<b>337,125</b>	<b>20,761</b>	<b>-</b>	<b>190,776</b>	<b>330,332</b>	<b>222,399</b>	<b>2,963,762</b>
<b>Fixed Assets</b>										
Equipment (Net of Accum Deprec)	-	-	-	-	-	-	36,542	32,718	-	69,260
<b>Total Assets</b>	<b>\$ 54,277</b>	<b>\$ 1,156,612</b>	<b>\$ 651,480</b>	<b>\$ 337,125</b>	<b>\$ 20,761</b>	<b>\$ -</b>	<b>\$ 227,318</b>	<b>\$ 363,050</b>	<b>\$ 222,399</b>	<b>\$ 3,033,022</b>
<b>Liabilities</b>										
Accounts Payable & Accrued Liabilities	\$ 172,281	\$ 28,400	\$ -	\$ -	\$ 13,904	\$ -	\$ 9,458	\$ 19,928	\$ 2,216	\$ 246,187
Due to Other Funds	872,842	-	-	-	-	-	-	-	-	872,842
Capital Lease Payable	-	-	-	-	-	-	510	-	-	510
<b>Total Liabilities</b>	<b>1,045,123</b>	<b>28,400</b>	<b>-</b>	<b>-</b>	<b>13,904</b>	<b>-</b>	<b>9,968</b>	<b>19,928</b>	<b>2,216</b>	<b>1,119,539</b>
<b>Fund Balances</b>	<b>(990,846)</b>	<b>1,128,212</b>	<b>651,480</b>	<b>337,125</b>	<b>6,857</b>	<b>-</b>	<b>217,350</b>	<b>343,122</b>	<b>220,183</b>	<b>1,913,483</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 54,277</b>	<b>\$ 1,156,612</b>	<b>\$ 651,480</b>	<b>\$ 337,125</b>	<b>\$ 20,761</b>	<b>\$ -</b>	<b>\$ 227,318</b>	<b>\$ 363,050</b>	<b>\$ 222,399</b>	<b>\$ 3,033,022</b>

**CITY OF WAYCROSS, GEORGIA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2011**

	Health Insurance	Workers Compensation	Liability Insurance	Retirement	Payroll	Warehouse	Data Processing	City Garage	Public Building	Totals
Operating Revenues										
Charges for Goods & Services	\$ 442,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 442,589
City Contributions	1,050,878	349,768	204,998	924,059	12	-	354,887	384,164	98,125	3,366,891
Other	1,020	-	-	-	-	-	-	-	-	1,020
Total Operating Revenues	<u>1,494,487</u>	<u>349,768</u>	<u>204,998</u>	<u>924,059</u>	<u>12</u>	<u>-</u>	<u>354,887</u>	<u>384,164</u>	<u>98,125</u>	<u>3,810,500</u>
Operating Expenses										
Personal Services	-	-	-	-	-	-	194,288	320,638	71,391	586,317
Premiums, Claims, Administration	1,634,258	391,839	192,048	-	-	-	-	-	-	2,218,145
Contractual Services	-	-	-	-	-	-	89,288	3,896	-	93,184
Supplies, Repairs, Maintenance	-	-	-	-	-	-	18,001	12,001	11,032	41,034
Operations-Other	-	-	-	-	28	-	34,561	-	5,801	40,390
Cost of Goods	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	4,353	12,270	-	16,623
Retirement Payments	-	-	-	881,932	-	-	-	-	-	881,932
Total Expenditures	<u>1,634,258</u>	<u>391,839</u>	<u>192,048</u>	<u>881,932</u>	<u>28</u>	<u>-</u>	<u>340,491</u>	<u>348,805</u>	<u>88,224</u>	<u>3,877,625</u>
Operating Income (Loss)	<u>(139,771)</u>	<u>(42,071)</u>	<u>12,950</u>	<u>42,127</u>	<u>(16)</u>	<u>-</u>	<u>14,396</u>	<u>35,359</u>	<u>9,901</u>	<u>(67,125)</u>
Nonoperating Revenues (Expenses)										
Interest Revenue	-	-	-	-	19	-	-	-	-	19
Interest Expense	-	-	-	-	-	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>
Income (Loss) Before Operating Transfers	<u>(139,771)</u>	<u>(42,071)</u>	<u>12,950</u>	<u>42,127</u>	<u>3</u>	<u>-</u>	<u>14,396</u>	<u>35,359</u>	<u>9,901</u>	<u>(67,106)</u>
Operating Transfers In	-	-	-	-	-	-	27,293	-	-	27,293
Operating Transfers Out	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)	(139,771)	(42,071)	12,950	42,127	3	-	41,689	35,359	9,901	(39,813)
Fund Balances, July 1	(851,075)	1,170,283	638,530	294,998	6,854	-	175,661	307,763	210,282	1,953,296
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
Fund Balances, June 30	<u>\$ (990,846)</u>	<u>\$ 1,128,212</u>	<u>\$ 651,480</u>	<u>\$ 337,125</u>	<u>\$ 6,857</u>	<u>\$ -</u>	<u>\$ 217,350</u>	<u>\$ 343,122</u>	<u>\$ 220,183</u>	<u>\$ 1,913,483</u>



**CITY OF WAYCROSS, GEORGIA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011**

	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	\$ 441,614	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,614
Cash received from operating grants	-	-	-	-	-	-	-	-	-	-
Cash received from other funds for services	1,242,498	423,598	204,998	924,059	12	-	354,887	465,164	165,856	3,781,072
Cash received from loss claim recoveries	-	-	-	-	-	-	-	-	-	-
Other operating cash receipts	1,020	-	-	-	-	-	-	-	-	1,020
Cash payments for supplies of goods & services	(1,740,210)	(371,367)	(192,048)	(881,932)	(28)	-	(338,766)	(366,517)	(89,355)	(3,980,223)
Cash payment for loss claims	-	-	-	-	-	-	-	-	-	-
Cash payments to the funds for services	-	(30,605)	-	-	-	(8,004)	-	-	-	(38,609)
<b>Net cash provided (used) by operating activities</b>	<b>(55,078)</b>	<b>21,626</b>	<b>12,950</b>	<b>42,127</b>	<b>(16)</b>	<b>(8,004)</b>	<b>16,121</b>	<b>98,647</b>	<b>76,501</b>	<b>204,874</b>
<b>Cash Flows From Noncapital Financing Activities:</b>										
Operating Transfer In (Out)	-	-	-	-	-	-	-	-	-	-
<b>Net cash flows provided (used) by Noncapital Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash Flows From Capital and Related Financing Activities</b>										
Payments related to acquisition of capital assets	-	-	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-
Principal paid on debt	-	-	-	-	-	-	(1,530)	-	-	(1,530)
Purchase of equipment	-	-	-	-	-	-	-	-	-	-
<b>Net cash flows provided (used) by Capital &amp; Related Financing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,530)</b>	<b>-</b>	<b>-</b>	<b>(1,530)</b>
<b>Cash Flows From Investing Activities</b>										
Interest Revenue	-	-	-	-	19	-	-	-	-	19
<b>Net Cash Flows Provided (Used) by Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19</b>
<b>Net increase (decrease) in cash &amp; cash investments</b>	<b>(55,078)</b>	<b>21,626</b>	<b>12,950</b>	<b>42,127</b>	<b>3</b>	<b>(8,004)</b>	<b>14,591</b>	<b>98,647</b>	<b>76,501</b>	<b>203,363</b>
Cash & cash investments, July 1	101,658	680,089	448,462	77,748	20,758	(52,269)	154,874	207,967	145,898	1,785,185
Cash & cash investments, June 30	\$ 46,580	\$ 701,715	\$ 461,412	\$ 119,875	\$ 20,761	\$ (60,273)	\$ 169,465	\$ 306,614	\$ 222,399	\$ 1,988,548
<b>Reconciliation of Income (loss) from operations to net cash provided (used) by operating activities:</b>										
Income (loss) from operations	(139,771)	(42,071)	12,950	42,127	(16)	-	14,396	35,359	9,901	\$ (67,125)
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>										
Depreciation	-	-	-	-	-	-	4,353	12,270	-	16,623
(Increase) Decrease in Accounts Receivable	(975)	75,000	-	-	-	-	-	-	-	74,025
(Increase) Decrease in Prepaid Insurance	-	(1,170)	-	-	-	-	-	-	-	(1,170)
(Increase) Decrease in Inventory	-	-	-	-	-	-	-	(23,718)	-	(23,718)
(Increase) Decrease in Due from Other Funds	191,620	-	-	-	-	(8,004)	-	81,000	67,731	332,347
(Increase) Decrease in Imprest Deposit	-	-	-	-	-	-	-	-	-	-
Increase (Decrease) in Accounts Payable	(105,952)	20,472	-	-	-	-	(2,628)	(6,264)	(1,131)	(95,503)
Increase (Decrease) in Due to Other Funds	-	(30,605)	-	-	-	-	-	-	-	(30,605)
<b>Total Adjustments</b>	<b>84,693</b>	<b>63,697</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(8,004)</b>	<b>1,725</b>	<b>63,288</b>	<b>66,600</b>	<b>271,999</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>(55,078)</b>	<b>21,626</b>	<b>12,950</b>	<b>42,127</b>	<b>(16)</b>	<b>(8,004)</b>	<b>16,121</b>	<b>98,647</b>	<b>76,501</b>	<b>204,874</b>
<b>Reconciliation of total cash &amp; cash investments:</b>										
Current assets-cash & cash investments	\$ 46,580	\$ 701,715	\$ 461,412	\$ 119,875	\$ 20,761	\$ (60,273)	\$ 169,465	\$ 306,614	\$ 222,399	\$ 1,988,548

**CITY OF WAYCROSS, GEORGIA  
 COMBINING STATEMENT OF FIDUCIARY ASSETS & LIABILITIES  
 JUNE 30, 2011**

	<u>Police Condemnation</u>	<u>Municipal Court</u>	<u>Total Agency Funds</u>
<b>Assets</b>			
Cash	\$ 54,783	\$ 81,317	\$ 136,100
<b>Total Assets</b>	<u>\$ 54,783</u>	<u>\$ 81,317</u>	<u>\$ 136,100</u>
<b>Liabilities</b>			
Refundable Court Bonds	\$ -	\$ 81,317	\$ 81,317
Seized Funds Held	54,783	-	\$ 54,783
<b>Total Liabilities</b>	<u>\$ 54,783</u>	<u>\$ 81,317</u>	<u>\$ 136,100</u>

## **ADDITIONAL SCHEDULES AND OTHER INFORMATION**

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

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James A. Beal IV, CPA, CFP®  
Debra C. Yonz, CPA  
James S. Rivers III, CPA, CFP®, CLU  
Larry G. Taylor, CPA

102 Lee Avenue  
Post Office Box 275  
Waycross, Georgia 31502  
Phone: (912) 283-8889  
Fax: (912) 283-1971  
E-mail: dcy@byrt.com

**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 21, 2011

To the Honorable Mayor and  
Members of 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, 2011, which collectively comprise the City of Waycross, Georgia's basic financial statements and have issued our report thereon dated December 21, 2011. 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 for designing our auditing procedures for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Waycross, Georgia's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the organization's internal control over financial reporting.

*A deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Waycross, Georgia's financial statements are free from 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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James A. Beal IV, CPA, CFP®  
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102 Lee Avenue  
Post Office Box 275  
Waycross, Georgia 31502  
Phone: (912) 283-8889  
Fax: (912) 283-1971  
E-mail: dcy@byrt.com

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

**December 21, 2011**

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

We have audited the accompanying Schedules of Projects Constructed with Special Purpose Local Option Sales Tax for the City of Waycross, Georgia for the year ended June 30, 2011. These schedules are the responsibility of the City of Waycross, Georgia's management. Our responsibility is to express an opinion on the Schedules 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 Schedules of Projects Constructed with Special Purpose Local Option Sales Tax are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Schedules 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 Schedules of Projects Constructed with Special Purpose Local Option Sales Tax. We believe that our audit provides a reasonable basis for our opinion.

The accompanying Schedules 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 modified 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 Schedules 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, 2011, 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, 2011**

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

**CITY OF WAYCROSS, GEORGIA  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS  
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2011**

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



**CITY OF WAYCROSS, GEORGIA  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS  
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Projects</u>	<u>Original Estimated Cost</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
<b>PR-8351-033-01 Central Avenue Drainage</b>	-	10,541	-	10,541	100%
<b>City Boulevard Phase II, IV</b>	-	139,664	-	139,664	100%
<b>38 Connector Widening</b>	-	524,340	-	524,340	100%
<b>PR-8351-036-01 Bazemore Park</b>	-	23,775	-	23,775	100%
<b>Drainage Ditch Project</b>	-	52,559	-	52,559	100%
<b>PR-8531-023-01 U.S. 1 Drainage - Baldwin Rental</b>	-	43,225	-	43,225	100%
<b>Aerial Mapping</b>	-	6,252	-	6,252	100%
<b>Senate Street Miscellaneous</b>	-	350	-	350	100%
<b>Shawnee Drive, Andrea Drive and Knight Avenue</b>	-	3,736	-	3,736	100%
<b>Lee Avenue</b>	-	14,718	-	14,718	100%
<b>Riverside, Dorothy, &amp; Darling</b>	-	7,600	-	7,600	100%
<b>Haines Street Improvements</b>	-	5,598	-	5,598	100%
<b>Painting and Striping Streets</b>	-	23,639	-	23,639	100%
<b>Riverside Drive - Drainage</b>	-	29,650	-	29,650	100%
<b>Milling - Carswell Avenue</b>	-	20,000	-	20,000	100%
<b>City Blvd. - Lamar Johnson Project</b>	-	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, 2011**

<u>Projects</u>	<u>Original Estimated Cost</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
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	-	14,888	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		32,456	-	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 Blvd Phase IV Project #850-10-0104		7995	-	7,995	

**CITY OF WAYCROSS, GEORGIA  
SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS  
THROUGH THE FISCAL YEAR ENDED JUNE 30, 2011**

<u>Projects</u>	<u>Original Estimated Cost</u>	<u>Prior Year</u>	<u>Current Year</u>	<u>Total</u>	<u>Estimated Percentage of Completion</u>
Milling-Plant Ave.		55,431	-	55,431	
Plant Avenue		1,488	-	1,488	
Elizabeth & Mary		39,456	-	39,456	
Dorothy & Tebeau		19,599	-	19,599	
Morningside Drive		198,258	-	198,258	
Rail Relocation-Resurface Carswell, Elizabeth		420,194	-	420,194	
Street Drainage Imprv. - Phase I		594,362	-	594,362	
Contract 12 - Phase II		498,266	-	498,266	
Clough & Garlington		155,935	-	155,935	
Sewer & Water Improvements-Phase I		15,330	-	15,330	
Sewer & Water Improvements - Phase II		7,475	-	7,475	
2010 Street Rehab		5,540	-	5,540	
Carswell, Elizabeth, Pendleton (net costs not reimbursed)		331,108	-	331,108	
<b>Total</b>	<b>\$ 12,704,649</b>	<b>\$ 16,798,685</b>	<b>\$ -</b>	<b>\$ 16,798,685</b>	

**CITY OF WAYCROSS, GEORGIA**  
**SPLOST Fund 2008**  
**SCHEDULE OF PROJECTS CONSTRUCTED WITH SPECIAL SALES TAX PROCEEDS**  
**THROUGH THE FISCAL YEAR ENDED JUNE 30, 2011**

<b>Projects</b>	<b>Original Estimated Cost</b>	<b>Prior Year</b>	<b>Current Year</b>	<b>Total</b>	<b>Estimated Percentage of Completion</b>
Roads and Streets	\$ 5,381,812	\$ 241,599	\$ 847,838	\$ 1,089,437	20%
Public Buildings	3,600,000	32,669	760,380	793,049	22%
Information Technology	75,000	50,142	2,479	52,621	70%
Water and Sewer Rehabilitation and Expansion	2,000,000	-	155,632	155,632	8%
Fire and Special Purpose Vehicles	1,350,000	665,211	-	665,211	49%
Property Acquisition and Demolition	600,000	-	-	-	0%
Downtown Development Authority	500,000	-	-	-	0%
<b>Total</b>	<b>\$ 13,506,812</b>	<b>\$ 989,621</b>	<b>\$ 1,766,329</b>	<b>\$ 2,755,950</b>	

**CITY OF WAYCROSS, GEORGIA  
 CDBG GRANT #07p-x-148-2-3335  
 STATEMENT OF PROGRAM COSTS AND STATEMENT OF SOURCES/STATUS OF FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

<u>Program Activity</u>	<u>Budgeted Costs</u>	<u>Paid to Date</u>	<u>Costs Obligated</u>	<u>Total Cost</u>	<u>Questioned Costs</u>		
S-03M-00	30,194	30,194	-	30,194	-	Total Program Funds Allocated to Recipient	500,000
P-001-01	50,562	50,000	-	50,000	-	Less: Funds Drawn Down by Recipient	(442,229)
P-004-00	56,750	23,345	-	23,345	-	Funds Still Available to be Drawn Down	<u>57,771</u>
P-03M-01	336,172	336,172	-	336,172	-	Total Funds Drawn Down by Recipient	442,229
P-03P-02	14,090	2,518	-	2,518	-	Less: Funds Applied to Costs	(442,229)
C-022-00	12,232	-	-	-	-	Total Funds Available for Disposition	<u>-</u>
<b>Totals</b>	<u><b>500,000</b></u>	<u><b>442,229</b></u>	<u><b>-</b></u>	<u><b>442,229</b></u>	<u><b>-</b></u>		
<b>Expenditure per Financial Statements</b>							
FYE 06/30/08		53,612					
FYE 06/30/09		102,104					
FYE 06/30/10		219,569					
FYE 06/30/11		<u>66,944</u>					
		<u><u>442,229</u></u>					

**CITY OF WAYCROSS, GEORGIA  
 CHIP GRANT #06-x-148-2-2943  
 STATEMENT OF PROGRAM COSTS AND STATEMENT OF SOURCES/STATUS OF FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2011**

Program Activity	Budgeted Costs	Paid to Date	Costs Obligated	Total Cost	Questioned Costs		
H-14A-01						Total Program Funds Allocated to Recipient	\$ 300,000
Rehabilitation of Private Properties	\$ 142,590	\$ 245,768	\$ -	\$ 245,768	\$ -		
						Less: Funds Drawn Down by Recipient	(286,268)
H-013-00							
Downpayment /Closing Cost Assistance	120,320	25,500	-	25,500	-	Funds Deobligated	(13,732)
A-21A-00						Funds Still Available to be Drawn Down	\$ -
Administration	15,000	15,000	-	15,000	-		
C-022-00							
Contingencies	22,090	-	-	-	-	Total Funds Drawn Down by Recipient	\$ 286,268
Totals	\$ 300,000	\$ 286,268	\$ -	\$ 286,268	\$ -	Less: Funds Applied to Costs	(286,268)
						Total Funds Available for Disposition	\$ -
Expenditures per Financial Statements-							
FYE 06/30/08		\$ 6,000					
FYE 06/30/09		48,694					
FYE 06/30/10		216,054					
FYE 06/30/11		15,520					
		\$ 286,268					

**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
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
2007-08	1,232,559	3,832,594	2,903,904	1,795,500	-	455,539	-	150,331	133,610	155,463	10,659,500
2008-09	1,061,867	3,860,390	2,939,425	1,819,800	-	441,297	-	171,784	11,500	109,767	10,415,830
2009-10	771,152	4,029,306	3,052,124	1,874,302	-	439,794	-	317,108	5,399	-	10,489,185
2010-11	897,784	4,036,887	3,141,257	1,920,034	-	432,868	-	202,833	333,828	812	10,966,303

Net of Reimbursements



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

<b>Year Ending</b>	<b>Taxes</b>	<b>Licenses and Permits</b>	<b>Fines and Forfeitures</b>	<b>Charges for Service</b>	<b>Sale of City Property</b>	<b>Other</b>	<b>Inter- Governmental Revenue</b>	<b>Total</b>
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
2007-08	8,555,444	785,842	494,025	16,328	-	196,775	403,026	10,451,440
2008-09	8,400,912	798,119	540,292	18,982	-	144,207	211,019	10,113,531
2009-10	8,520,477	714,166	552,168	18,095	-	94,696	234,031	10,133,633
2010-11	9,069,250	749,155	489,052	21,853	-	263,328	148,856	10,741,494

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

<b>Year Ending</b>	<b>Total Taxes</b>	<b>Property Taxes</b>	<b>Franchise Taxes</b>	<b>Sales Taxes</b>	<b>Revenues and Other Taxes</b>
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
2007-08	8,555,444	2,468,371	1,200,882	3,441,880	1,444,311
2008-09	8,400,912	2,496,231	1,242,201	3,172,561	1,489,919
2009-10	8,520,477	2,792,354	1,218,501	3,112,610	1,397,012
2010-11	9,069,250	3,365,994	1,286,507	2,995,073	1,421,676

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

<u>Year Ending</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Collection Prior Years</u>	<u>Total Collections</u>	<u>Total Collections as a Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>
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	88.1%	97,313	2,199,173	96.4%	156,101
2006-07	2,282,899	2,101,860	92.0%	89,771	2,100,106	92.0%	159,996
2007-08	2,393,623	2,152,538	89.9%	107,443	2,259,982	94.4%	145,102
2008-09	2,375,272	2,206,788	92.9%	74,548	2,281,336	96.0%	176,232
2009-10	2,820,893	2,597,851	92.1%	105,102	2,702,953	95.8%	199,875
2010-11	2,863,300	2,654,519	92.7%	266,781	2,921,300	102.0%	173,016

**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>
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%
2007-08	270,926,543	677,316,358	40%
2008-09	272,045,179	680,112,948	40%
2009-10	272,155,064	680,387,661	40%
2010-11	275,237,237	688,093,093	40%

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

	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Residential	\$ 117,193,214	\$ 118,401,524	\$ 118,646,720	\$ 112,976,349	\$ 96,904,122	\$ 96,731,206	\$ 92,978,395	\$ 84,518,806	\$ 82,093,351	\$ 78,514,534
Historic	326,736	327,098	211,816	211,816	132,840	132,840	125,411	125,412	104,510	104,510
Commercial	128,320,875	126,834,786	127,938,590	124,762,905	125,691,920	121,842,075	113,535,416	110,964,113	105,510,340	105,437,291
Industrial	1,610,454	704,604	864,136	902,705	1,000,016	1,246,432	1,027,874	1,074,028	1,639,457	1,690,024
Personal	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	2,759	28,721	24,145	(3)	(3)	(3)	(3)
Utilities	21,979,307	22,633,113	20,514,815	28,689,092	30,420,455	33,092,588	42,869,064	42,865,709	36,936,617	34,812,727
Motor Vehicles	21,026,070	22,824,480	22,824,480	22,235,460	20,591,300	22,196,590	23,223,630	23,990,390	23,798,530	23,535,510
Mobile Homes	1,182,293	1,078,759	1,294,481	1,464,069	1,562,192	1,675,063	1,793,987	1,919,341	799,716	690,989
Railroad Car (2)	-	-	-	-	-	-	-	-	-	-
	<u>\$ 291,638,949</u>	<u>\$ 292,804,364</u>	<u>\$ 292,295,038</u>	<u>\$ 291,245,155</u>	<u>\$ 276,331,566</u>	<u>\$ 276,940,939</u>	<u>\$ 275,568,361</u>	<u>\$ 265,476,846</u>	<u>\$ 250,922,150</u>	<u>\$ 244,830,677</u>
Exemptions (1)	\$ (14,890,049)	\$ (14,859,367)	\$ (14,868,088)	\$ (23,621,425)	\$ (13,158,455)	\$ (13,202,188)	\$ (12,964,207)	\$ (12,187,683)	\$ (11,972,104)	\$ (9,732,042)
Total (1)	<u>\$ 276,748,900</u>	<u>\$ 277,944,997</u>	<u>\$ 277,426,950</u>	<u>\$ 267,623,730</u>	<u>\$ 263,173,111</u>	<u>\$ 263,738,751</u>	<u>\$ 262,604,154</u>	<u>\$ 253,289,163</u>	<u>\$ 238,950,046</u>	<u>\$ 235,098,635</u>

(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**

<u>Year Ending</u>	<u>City</u>
2001-02	10.37
2002-03	10.27
2003-04	10.27
2004-05	10.27
2005-06	10.266
2006-07	10.226
2007-08	9.998
2008-09	9.998
2009-10	10.998
2010-11	10.998

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

<u>Year Ending</u>	<u>Population</u>	<u>Value</u>	<u>Gross Bonded Debt</u>	<u>Ratio of Gross Bonded Debt to Assessed Value</u>	<u>Gross Bonded Debt per Capita</u>
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%	-
2007-08	14,765	270,926,543	-	0.00%	-
2008-09	14,765	272,045,179	-	0.00%	-
2009-10	14,765	272,155,064	-	0.00%	-
2010-11	14,649	275,237,237	-	0.00%	-

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

<u>Year Ending</u>	<u>Capitalized Leases &amp; Equipment Financing Principal &amp; Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Total General Expenditures</u>	<u>Percent of Debt Service to General Expenditures</u>
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%
2007-08	150,331	-	-	150,331	10,659,500	1.41%
2008-09	171,784	-	-	171,784	10,415,830	1.65%
2009-10	317,108	-	-	317,108	10,489,185	3.02%
2010-11	202,833	-	-	202,833	10,966,303	1.85%



**CITY OF WAYCROSS, GEORGIA  
 COMPUTATION OF LEGAL DEBT MARGIN  
 AND DIRECT AND OVERLAPPING DEBT  
 JUNE 30, 2011**

<b>Assessed Value</b>	<b><u>\$ 275,237,237</u></b>
<b>Debt Limit: 10% of Assessed Value</b>	<b>\$ 27,523,724</b>
<b>Less: Debt Application to Debt Limit</b>	
<b>General Obligation Indebtedness</b>	<b><u>9,681,672</u></b>
<b>Legal Debt Margin</b>	<b><u>\$ 17,842,052</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>9,681,672</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>\$ 9,681,672</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>
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
2007-08	5,873,224	3,984,088	1,889,136	1.72
2008-09	5,724,891	3,969,709	1,755,182	1.60
2009-10	5,892,904	4,142,252	1,750,652	1.59
2010-11	5,896,074	4,115,475	1,780,599	1.71

(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  
2010-2011**

	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
1. Ware Correctional Institute	\$ 135,811	\$ 146,078	\$ 281,889
2. Satilla Regional Medical Center	64,194	69,032	133,226
3. Waycross Housing Authority	39,848	42,572	82,420
4. Flanders Provision Co.	28,616	30,687	59,303
5. CSX Transportation	36,415	15,863	52,278
6. Rich Products Corp.	22,293	23,745	46,038
7. Ware County Commission	17,639	18,946	36,585
8. Ware Manor Apartments	12,248	13,140	25,388
9. Peachwood Place	10,313	11,055	21,368
10. Ware County Board of Education	<u>8,988</u>	<u>9,629</u>	<u>18,617</u>
<b>Total</b>	<u><u>\$ 376,365</u></u>	<u><u>\$ 380,747</u></u>	<u><u>\$ 757,112</u></u>

**CITY OF WAYCROSS, GEORGIA  
PRINCIPAL TAXPAYERS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Assessed Value</u>	<u>Tax Levied</u>
1. CSX Transportation	\$ 29,187,941	\$ 321,009
2. Georgia Power Company	4,369,294	48,054
3. Walmart Stores, Inc.	3,390,179	37,285
4. Lowe's Home Centers, Inc.	3,297,138	36,262
5. Kolb & Wheeler & Walters	3,260,095	35,855
6. Walmart Stores East LP	3,098,620	34,079
7. Lowe's Home Centers, Inc.	1,778,334	19,558
8. The Kroger Company	1,705,294	18,755
9. Kemp Ridge Holdings, LLC	1,630,476	17,932
10. Sears Roebuck & Co.	<u>1,625,323</u>	<u>17,875</u>
<b>Total</b>	<u><u>\$ 53,342,694</u></u>	<u><u>\$ 586,664</u></u>

**CITY OF WAYCROSS, GEORGIA  
MISCELLANEOUS STATISTICS  
JUNE 30, 2011**

Date of Incorporation	1874
Form of Government	Manager
Number of Employees (Excluding Police and Fire) Classified	87
Area in Square Miles	11.69
Population-City	14,649
-County	36,312
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
<b>Culture and Recreation</b>	
Community Centers	1
Parks	24
Park Acreage	113.34
Cemeteries	3
Cemetery Acreage	140
Tennis Courts	1
<b>Fire Protection</b>	
Number of Stations	3
Number of Fire Personnel and Officers	54
Number of Calls Answered	1,101
Number of Inspections Conducted	1,682
<b>Police Protection</b>	
Number of Stations	1
Number of Police Personnel and Officers	68
Number of Patrol Units	42
Number of Law Violations:	
Physical Arrests	1,902
Traffic Violations	4,015
<b>Sewerage System</b>	
Miles of Sanitary Sewers	120
Miles of Storm Sewers	60
Number of Treatment Plants	1
Number of Service Connections	6,912
Daily Average Treatment in Gallons	3,000,000
Maximum Daily Capacity of Treatment Plant in Gallons	12,000,000
<b>Water System</b>	
Miles of Water Mains	145
Number of Service Connections	7,452
Number of Fire Hydrants	999
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>	
<b>Hospitals:</b>	
Number of Hospitals	1
Number of Beds	231

**CITY OF WAYCROSS, GEORGIA  
SELECTED WATER AND SEWER INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2011**

<b>Water Accounts Active (Estimate)</b>	<b>6,438</b>
<b>Sewer Accounts Active (Estimate)</b>	<b>5,916</b>
<b>Total Water Pumped - Gallons (Estimate)</b>	<b>1,007,733,000</b>
<b>Total Water Consumed - Gallons (Estimate)</b>	<b>797,089,744</b>
<b>Total Water Billed</b>	<b>\$ 2,442,068</b>
<b>Total Water Collected</b>	<b>\$ 2,522,713</b>
<b>Total Sewer Billed</b>	<b>\$ 2,405,574</b>
<b>Total Sewer Collected</b>	<b>\$ 2,303,208</b>